

Comisión Nacional del Mercado de Valores

Calle Edison, 4
28006 Madrid
España

22 de noviembre de 2024

**OFERTA PÚBLICA VOLUNTARIA DE ADQUISICIÓN DE ACCIONES DE
LAR ESPAÑA REAL ESTATE SOCIMI, S.A.**

El siguiente documento es una traducción no oficial del folleto (excluyendo sus anexos) de la oferta pública voluntaria de adquisición de acciones de Lar España Real Estate SOCIMI, S.A. formulada por Helios RE, S.A.

Esta traducción ha sido publicada a petición de Helios RE, S.A. a efectos meramente informativos y no ha sido revisada ni aprobada por la Comisión Nacional del Mercado de Valores. En caso de discrepancias entre esta traducción y la correspondiente versión original en español, prevalecerá esta última.

Comisión Nacional del Mercado de Valores

Calle Edison, 4
28006 Madrid
España

22 November 2024

**VOLUNTARY TAKEOVER BID TO ACQUIRE SHARES OF
LAR ESPAÑA REAL ESTATE SOCIMI, S.A.**

The following document is a non-official translation of the prospectus (excluding its appendices) for the public voluntary takeover bid to acquire shares of Lar España Real Estate SOCIMI, S.A. launched by Helios RE, S.A.

This translation has been published on Helios RE, S.A.'s request for information purposes only and it has not been reviewed nor approved by the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*). In the event of any discrepancies between this translation and the corresponding original Spanish version, the latter shall prevail.

[*Sigue hoja de firmas / Signature page follows*]

HELIOS RE, S.A.

Dña. Vanesa Gelado Crespo

Dña. María Isabel Plaza Hernández

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Prospectus of the voluntary takeover bid for the acquisition of shares of

Lar España Real Estate Socimi, S.A.

launched by

Helios RE, S.A.

22 November 2024

This prospectus has been drawn up in accordance with the provisions of Law 6/2023 of 17 March on Securities Markets and Investment Services and Royal Decree 1066/2007 of 27 July on the regime governing takeover bids and other applicable legislation.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Contents

Chapter I	7
I.1. Person responsible for the Prospectus	7
I.2. Applicable resolutions, scope and legislation	7
I.3. Information concerning the Target Company	10
I.4. Information concerning the Offeror and its group	15
I.5. Resolutions concerning the Offer and the Target Company	31
I.6. Shares of the Target Company owned by the Offeror	54
I.7. Transactions with the Target Company's shares	56
I.8. Offeror's business activity and economic-financial situation	58
Chapter II	62
II.1 Shares targeted by the Offer	62
II.2 Consideration offered	62
II.3 Conditions to which the Offer is subject	63
Collateral and funding for the Offer	66
II.4 II.4.1 Collateral for the Offer	66
Chapter III	81
III.1 Procedure for acceptance and settlement of the Offer	81
Procedure for forced sale and purchase	85
III.2.1 Forced sale and purchase requirements	85
III.2.2 Forced sale transaction procedure, periods and settlement	88

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

III.2.3 Formalities that must be completed by the Target Company's shareholders to request forced purchase of the shares	89
III.2.4 Forced sale and purchase expenses	90
Chapter IV	91
IV.1 Purpose of the acquisition	91
IV.2 Strategic plans and intentions with regard to future activities and location of the business sites of the Target Company and its group	93
IV.3 Strategic plans and intentions towards maintaining jobs at the Target Company and its group	93
IV.4 Plans concerning the utilisation of the Target Company's assets and changes planned for its net financial debt	94
IV.5 Plans concerning the issue of securities by the Target Company	99
IV.6 Plans for corporate restructuring of any kind	99
IV.7 Dividend policy	99
IV.8 Plans concerning the structure, members and operations of the Target Company's management bodies	100
IV.9 Plans in connection with amendments to the articles of association/articles of association of the Target Company and its group	102
IV.10 Offeror's initiatives with respect to the listing of the Target Company's shares	104
IV.11 Intentions concerning the transfer of shares of the Target Company	104
IV.12 Information in this chapter concerning the Offeror and its group	104
Chapter V	107

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

V.1	Authorizations with regards to antitrust	107
V.2	Authorization of foreign investments	107
V.3	Locations at which this Prospectus may be consulted and the documents accompanying this Prospectus	107
V.4	Territorial restriction	108

