

# EPRA Information

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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**.



## EPRA recognition

In **February 2022**, the Reporting & Accounting Committee of EPRA (European Public Real Estate Association<sup>(1)</sup>) updated its Best Practices Recommendations<sup>(2)</sup> 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](http://www.epra.com)

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

Indicator	30/06/2023	30/06/2023
	(Thousands of euros) (%)	(€/share)
EPRA Earnings	47,216	0.56
EPRA NTA	899,435	10.76 <sup>(*)</sup>
EPRA NRV	933,109	11.16 <sup>(*)</sup>
EPRA NDV	883,857	10.57 <sup>(*)</sup>
EPRA Net Initial Yield (NIY)	6.3%	
EPRA Topped-up NIY	6.6%	
EPRA Vacancy Rate	4.0%	
EPRA Cost Ratio	15.9% <sup>(**)</sup>	
EPRA Cost Ratio (excluding costs of direct vacancy)	13.5% <sup>(**)</sup>	
EPRA LTV	39.7% <sup>(***)</sup>	



(\*) When analyzing this measure it is important to take into account the dividend paid in Q2 2023 (0.60€/share).  
(\*\*) Ratio calculated considering recurring expenses. See terms definitions in Glossary, section 7.  
(\*\*\*) New ratio introduced in the February 2022 update of the EPRA Best Practices and Recommendations Manual. See Glossary, section 7, for a description of terminology.

5.1  
EPRA Earnings

(Thousands of euros)	H1 2023	H1 2022
EARNINGS PER IFRS INCOME STATEMENT	35,138	54,865
Change in value of investment properties	12,078	(41,055)
Profits or losses on disposal of investment properties	-	-
Tax on profits or losses on disposals	-	-
Negative goodwill	-	-
Changes in fair value of financial instruments and associated close-out costs	-	-
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	47,216	13,810
Weighted average number of shares (excluding treasury shares)	83,633,750	83,578,821
EPRA EARNINGS PER SHARE (EUROS)	0.56	0.17



