EPRA Information

5

In September 2022, for the **eighth consecutive year, Lar España** was awarded the **EPRA Gold Award** for the quality of **financial information** made available to its stakeholders and for the **fifth consecutive** year for the quality of the **ESG information**.

At the end of 2022, the Company's EPRA NAV/NTA stood at **€10.93 /share**, an **increase** of **5%** compared to the one registered at the end of 2021.

EPRA recognition

In **February 2022**, the Reporting & Accounting Committee of EPRA (European Public Real Estate Association [1]) updated its Best Practices Recommendations [2] guidelines in order to improve the presentation, transparency, comparability and relevance of the published results of listed real estate companies in Europe, including an analysis ratio regarding the leverage of companies, the EPRA LTV.

Lar España fully supports and endorses the principle of standardizing the reporting of performance indicators from the perspective of comparability and improving the quality of information provided to investors and other users of the financial information.

For this purpose, we have included an specific chapter with our main economic indicators following EPRA guidances.

In September 2022, for the **eighth consecutive year,** Lar España was awarded the **EPRA Gold Award** for the quality of **financial information** made available to its main interest groups. Regarding the information published about **ESG**, Lar España also obtained the highest distinction by EPRA, achieving for the **fifth consecutive year** the **Gold Award.** This highlights the **international recognition for the information reported by Lar España** and made available to its shareholders.

(1) Not-for-profit association founded in 1999 registered in Belgium which aims to make the financial statements of public real state companies clearer, more transparent and comparable across Europe.

(2) "Best Practices Recommendations - BPR" available at www.epra.com

Key performance indicators described in the Best Practices Recomendations developed by EPRA are shown as follows:

Indicator	31/12/2022 (Thousands of euros) (%)	31/12/2022 (€/share)
EPRA Earnings	**40,346**	**0.48**
EPRA NTA	**914,332**	**10.93**
EPRA NRV	**948,208**	**11.34**
EPRA NDV	**898,754**	**10.75**
EPRA Net Initial Yield (NIY)	**5.6%**	
EPRA "Topped-up" NIY	**5.9%**	
EPRA Vacancy Rate	**3.5%**	
EPRA Cost Ratio	**16.4%** (*)	
EPRA Cost Ratio (excluding costs of direct vacancy)	**14.2%** (*)	
EPRA LTV Ratio	**39.4%** (**) (***)	

(*) Ratio calculated considering recurring expenses. See terms definitions in Glossary, section 8.
(**) New ratio introduced in the February 2022 update of the EPRA Best Practices and Recommendations Manual. See Glossary, section 8, for a description of terminology.
*(***) After the bonds buy-back in January 2023 the pro-forma EPRA LTV stands at **38.1%**.*

5.1
EPRA Earnings

(Thousands of euros)	2022	2021
EARNINGS PER IFRS INCOME STATEMENT	**72,921**	**25,782**
Change in value of investment properties	(32,575)	1,305
Profits or losses on disposal of investment properties	-	(64)
Tax on profits or losses on disposals	-	(1,622)
Negative goodwill	-	-
Changes in fair value of financial instruments and associated close-out costs	-	(1,465)
Acquisition costs on share deals and non-controlling joint venture interests	-	-
Deferred tax in respect of EPRA adjustments	-	-
Adjustments to above in respect of joint ventures	-	-
Non-controlling interests in respect of the above	-	-
EPRA EARNINGS	**40,346**	**23,936**
Weighted average number of shares (excluding treasury shares)	**83,588,177**	**84,189,058**
EPRA EARNINGS PER SHARE (EUROS)	**0.48**	**0.28**

EPRA Earnings per share

+70%
vs 2021

5.2
EPRA Net Asset Value Ratios

In October 2019, **EPRA published an update** of its "Best Practices and Recommendations" document in which, at 31 December 2020, the calculation of the EPRA NAV and EPRA NNNAV ratios is replaced by three new indicators: **EPRA NRV, EPRA NTA and EPRA NDV**[1].

The EPRA Net Asset Value indicator set makes adjustments to the company's own funds in accordance with the IFRS[2] financial statements to provide investors with the most relevant information on the fair value of the assets and liabilities of a property investment firm, in different scenarios.

(1) For more information see: https://www.epra.com/application/files/2315/7321/0568/EPRA_FAQ_-_FINAL_version.pdf.:
(2) IFRS (International Financial Reporting Standards).