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

LIST OF APPENDICES

- Appendix 1** Documentation evidencing the resolutions adopted by the Offeror's board of directors and general shareholders' meeting in relation to the approval of the launching of the Offer, both dated 11 July 2024.
- Appendix 2** Documentation evidencing the resolutions adopted by the board of directors of Hines HEREP III (GP) S.à r.l. in relation to the approval of the launching of the Offer dated 11 July 2024, legalized and apostilled, together with its sworn translation into Spanish.
- Appendix 3** Documentation evidencing the resolutions adopted by the board of directors of Hines Europe Real Estate Investments Limited in relation to the approval of the launching of the Offer dated 11 July 2024, legalized and apostilled, together with its sworn translation into Spanish.
- Appendix 4** Documentation evidencing the resolutions adopted by the board of directors and general shareholders' meeting of Grupo Lar Inversiones Inmobiliarias, S.A. in relation to the approval of the launching of the Offer, dated 11 July 2024.
- Appendix 5** Documentation evidencing the resolutions adopted by the Offeror's board of directors and general shareholders' meeting in relation to the approval of the increase of the Offer Price, both dated 2 October 2024.
- Appendix 6** Documentation evidencing the resolutions adopted by the board of directors of Hines HEREP III (GP) S.à r.l. in relation to the approval of the increase of the Offer Price dated 2 October 2024, legalized and apostilled, together with its sworn translation into Spanish.
- Appendix 7** Documentation evidencing the resolutions adopted by the board of directors of Hines Europe Real Estate Investments Limited in relation to the approval of the increase of the Offer Price dated 2 October 2024, legalized and apostilled, together with its sworn translation into Spanish.
- Appendix 8** Documentation evidencing the resolutions adopted by the board of directors and general shareholders' meeting of Grupo Lar Inversiones Inmobiliarias, S.A. in relation to the approval of the increase of the Offer Price, dated 30 September 2024.
- Appendix 9** Certificates issued by the Madrid Commercial Registry concerning Helios RE, S.A., evidencing its incorporation and registration and its current registered articles of association.
- Appendix 10** Legalized and apostilled copy of the articles of association of Hines SC PropCo 37, S.à.r.l. and a legalized and apostilled extract from the

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Luxembourg Commercial Registry, together with their respective sworn translations into Spanish.

- Appendix 11** Legalized and apostilled copy of the articles of association of HEREP III Master HoldCo S.à r.l. and a legalized and apostilled extract from the Luxembourg Commercial Registry, together with their respective sworn translations into Spanish.
- Appendix 12** Legalized and apostilled copy of the articles of association of Hines European Real Estate Partners III Feeder A RAIF SICAV-S.A. and a legalized and apostilled extract from the Luxembourg Commercial Registry, together with their respective sworn translations into Spanish.
- Appendix 13** Legalized and apostilled copy of the articles of association of Hines HEREP III (GP) S.à r.l. and a legalized and apostilled extract from the Luxembourg Commercial Registry, together with their respective sworn translations into Spanish.
- Appendix 14** Legalized and apostilled copy of the articles of association of Hines Luxembourg Investment Management S.à.r.l. and a legalized and apostilled extract from the Luxembourg Commercial Registry, together with their respective sworn translations into Spanish.
- Appendix 15** Legalized and apostilled copy of the certificates of incorporation and articles of association of Hines Europe Real Estate Investments Limited extracted from the Commercial Registry (Companies House) of the United Kingdom, together with their respective sworn translations into Spanish.
- Appendix 16** Certificates issued by the Madrid Commercial Registry concerning Grupo Lar Retail Investments, S.L.U., evidencing its incorporation and registration of and its current articles of association.
- Appendix 17** Certificates issued by the Madrid Commercial Registry concerning Grupo Lar Inversiones Inmobiliarias, S.A., evidencing its incorporation and registration and its current articles of association.
- Appendix 18** Copy of the Investment and Shareholders' Agreement in English, together with its sworn translation into Spanish.
- Appendix 19** Copy of the Addendum to the Investment and Shareholders' Agreement in English, together with its sworn translation into Spanish.
- Appendix 20** Copy of Grupo Lar's Contribution Agreement in English, together with its sworn translation into Spanish.
- Appendix 21** Copy of Eurosazor's Acceptance and Reinvestment Agreement, in Spanish-English double-column format.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

- Appendix 22** Copy of Brandes' Irrevocable Commitment and Addendum in English, together with their sworn translations into Spanish.
- Appendix 23** Copy of the Irrevocable Commitment of Castellana Properties in English, together with its sworn translation into Spanish.
- Appendix 24** Transactions with Lar España's shares carried out by Brandes on behalf of the individuals and institutional investors to whom Brandes has provided discretionary investment advisory services in the 12 months preceding the date of the Previous Announcement.
- Appendix 25** Transactions with Lar España's shares carried out by Castellana Properties in the 12 months preceding the date of the Previous Announcement, until 2 October 2024.
- Appendix 26** Certificate of the unaudited financial statements of Helios RE, S.A. as of 4 November 2024 and registral certificate of the annual accounts of Helios RE, S.A. (formerly named Verendia Investments, S.A.) for the year ended 31 December 2023, drawn up in Spanish.
- Appendix 27** Copy of the audited financial statements of Hines European Real Estate Partners III Feeder A RAIF SICAV-S.A. for the year ended 31 December 2023, together with the auditors' report, both drawn up in English, together with their sworn translations into Spanish.
- Appendix 28** Registral certificate of the individual and consolidated annual accounts of Grupo Lar for the year ended 31 December 2023, together with the auditors' report, both drawn up in Spanish.
- Appendix 29** Immobilization certificates of the shares of Lar España Real Estate Socimi, S.A. owned by Grupo Lar Inversiones Inmobiliarias, S.A. and Mr. Miguel Pereda Espeso.
- Appendix 30** Bank guarantee.
- Appendix 31** Copy of the Hines SC Loan in English, together with its sworn translation into Spanish.
- Appendix 32** Specimen announcement of the Offer.
- Appendix 33** Letter from the Offeror concerning the advertising of the Offer.
- Appendix 34** Letter of acceptance of Banco Santander, S.A. as the entity in charge of the intermediation and settlement of the Offer.
- Appendix 35** Copy of the authorization of the economic concentration resulting from the Offer by the Spanish National Markets and Competition Commission.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