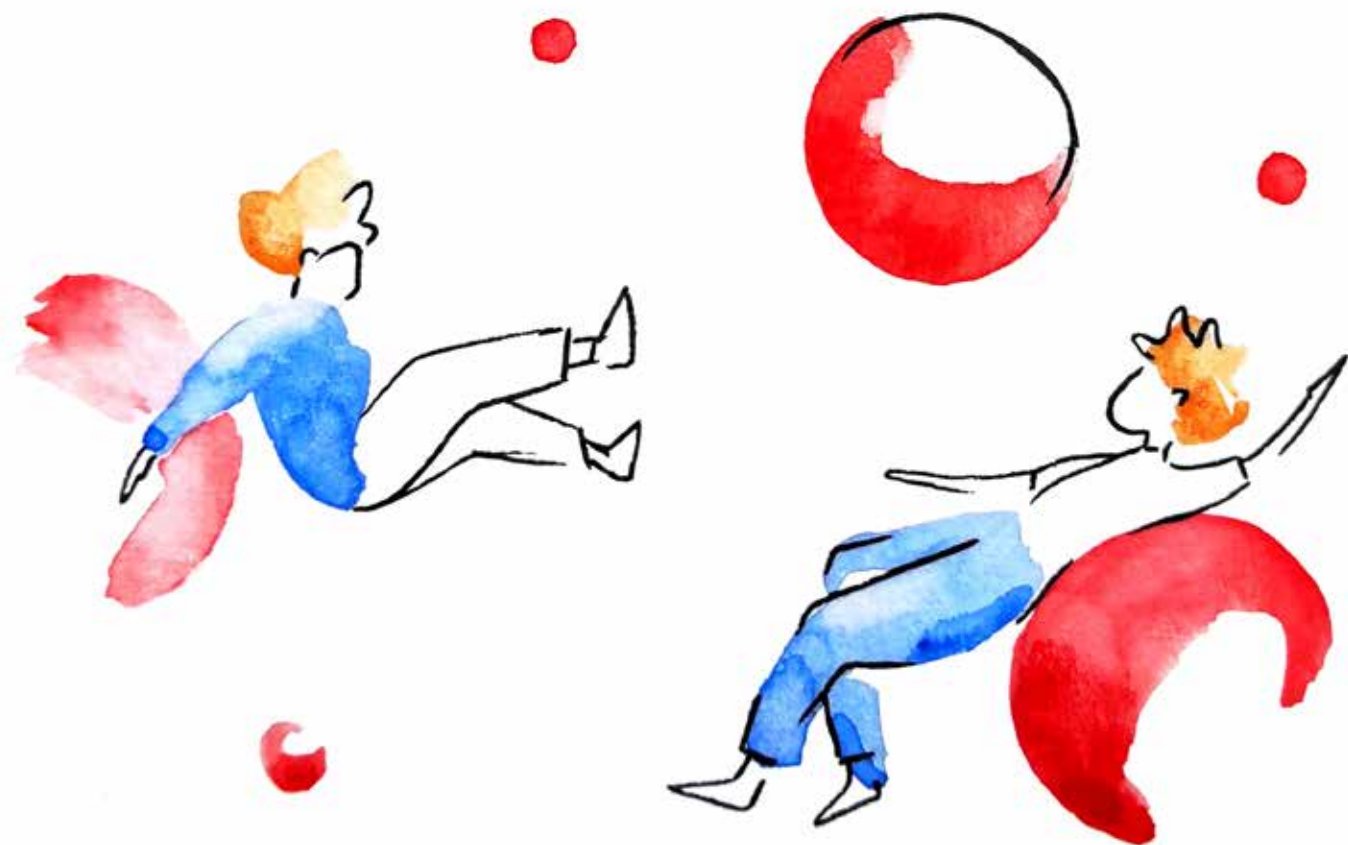
EPRA Earnings  
per share

+x3 vs H1 2022

## 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<sup>(1)</sup>**.

The EPRA Net Asset Value indicator set makes adjustments to the company's own funds in accordance with the IFRS<sup>(2)</sup> 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](https://www.epra.com/application/files/2315/7321/0568/EPRA_FAQ_-_FINAL_version.pdf).  
(2) IFRS (International Financial Reporting Standards).

Ratios EPRA Net Asset Value

(Thousands of euros)				30/06/2023			31/12/2022		
	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	883,857	883,857	883,857	898,754	898,754	898,754			
(I) Hybrid Instruments	-	-	-	-	-	-			
Diluted NAV	883,857	883,857	883,857	898,754	898,754	898,754			
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	883,857	883,857	883,857	898,754	898,754	898,754			
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	-	-	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	-	33,674	n.a	-	33,876	n.a			
NAV	899,435	933,109	883,857	914,332	948,208	898,754			
Number of shares (excluding treasury shares)	83,625,218	83,625,218	83,625,218	83,636,255	83,636,255	83,636,255			
NAV per share	10.76 (*)	11.16 (*)	10.57 (*)	10.93	11.34	10.75			

Figures may not match due to rounding.

(\*) When analyzing this measure it is important to take into account the dividend paid in Q2 2023 (0.60€/share).

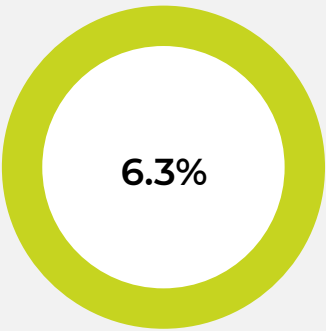
5.3  
EPRA NIY y EPRA Topped-up NIY

(Thousands of euros)	Total Shopping Centres	Total Retail Parks	Total Lar España
Completed Property Portfolio	960,478	504,850	1,465,328
Allowance for estimated purchasers costs	23,847	9,826	33,674
Gross up completed property portfolio valuation (A)	984,325	514,676	1,499,001
Annualised cash passing rental income	67,038	35,982	103,020
Property outgoings	(5,943)	(3,030)	(8,973)
Annualised net rents (B)	61,095	32,952	94,048
Notional rent expiration of rent free periods or other lease incentives	3,104	1,532	4,636
Topped-up net annualised rents (C)	64,200	34,484	98,684
EPRA NET INITIAL YIELD (B/A)	6.2%	6.4%	6.3%
EPRA TOPPED-UP NET INITIAL YIELD (C/A)	6.5%	6.7%	6.6%

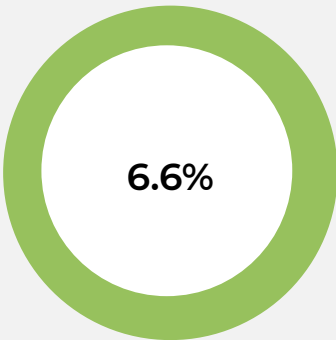
Figures may not match due to rounding.