EPRA Net Asset Value Ratios

(Thousands of euros)			31/12/2022			31/12/2021
	NTA Net Tangible Assets	**NRV** Net Reinstatement Value	**NDV** Net Disposal Value	**NTA** Net Tangible Assets	**NRV** Net Reinstatement Value	**NDV** Net Disposal Value
Equity attributable to shareholders	**898,754**	**898,754**	**898,754**	**855,387**	**855,387**	**855,387**
(I) Hybrid Instruments	-	-	-	-	-	-
Diluted NAV	**898,754**	**898,754**	**898,754**	**855,387**	**855,387**	**855,387**
Include						
(II.a) Revaluation of investment properties	-	-	-	-	-	-
(II.b) Revaluation of investment properties under construction	-	-	-	-	-	-
(II.c) Revaluation of other non-current investments	-	-	-	-	-	-
(III) Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
(IV) Revaluation of trading properties	-	-	-	-	-	-
Diluted NAV at Fair Value	**898,754**	**898,754**	**898,754**	**855,387**	**855,387**	**855,387**
Exclude						
(V) Deferred Tax in relation to fair value gains of IP	15,578	15,578	n.a	15,578	15,578	n.a
(VI) Fair value of financial instruments	-	-	n.a	(1,465)	(1,465)	n.a
(VII) Goodwill as a result of deferred tax	-	-	-	-	-	-
(VIII.a) Goodwill as per the IFRS balance Sheet	-	n.a	-	-	n.a	-
(VIII.b) Intangibles as per the IFRS balance sheet	-	n.a	n.a	-	n.a	n.a
Include						
(IX) Fair value of fixed interest rate debt	n.a	n.a	-	n.a,	n.a	-
(X) Revaluation of intangibles to fair value	n.a	-	n.a	n.a,	-	n.a
(XI) Real estate transfer tax	-	33,876	n.a	-	26,273	n.a
NAV	**914,332**	**948,208**	**898,754**	**869,501**	**895,774**	**855,387**
Number of shares (excluding treasury shares)	83,636,255	83,636,255	83,636,255	83,561,999	83,561,999	83,561,999
NAV per share	**10.93** (*)	**11.34** (*)	**10.75** (*)	**10.41**	**10.72**	**10.24**

Figures may not match due to rounding.

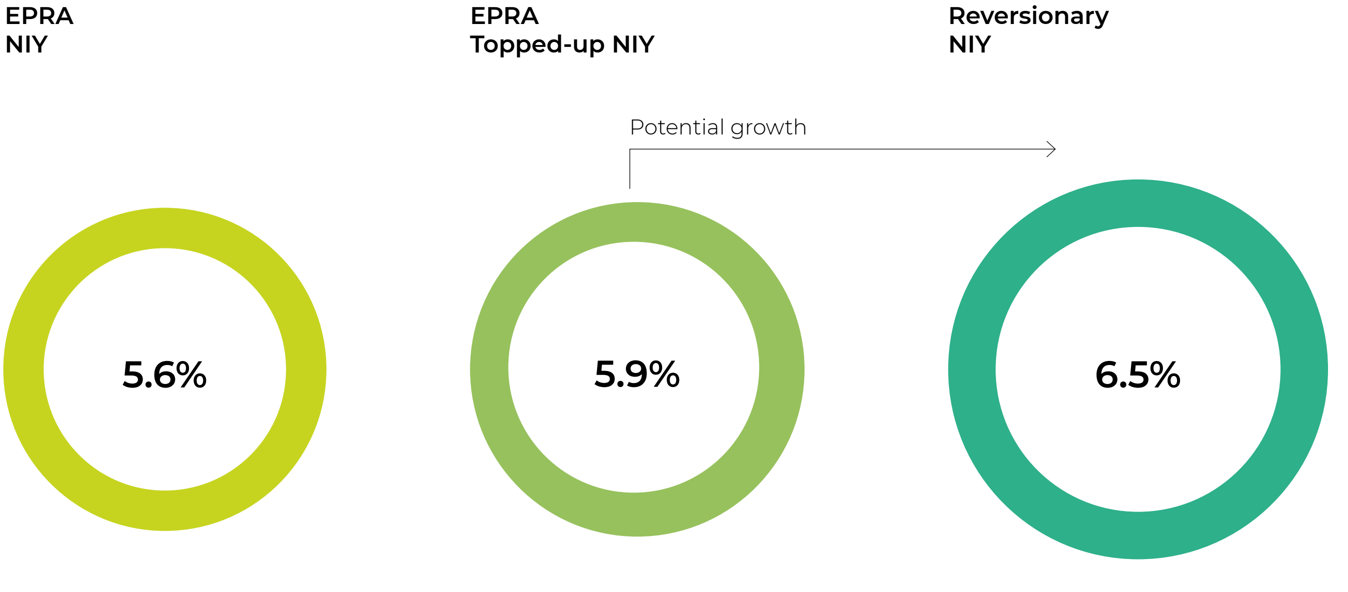
(*) When analyzing the evolution of this measure it is important to take into account the dividend paid in Q2 2022 ***(0.36€/share).***