INTRODUCTION

This prospectus (the "**Prospectus**") and the attached documents set out the terms and conditions of the voluntary takeover bid launched by Helios RE, S.A. (the "**Offeror**" or "**Helios RE**") for 100% of the share capital of Lar España Real Estate Socimi, S.A. ("**Lar España**" or the "**Target Company**") (the "**Offer**").

The Offer is considered a voluntary offer for the purposes of Article 117 of *Ley 6/2023, de 27 de marzo, de los Mercados de Valores y de los Servicios de Inversión* ("**LMVSI**") and Article 13 of *Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores* ("**Royal Decree 1066/2007**").

The Offeror is a special purpose vehicle that has been acquired to launch the Offer and is owned by the following entities:

- (i) 62.5% by Hines SC PropCo 37, S.à r.l. ("**Hines SC**"), a Luxembourg limited liability company incorporated on 8 September 2022, and which was acquired for the purpose of acquiring the above-mentioned shareholding in the Offeror and launching the Offer.

In turn, Hines SC is wholly owned, indirectly, by the fund Hines European Real Estate Partners III SCSp ("**HEREP III**"), a Luxembourg special limited partnership.

HEREP III is controlled, managed and advised, in accordance with Luxembourg law, by:

- a) the alternative investment fund manager (AIFM) Hines Luxembourg Investment Management S.à r.l. ("**HLIM**"), a Luxembourg limited liability company. HLIM is authorized by the Luxembourg financial regulator (*Commission de Surveillance du Secteur Financier*) as an alternative investment fund manager (under number A00000496) and is registered in Spain with the CNMV as a European Economic Area AIF manager under the freedom to provide services regime, with official registration number 334. HLIM is responsible for risk management and has delegated its portfolio management functions in relation to HEREP III to Hines Europe Real Estate Investments Limited ("**HEREI**"), a British limited liability company which is consequently the investment and management decision maker of HEREP III; and
- b) its general partner Hines HEREP III (GP) S.à r.l. ("**Hines HEREP**"), a Luxembourg limited liability company.

HLIM, HEREI and Hines HEREP are indirectly controlled by Mr. Jeffrey C. Hines (Chairman and Co-CEO of Hines) and Ms. Laura E. Hines-Pierce (Co-CEO of Hines).

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

- (ii) 37.5%, by Grupo Lar Retail Investments, S.L. ("**Grupo Lar Retail**") formerly named Desarrollos Ibéricos Lar, S.L., a Spanish limited liability company.

Grupo Lar Retail is wholly owned by Grupo Lar Inversiones Inmobiliarias, S.A. ("**Grupo Lar**").

Grupo Lar is a Spanish company with a major international presence and specialize in the development, investment in and management of real estate assets. In particular, Grupo Lar is the manager of Lar España's real-estate asset portfolio. Grupo Lar is not controlled by any individual or legal entity.

However, Grupo Lar is controlled by the Pereda family, which holds (through the individual shareholdings of several of its members, who have not entered into any voting syndication agreement among themselves) 99.95% of the voting rights of Grupo Lar. Three of the seven members of the board of directors of Grupo Lar (Mr. Miguel Pereda Espeso, Mr. Jaime Pereda Espeso and Mr. Luis José Pereda Espeso) are members of the Pereda family and shareholders of Grupo Lar. In addition, Mr. Miguel Pereda Espeso is the executive chairman of Grupo Lar.

The shareholder structure and information on each of these companies is explained in greater detail in Section I.4 of this Prospectus.

As a result of the above, the Offeror is controlled, in accordance with Luxembourg law, by the AIFM (alternative investment fund manager) (HLIM) which has delegated its portfolio management functions with respect to HEREP III to HEREI, and by the general partner (Hines HEREP) of the HEREP III fund which, in turn, are indirectly jointly controlled by Mr. Jeffrey C. Hines and Ms. Laura E. Hines-Pierce, who will also control Lar España following the settlement of the Offer.

