

## NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 227 of the Royal Legislative Decree 4/2015, of 23 October, approving the consolidated text of the Securities Market Act, Lar España Real Estate SOCIMI, S.A. ("**Lar España**" or the "**Company**") hereby informs the National Securities Market Commission of the following

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## OTHER RELEVANT INFORMATION

Yesterday, the Board of Directors of the Company approved the main terms and conditions for renewing the management agreement entered into by the Company and Grupo Lar Inversiones Inmobiliarias, S.A. (the "**Investment Manager**") on 12 February 2014, as amended on 19 February 2018, which was set to expire on 1 January 2022 (the *Investment Manager Agreement* or the "**IMA**").

The terms and conditions for the renewal of the IMA have been agreed on the basis of the accumulated experience as of this date and on the basis of the satisfactory relationship between the Company and the Investment Manager, in the understanding that these changes will be beneficial for the Company and that they will result on a better alignment of interests. The referred terms and conditions will be duly reflected in the new and amended version of the IMA that will be negotiated and, where appropriate, entered into by the Company and the Investment Manager. The most relevant changes with respect to the current version of the IMA are the following:

- Term of the agreement

The new agreement will be valid for a period of five years, beginning on 1 January 2022 and ending on 31 December 2026.

- Base fee

The base fee will be a fixed fee based on the result of applying a 0.62% over the Net Asset Value.

- Performance fee

The performance fee structure of the current IMA will be maintained with the following changes: (i) the applicable rate will be reduced from 20% to 10%; (ii) there will be no catch-up; (iii) the applicable hurdle rate will be set at 8.5% from 2022 onwards; (iv) 80% of the performance fee will be calculated based on growth in NAV per share and the remaining 20% will be calculated based on the evolution of the Company's share price; (v) the performance fee will be settled annually; (vi) the performance fee will be limited to a maximum amount of 1.5 times the annual

base fee; and (vii) the performance fee will be payable, at the discretion of the Company, in cash or treasury shares valued at their closing price at an agreed date.

- Variable fee for special actions

For those cases in which the Company undertakes asset developments or extensions of its current assets, there would be a new additional variable fee as a percentage of their all-in-cost (CAPEX excluding land). The applicable percentage will be of (i) 4% of all-in-costs below or up to 40 million euro; and (ii) 3% of all-in-costs above 40 million euro. Refurbishments will not give rise to variable fee and will be covered by the base fee.

- Exclusivity

The exclusivity provision of the current IMA will be revised to include (i) a non-compete agreement that will depend on the catchment area of the assets of the Company; and (ii) a preferential acquisition right for the Company in connection with potential acquisitions of assets in Spain.

The non-compete agreement is intended to provide exclusivity within a specific catchment area, which will vary as a function of each asset's activity (shopping centre, leisure, retail park or factory outlet). If the Company acquires a new asset, the exclusivity restriction will apply to all types of assets within a 75 km radius of such asset, unless agreed otherwise.

Regarding the preferential acquisition right, the Investment Manager will be contractually required to present to the Company any potential acquisition of a shopping centre or retail park (existing or in development) within Spain, whenever the corresponding asset meets the investment criteria included in the Company's business plan.

- Early termination fees

The early termination fees that are currently provided in the IMA will be lowered to (i) 0.50% of the last reported EPRA NAV in case of discretionary early termination by the Company with prior notice of, at least, 12 months; (ii) 0.75% of the last reported EPRA NAV in case of discretionary early termination by the Company with prior notice of, at least, 6 months; and (iii) in the event of a change of control in the Company, 0.5% of the last reported EPRA NAV, giving not less than 6 months prior notice, unless the offer price exceeds such EPRA NAV per share by more than 5% (in which case the applicable termination fee shall amount to 1.00% of the last reported EPRA NAV).

The Company will make a presentation on this matter by multi-conference today, 9 June 2021, at 15:30 Madrid time. Information regarding the presentation will be made available to the public on the Company's website.



Finally, any new information regarding the negotiations on the renewal of the IMA or the subscription of a new agreement with the Investment Manager will be made available to the public on the website of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*), as well as on the Company's website, through the corresponding announcement of other relevant information.

Madrid, 9 June 2021

Lar España Real Estate SOCIMI, S.A.

Mr. José Luis del Valle Doblado,  
Chairman of the Board of Directors