Yields (\*)

EPRA  
NIY



EPRA  
Topped-up NIY



(\*) EPRA NIY and EPRA Topped-up NIY amounted to 5.6% and 5.9% respectively at 31/12/2022.



## 5.4 EPRA Vacancy Rate

EPRA Vacancy  
Rate

4.0% <sup>(\*)</sup>

	ERV (Thousands of euros)	ERV Vacancy (Thousands of euros)	EPRA Vacancy Rate (%)
Shopping Centres	65,824	2,842	4.3%
Retail Parks	34,209	1,182	3.5%
TOTAL LAR ESPAÑA	100,033	4,024	4.0%

(\*) EPRA Vacancy at 31/12/2022 was: 3.5%.

5.5  
EPRA Cost Ratios

(Thousands of euros)	Recurring		TOTAL	
	H1 2023	H1 2022	H1 2023	H1 2022
Administrative expenses	(405)	(355)	(405)	(519)
Operating costs net of recoverable income <sup>(1)(4)</sup>	(7,348) <sup>(2)</sup>	(7,681)	(10,797) <sup>(3)</sup>	(10,915)
Administrative/operating expenses in associates	-	-	-	-
EPRA Cost (including vacancy cost) (A)	(7,753)	(8,036)	(11,202)	(11,434)
Direct vacancy costs	(1,172)	(1,098)	(1,172)	(1,098)
EPRA Cost (excluding vacancy cost) (B)	(6,581)	(6,938)	(10,030)	(10,336)
Gross Rental Income less ground rent costs-per IFRS <sup>(5)</sup>	53,095	48,830	48,585	41,774
Net associated costs (net service charge) <sup>(4)</sup>	(4,282)	(3,976)	(4,282)	(3,976)
Gross Rental Income (C)	48,813	44,854	44,303	37,798
EPRA COST RATIO (including direct vacancy costs) A/C	15.9%	17.9%	25.3%	30.2%
EPRA COST RATIO (excluding direct vacancy costs) B/C	13.5%	15.5%	22.6%	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  
(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

5.6  
EPRA LTV

	Proportionate Consolidation (B)				
(Thousands of euros)	Group as reported (A)	Share of Joint Ventures	Share of Material Associates	Non-controlling Interests	Combined (A+B)
<b>Include:</b>					
Borrowings from Financial Institutions	70,000	-	-	-	70,000
Commercial paper	-	-	-	-	-
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	-	-	-	-	-
Bond loans	581,400	-	-	-	581,400
Foreign currency derivatives (futures, swaps, options and forwards)	-	-	-	-	-
Net payables	30,197	-	-	-	30,197
Owner-occupied property (debt)	-	-	-	-	-
Current accounts (equity characteristic)	-	-	-	-	-
<b>Exclude:</b>					
Cash and cash equivalents	(93,058)	(150)	-	-	(93,208)
<b>NET DEBT (A)</b>	<b>588,539</b>	<b>(150)</b>	<b>-</b>	<b>-</b>	<b>588,389</b>
<b>Include:</b>					
Owner-occupied property	-	-	-	-	-
Investment properties at fair value	1,191,378	-	-	-	1,191,378
Properties held for sale	274,233	-	-	-	274,233
Properties under development	-	-	-	-	-
Intangibles	1	-	-	-	1
Net receivables	16,863	-	-	-	16,863
Financial assets	-	-	-	-	-
<b>TOTAL PROPERTY VALUE (B)</b>	<b>1,482,475</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,482,475</b>
<b>LTV (A/B)</b>	<b>39.7%</b>				<b>39.7%</b>