The Offer targets 100% of Lar España's share capital. However, 8,496,045 shares of Lar España representing 10.15% of its share capital are excluded from the Offer, in accordance with the following breakdown: (i) 8,466,045 shares, representing 10.12% of the share capital of Lar España, owned by Grupo Lar, which have been immobilized until the settlement of the Offer; and (ii) 30,000 shares, representing 0.04% of the share capital of Lar España, owned by Mr. Miguel Pereda Espeso, which have been immobilized until the settlement of the Offer (jointly, the "**Immobilized Shares**").

Mr. Miguel Pereda Espeso is a shareholder and executive chairman of Grupo Lar, a director of the Offeror and joint and several director of Grupo Lar Retail, as well as being a proprietary director of Lar España on behalf of Grupo Lar and deputy chairman of the board of directors of Lar España.

Grupo Lar and Mr. Miguel Pereda Espeso have undertaken to contribute the Immobilized Shares to Grupo Lar Retail and, in turn, Grupo Lar Retail has undertaken to contribute the Immobilized Shares to the Offeror, immediately after the settlement of the Offer, in accordance with the terms set out in Grupo Lar's Contribution Agreement.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

For the purposes of Article 5.1 of Royal Decree 1066/2007, Hines SC and Grupo Lar Retail, as shareholders of the Offeror (jointly and directly owning 100% of share capital), are acting in concert through the Offeror.

As a result of the foregoing, the Offer effectively targets a total of 75,196,924 shares of Lar España, representing 89.85% of share capital, admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and quoted on the automated quotation system of the Spanish Stock Exchanges (*Sistema de Interconexión Bursátil Español – Mercado Continuo*).

The Offeror launches the Offer as a result of the execution by Hines SC, Grupo Lar Retail, Grupo Lar, Mr. Miguel Pereda Espeso and the Offeror, on 11 July 2024, of the investment and shareholders' agreement in relation to the Offer.

This investment and shareholders' agreement regulates, among other matters, the terms and conditions for the launching of the Offer by the Offeror, the investment structure and the contributions to be made by Hines SC and Grupo Lar as shareholders of the Offeror in order to settle the Offer, the Offeror's governance system and the transfer of shares regime. This investment and shareholders' agreement provides for the execution of a number of additional agreements, which are set out and described in Section I.5 of this Prospectus.

Furthermore, on 11 July 2024 the following agreements were additionally entered into in connection with the Offer:

- (i) Irrevocable commitment to contribute the Immobilized Shares to Grupo Lar Retail and subsequently to the Offeror, in both cases immediately after settlement of the Offer, entered into by Hines SC, Grupo Lar Retail, Grupo Lar, Mr. Miguel Pereda Espeso and the Offeror.
- (ii) Irrevocable commitment of acceptance of the Offer and reinvestment entered into by Eurosazor Activos, S.L. ("**Eurosazor**"), holding 563,265 shares in Lar España, representing 0.67% of its share capital, and the Offeror.
- (iii) Irrevocable commitment to accept the Offer entered into by Brandes Investment Partners, L.P. ("**Brandes**") in its capacity as investment adviser on behalf of clients who jointly hold 9,039,045 shares of Lar España, representing 10.80% of its share capital, and the Offeror.

In addition, on 2 October 2024 the Offeror entered into an irrevocable commitment to accept the Offer with Castellana Properties SOCIMI, S.A. ("**Castellana Properties**"), holding 24,090,411 shares in Lar España, representing 28.78% of its share capital.

The main terms and conditions of these agreements are described in Section I.5 of this Prospectus.

The consideration offered by the Offeror to the shareholders of Lar España is €8.30 per share and will be fully paid in cash (the "**Offer Price**"). Consequently, the maximum total amount to be paid by the Offeror is €624,134,469.20 (taking into account the 75,196,924 shares of Lar España which the Offer actually targets).

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

The initial Offer price was €8.10 per share in cash. Subsequently, the initial Offer price was increased by €0.20 per share (i.e. up to €8.30 per share) as a result of the agreement signed on 2 October 2024 between the Offeror and Castellana Properties (a shareholder owning 24,090,411 shares of Lar España, representing 28.78% of its share capital), by virtue of which, in exchange for said improvement, Castellana Properties undertook to accept the Offer with respect to all of its shares.

The Offeror considers the Offer Price to be an equitable price for the purposes of Article 9 of Royal Decree 1066/2007, insofar as (i) it is the highest price paid or agreed by the Offeror or by the persons acting in concert with the Offeror for the purchase of shares of Lar España during the 12 months prior to the date of the Previous Announcement and until the date of the Prospectus; as it is the price agreed with Castellana Properties in the irrevocable commitment described in Section I.5.1.7 of this Prospectus; (ii) there is no other compensation in addition to the agreed price, either in that irrevocable commitment or in the other irrevocable commitments of acceptance of the Offer signed by the Offeror; (iii) no deferral of payment has been agreed in any of those commitments; and (iv) none of the circumstances provided for in Article 9 of Royal Decree 1066/2007 entailing a change in the Offer Price are present.

