

II. Consolidated Financial Statements 31.12.2018 (IFRS)

LAR ESPAÑA REAL ESTATE SOCIMI, S.A. and subsidiaries

Consolidated Statement of Financial Position at 31 December 2018 (*)

| Assets (Thousands of euros) | 31/12/2018 | 31/12/2017 |
|---|------------------|------------------|
| Intangible assets | 8,556 | 8,673 |
| Investment properties(**) | 1,363,646 | 1,306,350 |
| Financial assets with associates | - | 2,161 |
| Equity-accounted investees | 4,627 | 5,526 |
| Non-current financial assets | 11,426 | 11,928 |
| Trade and other receivables non-current | 2,733 | - |
| NON-CURRENT ASSETS | 1,390,988 | 1,334,638 |
| Non current assets held for sale | 78,081 | 124,295 |
| Trade and other receivables | 13,762 | 14,413 |
| Financial assets with associates | - | 27,718 |
| Other current financial assets | 3,268 | 7,118 |
| Other current assets | 4,176 | 553 |
| Cash and cash equivalents | 191,328 | 45,617 |
| CURRENT ASSETS | 290,615 | 219,714 |
| TOTAL ASSETS | 1,681,603 | 1,554,352 |

(*) These financial statements are an integral part of the 2018 Consolidated Annual Accounts. On February 26 2019 Deloitte issued its unqualified audit report.

(**) Investment properties are presented at their fair value at the end of the financial year and are not subject to amortization. Profits or losses due to variation in the fair value of the investment properties are included in the results of the period in which they arise.

LAR ESPAÑA REAL ESTATE SOCIMI, S.A. and subsidiaries

Consolidated Statement of Financial Position at 31 December 2018 (*)

| Equity and Liabilities (Thousands of euros) | 31/12/2018 | 31/12/2017 |
|---|-------------------|-------------------|
| Capital | 186,438 | 185,248 |
| Share premium | 476,301 | 487,349 |
| Other reserves | 220,289 | 111,854 |
| Retained earnings | 129,308 | 135,606 |
| Treasury shares | (1,228) | (175) |
| Valuation adjustments | (2,610) | (1,663) |
| EQUITY | 1,008,498 | 918,219 |
| Financial liabilities from issue of bonds and other marketable securities | 139,077 | 138,787 |
| Loans and borrowings | 428,400 | 361,165 |
| Deferred tax liabilities | 19,405 | 14,613 |
| Derivatives | 1,892 | 831 |
| Other non-current liabilities | 17,240 | 16,221 |
| NON-CURRENT LIABILITIES | 606,014 | 531,617 |
| Liabilities related to assets held for sale | 810 | 47,618 |
| Financial liabilities from issue of bonds and other marketable securities | 3,482 | 3,482 |
| Loans and borrowings | 6,461 | 5,580 |
| Liabilities with associates | - | 7,505 |
| Derivatives | 2,179 | 1,267 |
| Other financial liabilities | - | 147 |
| Trade and other payables | 54,159 | 38,917 |
| CURRENT LIABILITIES | 67,091 | 104,516 |
| TOTAL EQUITY AND LIABILITIES | 1,681,603 | 1,554,352 |

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Profit before tax
from continuing
operations (*)
160,311
thousands of euros
+10% vs. 2017



Profit for
the period (*)
155,772
thousands of euros
+7% vs. 2017

LAR ESPAÑA REAL ESTATE SOCIMI, S.A. and subsidiaries

Consolidated Income of Financial Position at 31 December 2018 (**)

| (Thousands of euros) | 2018 | 2017 |
|---|----------------|----------------|
| Revenues | 77,841 | 77,600 |
| Other income | 3,733 | 2,198 |
| Personnel expenses | (502) | (542) |
| Amortisation expenses | (307) | (15) |
| Other expenses | (28,684) | (25,847) |
| Other results | - | 653 |
| Change in the fair value of investment properties | 70,471 | 101,558 |
| Results of disposals of investment properties | 28,541 | 2,842 |
| RESULTS FROM OPERATIONS (*) | 151,093 | 158,447 |
| Financial income | 27,927 | 3,559 |
| Financial expenses | (17,810) | (14,281) |
| Share in profit (loss) for the period of equity-accounted companies | (899) | (2,119) |
| PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (*) | 160,311 | 145,606 |
| Income tax | (4,539) | - |
| PROFIT FOR THE PERIOD (*) | 155,772 | 145,606 |
| Performance & Divestment fee | (26,464) | (10,000) |
| PROFIT FOR THE PERIOD | 129,308 | 135,606 |

(*) Pre performance and divestment fee figures.

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LAR ESPAÑA REAL ESTATE SOCIMI, S.A. and subsidiariesConsolidated Cash Flows Position at 31 December 2018 ^(*)

| | 2018 | 2017 |
|---|-----------------|------------------|
| A) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | 19,102 | 48,688 |
| Profit/(loss) for the period before tax | 133,847 | 135,606 |
| Adjustments | (108,113) | (92,178) |
| Changes in operating assets and liabilities | 6,508 | 17,389 |
| Other cash flows used in operating activities | (13,140) | (12,129) |
| B) CASH FLOWS USED IN INVESTING ACTIVITIES | 139,536 | (129,142) |
| Payments for investments | (161,281) | (163,530) |
| Proceeds from divestments | 300,817 | 34,388 |
| C) CASH FLOWS FROM FINANCING ACTIVITIES | (16,009) | 97,945 |
| Payments made and received for equity instruments | 6,884 | 779 |
| Proceeds from and payments for financial liability instruments | 22,073 | 127,145 |
| Payments for dividends and remuneration on other equity instruments | (44,966) | (29,979) |
| D) CASH AND CASH EQUIVALENTS IN NON-CURRENT ASSETS HELD FOR SALE | 3,082 | (3,465) |
| E) NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D) | 145,711 | 14,026 |
| F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 45,617 | 31,591 |
| G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F) | 191,328 | 45,617 |

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