5.3
EPRA NIY and EPRA "topped-up" NIY

(Thousands of euros)	Total Shopping Centres	Total Retail Parks	Total Lar España
Completed Property Portfolio	968,998	504,200	1,473,198
Allowance for estimated purchasers costs	24,060	9,816	33,876
Gross up completed property portfolio valuation (A)	**993,057**	**514,016**	**1,507,074**
Annualised cash passing rental income	61,616	32,609	94,224
Property outgoings	(6,138)	(3,009)	(9,147)
Annualised net rents (B)	**55,478**	**29,599**	**85,077**
Notional rent expiration of rent free periods or other lease incentives	2,332	1,926	4,258
Topped-up net annualised rents (C)	**57,809**	**31,525**	**89,335**
EPRA NET INITIAL YIELD (B/A)	**5.6%**	**5.8%**	**5.6%**
EPRA TOPPED-UP NET INITIAL YIELD (C/A)	**5.8%**	**6.1%**	**5.9%**

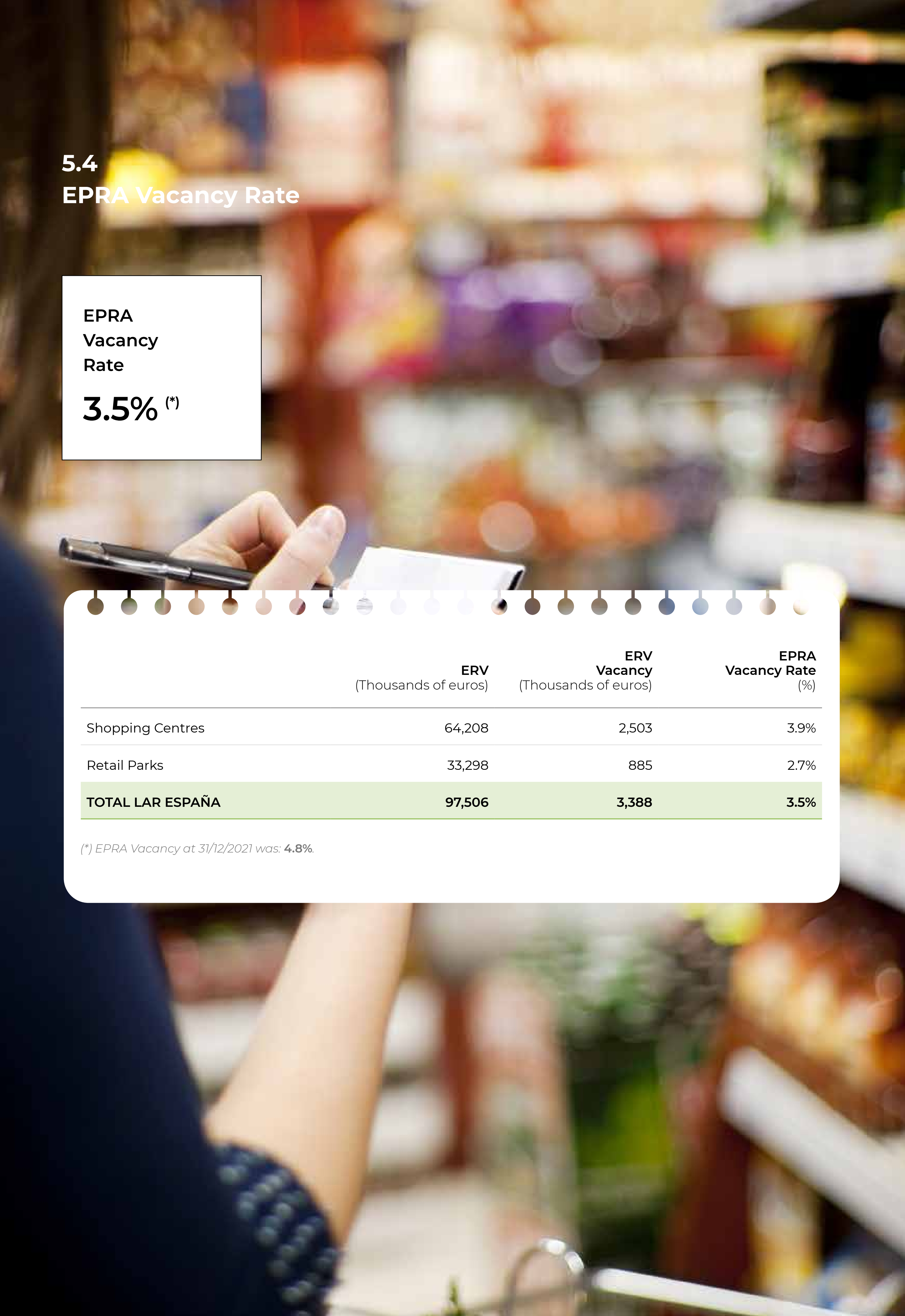
Figures may not match due to rounding.