In accordance with Article 13 of Royal Decree 1066/2007, the Offer is subject to the fulfilment of the following conditions:

- (i) Pursuant to the provisions of Article 13.2.b) of Royal Decree 1066/2007, the acceptance of the Offer by at least 37,598,462 shares of Lar España representing 50% of the shares targeted by the Offer (i.e. excluding the Immobilized Shares). The fulfilment of this condition will enable the Offeror to achieve a minimum holding in Lar España of 44.92% as a result of the settlement of the Offer which, in addition to the holding in Lar España represented by the Immobilized Shares, would provide it with a minimum shareholding in Lar España of 55.07%. The establishment of this threshold forms part of the commercial agreements between Hines SC and Grupo Lar Retail in relation to the minimum amount of capital to be contributed by each shareholder to the Offeror for the purposes of launching the Offer.

Insofar as the Offer Price is considered an equitable price for the purposes of Article 9 of Royal Decree 1066/2007, the Offeror may, for this reason, avail itself of the exemption from the obligation to present a mandatory takeover Offer after the settlement of the Offer in accordance with the provisions of Article 8.f) of Royal Decree 1066/2007 in the event that the Offeror obtains a controlling interest in Lar España as a result of the Offer settlement.

- (ii) In accordance with Article 13.2.d) of Royal Decree 1066/2007:
 - a) Lar España, prior to the end of the Offer acceptance period (i) must not amend its articles of association to replace or substantially modify its corporate purpose, increase or reduce the share capital, increase the quorum or the majorities required for the approval of resolutions by the general shareholders' meeting or the board of directors, or lay down additional requirements for being appointed a director of Lar España or limitations on shareholders' voting rights, provided that as a result of any such resolution to amend the articles of association, the Offeror would be unable, following the settlement of the Offer,

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

to approve in a general shareholders' meeting the reversal of any such amendment with a majority of 50% plus one share; and (ii) must not waive the SOCIMI regime.

- b) Lar España must not have resolved to perform, prior to the end of the Offer acceptance period, a merger, spin-off, liquidation or global transfer of assets and liabilities of Lar España or its group.
- c) The net financial debt of the Lar España group on the day before the end of the Offer acceptance period may not exceed the amount of the net financial debt publicly reported by Lar España in the Q1 2024 Business Update issued on 24 May 2024, except for increases in such net financial debt arising in the ordinary course of business for the maintenance, improvement or repositioning (capex) of its assets or due to the general corporate needs of Lar España and its group which are freely redeemable in advance without giving rise to fees or associated cancellation costs (except for those relating to the settlement of any hedging instruments arranged with respect to such debt, as the case may be).
- d) Lar España and its subsidiaries must not have carried out (or agreed to carry out), prior to the end of the Offer acceptance period:
 - a. the sale or encumbrance of real estate assets (i) for an aggregate transaction value (including costs and taxes payable by the seller) (as of the date of publication of the Previous Announcement, i.e., 12 July 2024) in excess of 5% of the net value of the assets (EPRA NAV) as of 31 December 2023; or (ii) that do not represent all of the assets owned by Lar España and its subsidiaries in the shopping center or business park concerned, whatever the transaction value (even if such transaction value is below 5% of the EPRA NAV as of 31 December 2023); or
 - b. the purchase of real estate assets (i) for an aggregate transaction value (including costs and taxes payable by the purchaser) (as of the date of publication of the Previous Announcement, i.e. 12 July 2024) in excess of 5% of the EPRA NAV as of 31 December 2023; or (ii) that do not represent all of the real estate assets in the acquired shopping center or business park, whatever the transaction value (even if such transaction value is below 5% of the EPRA NAV as of 31 December 2023).

In accordance with the provisions of Article 26.1 of Royal Decree 1066/2007, the Offer was also submitted conditional upon the authorization (or non-opposition as a result of the expiry of the applicable waiting period) of the economic concentration resulting from the Offer by the Spanish National Markets and Competition Commission. Said authorization was received on 7 August 2024, and therefore this condition has already been fulfilled.

The Offer is not a delisting offer and the Offeror intends that the shares of Lar España continue to be listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Notwithstanding the above, in the event that the thresholds set forth under Article 47 of Royal Decree 1066/2007 are attained, the Offeror will exercise the squeeze out right on the remaining shares of Lar España for the same consideration as the Offer. The exercise of the squeeze-out right will give rise, in accordance with Articles 47 and 48 of Royal Decree 1066/2007 and related provisions, to the delisting of Lar España's shares. Said delisting will be effective upon settlement of the transaction. In this event, the Offeror will apply to have the shares of Lar España admitted to trading in a multilateral trading system in Spain for the purposes of maintaining the SOCIMI regime.

The Offeror's plans and intentions with respect to Lar España are described in Chapter IV of this Prospectus.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Chapter I

I.1. Person responsible for the Prospectus

Ms. Vanesa Gelado Crespo, of legal age, of Spanish nationality, domiciled for these purposes at Paseo de la Castellana 110, 2-B, 28046 Madrid and holding National Identity Card number 52996757-L and Ms. María Isabel Plaza Hernández, of legal age, of Spanish nationality, domiciled for these purposes at c/ María de Molina 39, Madrid, and holding currently valid National Identity Card number 02254449-N; they both exercise their rights of representation as members of the Offeror's board of directors, with powers delegated jointly and severally in their favor by the Offeror's board of directors at its meeting held on 11 July 2024, and they take responsibility for the content of this Prospectus, which has been drawn up in accordance with the provisions of Article 18 and the Annex to Royal Decree 1066/2007. The aforementioned persons responsible for this Prospectus were appointed members of the Offeror's board of directors at the proposal of the Offeror's shareholders as follows: Ms. Vanesa Gelado Crespo was appointed by Hines SC and Ms. María Isabel Plaza Hernández was appointed by Grupo Lar Retail.

Ms. Vanesa Gelado Crespo and Ms. María Isabel Plaza Hernández, acting in the aforementioned capacity, declare that the data and information contained in this Prospectus are true and are not misleading, and that there are no omissions that could alter its content.

Pursuant to the provisions of Article 244 of the LMVSI, it is expressly stated that the inclusion of this Prospectus and the accompanying documentation in the Official Registers of the CNMV implies only an acknowledgement that these documents contain all the information required by the rules governing their content, without, in any event, determining the liability of the CNMV for any lack of veracity in the information contained therein.

I.2. Applicable resolutions, scope and legislation

I.2.1 Resolutions adopted by the Offeror in order to make the Offer

The decision to launch the Offer was unanimously approved by the Offeror's board of directors at a meeting held on 11 July 2024 and by its general shareholders' meeting held on the same day for the purposes of Article 160.f) of the Spanish Companies Act (the "**Spanish Companies Act**"), establishing the main terms and conditions of the Offer, which were disclosed to the market through the previous announcement published on 12 July 2024 in accordance with the provisions of Article 16 of Royal Decree 1066/2007 (the "**Previous Announcement**").

At the aforementioned board meeting, the Offeror also resolved, among other matters, to grant powers of attorney in favor of the persons responsible for this Prospectus indicated in Section I.1 above so that, acting jointly and severally on behalf of the Offeror, they might perform all acts and transactions and adopt all decisions that might be

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

necessary or advisable for the preparation, announcement, development, execution and settlement of the Offer, determining and developing its terms and conditions for all matters not expressly envisaged by the board of directors, and to initiate and follow, to the full extent thereof and until their complete resolution, the procedures for the authorization of the Offer, to draw up, sign, present and disclose the Prospectus in their capacity as the persons responsible for the same, as well as any amendment or update thereof, as the case may be, and any other documentation that might be necessary or appropriate by virtue of the provisions of the LMVSI, Royal Decree 1066/2007 or other applicable legislation.

Appendix 1 contains the documentation evidencing the resolutions adopted by the Offeror's board of directors and general shareholders' meeting in relation to the approval of the launching of the Offer, both dated 11 July 2024.

The launching of the Offer does not require the approval or adoption of any other corporate resolution by any other entity. However, on 11 July 2024 the board of directors of Hines HEREP (as general partner of HEREP III), the board of directors of HEREI and the board of directors and general shareholders' meeting of Grupo Lar approved the launching of the Offer by the Offeror.

The documentation evidencing the resolutions adopted by the board of directors of Hines HEREP in relation to the approval of the launching of the Offer by the Offeror, duly legalized and apostilled, together with its sworn translation into Spanish, is attached as **Appendix 2**.

The documentation evidencing the resolutions adopted by the board of directors of HEREI in relation to the approval of the making of the Offer by the Offeror, duly legalized and apostilled, together with its sworn translation into Spanish, is attached as **Appendix 3**.

The documentation evidencing the resolutions adopted by Grupo Lar's board of directors and general shareholders' meeting in relation to the approval of the launching of the Offer is attached as **Appendix 4**.

The documentation evidencing the resolutions adopted by the Offeror's board of directors and general shareholders' meeting in relation to the approval of the increase of the Offer Price, both dated 2 October 2024, is attached as **Appendix 5**.

The documentation evidencing the resolutions adopted by the board of directors of Hines HEREP in relation to the approval of the increase of the Offer Price, dated 2 October 2024, duly legalized and apostilled, together with its sworn translation into Spanish, is attached as **Appendix 6**.