Yields (*)



*(*) At 31 December 2021, EPRA NIY, EPRA Topped-up NIY and Reversionary Yield amounted to **5.7%, 5.9%** and **6.7%** respectively.*

Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.



5.4
EPRA Vacancy Rate

EPRA Vacancy Rate

3.5% (*)

	ERV (Thousands of euros)	ERV Vacancy (Thousands of euros)	EPRA Vacancy Rate (%)
Shopping Centres	64,208	2,503	3.9%
Retail Parks	33,298	885	2.7%
TOTAL LAR ESPAÑA	**97,506**	**3,388**	**3.5%**

(*) EPRA Vacancy at 31/12/2021 was: **4.8%**.

5.5
EPRA Cost Ratios

	Recurring		TOTAL	
(Thousands of euros)	**2022**	**2021**	**2022**	**2021**
Administrative expenses	(764)	(592)	(928)	(592)
Operating costs net of recoverable income [1] [4]	(14,436)[2]	(16,893)	(16,328)[3]	(21,167)
Administrative/operating expenses in associates	-	-	-	-
EPRA Cost (including vacancy cost) (A)	**(15,200)**	**(17,485)**	**(17,256)**	**(21,759)**
Direct vacancy costs	(2,083)	(2,071)	(2,083)	(2,071)
EPRA Cost (excluding vacancy cost) (B)	**(13,117)**	**(15,414)**	**(15,173)**	**(19,688)**
Gross Rental Income less ground rent costs-per IFRS [5]	98,788	97,041	82,915	78,739
Net associated costs (net service charge)[4]	(6,311)	(6,721)	(6,311)	(6,721)
Gross Rental Income (C)	**92,477**	**90,320**	**76,604**	**72,018**
EPRA COST RATIO (including direct vacancy costs) A/C	**16.4%**	**19.4%**	**22.5%**	**30.2%**
EPRA COST RATIO (excluding direct vacancy costs) B/C	**14.2%**	**17.1%**	**19.8%**	**27.3%**

(1) Maintenance costs are included.
(2) Fixed management fees included.
(3) Fixed and variable management fees included.
(4) The sum of these two headings corresponds to the item "Other expenses" in point 4.2 Consolidated Statement of Comprehensive Income (page 74).
(5) It includes the item "Revenue" and the mall income, which is included in the item "Other income" in point 4.2 Consolidated Statement of Comprehensive Income (page 74).

5.6
EPRA LTV

(Thousands of euros)	Group as reported (A)	Proportionate Consolidation (B): Share of Joint Ventures	Share of Material Associates	Non-controlling Interests	Combined (A+B)
Include					
Borrowings from Financial Institutions	70,000	-	-	-	70,000
Commercial paper	-	-	-	-	-
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	-	-	-	-	-
Bond loans	700,000	-	-	-	700,000
Foreign currency derivatives (futures, swaps, options and forwards)	-	-	-	-	-
Net payables	24,726	-	-	-	24,726
Owner-occupied property (debt)	-	-	-	-	-
Current accounts (equity characteristic)	-	-	-	-	-
Exclude					
Cash and cash equivalents	(203,462)	(158)	-	-	(203,620)
NET DEBT (A)	**591,264**	(158)	-	-	**591,106**
Include					
Owner-occupied property	-	-	-	-	-
Investment properties at fair value	1,199,898	-	-	-	1,199,898
Properties held for sale	278,661	-	-	-	278,661
Properties under development	-	-	-	-	-
Intangibles	1	-	-	-	1
Net receivables	19,956	-	-	-	19,956
Financial assets	-	-	-	-	-
TOTAL PROPERTY VALUE (B)	**1,498,516**	-	-	-	**1.498.516**
LTV (A/B)	**39.5%**				**39.4%(*)**

*(*) After the bonds buy-back in January 2023 the pro-forma EPRA LTV stands at **38.1%**.*

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Shopping Centre
Portal de la Marina (Alicante)