The documentation evidencing the resolutions adopted by the board of directors of HEREI in relation to the approval of the increase of the Offer Price, dated 2 October 2024, duly legalized and apostilled, together with its sworn translation into Spanish, is attached as **Appendix 7**.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

The documentation evidencing the resolutions adopted by the board of directors and general shareholders' meeting of Grupo Lar Inversiones Inmobiliarias, S.A. in relation to the approval of the increase of the Offer Price, dated 30 September 2024, is attached as **Appendix 8**.

I.2.2 Scope of the Offer, applicable legislation and competent authority

The Offer is a voluntary takeover offer pursuant to the provisions of Article 117 of the LMVSI and Article 13 of Royal Decree 1066/2007. It has been made by the Offeror and targets all the shares issued by Lar España representing its share capital, on the terms and conditions set out in this Prospectus and is carried out in accordance with the provisions of the LMVSI, Royal Decree 1066/2007 and other applicable legislation.

The Offer targets 100% of Lar España's share capital. However, the Offer excludes the Immobilized Shares, that is, 8,496,045 shares of Lar España representing 10.15% of its share capital, in accordance with the following breakdown: (a) 8,466,045 shares, representing 10.12% of the share capital of Lar España, owned by Grupo Lar; and (b) 30,000 shares, representing 0.04% of the share capital of Lar España, owned by Mr. Miguel Pereda Espeso; all of which have been immobilized until the settlement of the Offer.

Grupo Lar and Mr. Miguel Pereda Espeso have undertaken to contribute the Immobilized Shares to Grupo Lar Retail and, in turn, Grupo Lar Retail has undertaken to contribute the Immobilized Shares to the Offeror, immediately after the settlement of the Offer, in accordance with the terms set out in Grupo Lar's Contribution Agreement described in Section I.5 hereof.

Accordingly, the Offer is effectively addressed to a total of 75,196,924 shares of Lar España, representing 89.85% of its share capital, admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and quoted on the automated quotation system of the Spanish Stock Exchanges ("**SIBE**") (*Mercado Continuo*). The aforementioned number of shares of Lar España to which the Offer is addressed includes (i) the shares of Lar España held as treasury shares, (ii) the 563,265 shares of Lar España owned by Eurosazor (representing 0.67% of the share capital), (iii) the 9,039,045 shares of Lar España held by individuals and institutional investors to whom Brandes provides discretionary investment advisory services (representing 10.80% of the share capital), and (iv) the 24,090,411 shares of Lar España held by Castellana Properties (representing 28.78% of the share capital); said entities have irrevocably undertaken to accept the Offer by virtue of the irrevocable commitments described in sections I.5.1.5, I.5.1.6 and I.5.1.7 of this Prospectus, respectively.

The terms of the Offer are identical for all the shares of Lar España to which the Offer is addressed.

The shares of Lar España are not admitted to trading on other markets, whether regulated markets, multilateral trading facilities or any other type of secondary market for the trading of securities, in any European Union Member State or in other countries outside the European Union.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Accordingly, since Lar España is a Spanish company and its shares are admitted to trading on the Spanish Stock Exchanges, the competent authority to approve the Prospectus and authorize the Offer is the CNMV in accordance with the provisions of Article 109 of the LMVSI and Article 1 of Royal Decree 1066/2007.

The Offer is irrevocable and any amendment, withdrawal or cessation will only be effective in the events and in the manner stipulated in Royal Decree 1066/2007.

I.2.3 Markets in which the Offer is launched

The Offer is launched exclusively in the Spanish market, as this is the only market in which the shares of Lar España are listed and targets all shareholders of Lar España, irrespective of their nationality or place of residence. Concerning Lar España's shareholders resident outside Spain, see Section V.4 of this Prospectus.

I.2.4 National legislation governing agreements between the Offeror and the holders of shares in the Target Company as a consequence of the Offer

Agreements entered into as a consequence of the Offer between the Offeror and the shareholders of Lar España accepting the Offer will be governed by Spanish national law. Additionally, the competent jurisdictional bodies authorized to rule on any issue concerning such agreements will be the Spanish courts and tribunals assigned in accordance with Spanish civil procedure legislation.

I.3. Information concerning the Target Company

I.3.1 Company name and business name. Registered office and address

The Target Company is Lar España Real Estate Socimi, S.A., a Spanish public limited company, with registered office at calle de María de Molina 39, planta 10, 28006 Madrid, Spain, and tax identification number (N.I.F.) A-86918307 and LEI code 9598002PHMH00MHN3741. Lar España was incorporated for an indefinite period and is registered with the Madrid Commercial Registry at volume 31907, page 88, sheet M-574.225.

Lar España's financial year is the calendar year, i.e. it commences on 1 January and ends on 31 December each year.

Lar España's articles of association and any other corporate information concerning the Target Company are available for consultation on Lar España's website (www.larespana.com).

Pursuant to Article 2 of its articles of association, the corporate purpose of Lar España is as follows:

“Article 2.- Corporate purpose

- 1. The company's corporate purpose shall be:*

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

- a. *The acquisition and development of urban real estate properties for leasing thereof.*
 - b. *Holding interests in the capital of other SOCIMIs or in the other entities that are nonresidents in Spain, have the same corporate purpose and are subject to a similar framework as that established for SOCIMIs in relation to compulsory policies on the sharing of profits, whether by law or as per their articles of association.*
 - c. *Holding interests in the capital of other resident or non-resident entities in Spain whose main corporate purpose is the acquisition of urban real estate properties for lease, which are subject to the same framework as that established for SOCIMIs in relation to compulsory policies on the sharing of profits, whether by law or as per their articles of association and meet the investment requirements set forth in Article 3 of the SOCIMI Act.*
 - d. *Holding shares or share units in Real Estate Investment Trusts regulated under Law 35/2003, of 4 November, on Collective Investment Schemes, or any rule that may replace it in the future.*
 - e. *In addition to the business derived from the main corporate purpose, SOCIMIs may also engage in other complementary activities, defined as any that, as a whole, provide revenues representing less than 20 percent of the company's revenue in each fiscal period or any that can be considered complementary in accordance with the applicable law at any time.*
2. *Any activities for which the Law sets forth requirements that are not met by the company are excluded.*
 3. *The activities composing the corporate purpose can be conducted fully or partially in an indirect manner, by holding interests in other companies with the same or an analogous purpose."*

I.3.2 Composition of the Target Company's share capital. Markets on which the shares are admitted to trading

The share capital of Lar España amounts to €167,385,938, represented by 83,692,969 ordinary shares with a par value of €2 each, all belonging to the same class and series, fully subscribed and paid up.

Lar España's shares are represented by book entries which are held by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and its authorized participating entities, and have been admitted to trading since 5 March 2014 on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, and are included in the SIBE. In accordance with Lar España's articles of association, each share confers on its holder one vote at the general shareholders' meeting.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

According to publicly available information, Lar España has not issued any non-voting or special class shares, nor has it issued any pre-emptive subscription rights, convertible or exchangeable bonds or other similar securities or financial instruments carrying a right, directly or indirectly, to subscribe for or acquire shares in Lar España. Lar España therefore has no other shares, apart from those that may be targeted by the Offer.

I.3.3 Structure of the administrative, management and supervisory bodies of the Target Company

In accordance with Articles 32 and 34 of its articles of association, Lar España is governed and managed by a board of directors composed of a minimum of 5 and a maximum of 15 directors.

All information on the composition, organization and functions of the board of directors of Lar España and its committees can be found in its articles of association, board regulations, internal code of conduct and annual corporate governance reports, which are available for consultation on its corporate website (www.larespana.com).

Currently, the board of directors of Lar España is made up of five members. In accordance with Article 35 of Lar España's articles of association, the term of office for directors is three years, and they may be re-elected for one or more periods of the same duration.

According to publicly available information, the composition of Lar España's Board is as follows:

Name	Position	Category	Shareholder represented	Number of shares	% of share capital
Mr. José Luis del Valle Doblado	Chair	Independent	N/A	147,425	0.18%
Mr. Roger Maxwell Cooke	Director	Independent	N/A	2,500	0.00%
Ms. Isabel Aguilera Navarro	Director	Independent	N/A	2,620	0.00%
Ms. Leticia Iglesias Herraiz	Director	Independent	N/A	0	0.00%
Mr. Miguel Pereda Espeso	Deputy Chair	Proprietary	Grupo Lar Inversiones Inmobiliarias, S.A.	30,000	0.04%
Total				182,545	0.22%

Source: Unless otherwise indicated, public information is available on the Target Company website (www.larespana.com) and the CNMV website (www.cnmv.es).

⁽¹⁾ Mr. José Luis del Valle Doblado is the direct holder of 100,000 shares and the indirect holder, through Eugemor SICAV, S.A., of 47,425 shares.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

The Secretary and Deputy Secretary (who are not directors) of the board of directors of Lar España are Mr. Juan Gómez-Acebo Sáenz de Heredia and Ms. Susana Guerrero Trevijano, respectively.

Pursuant to Article 39.1 of the articles of association and Article 17.1 of Lar España's Board regulations, for Board meetings to be validly assembled, a majority of Board members must be present at the meeting either in person or represented by another director. Under Article 39.2 of the articles of association and Article 17.4 of Lar España's Board regulations, resolutions are adopted by an absolute majority of the directors present or represented (except when the applicable legislation, the articles of association or the Board regulations provide for other majorities). In the event of a tie, the Chairman of the board of directors has a casting vote.

In accordance with Article 41 of the articles of association and Article 13 of the Board Regulations of Lar España, and according to publicly available information, the board of directors has formed the following two Board committees: the Appointments, Remuneration and Sustainability Committee, and the Audit and Control Committee. The chair of each committee has a casting vote.

In addition, according to publicly available information, the composition of each of the Board committees of Lar España is as follows:

(i) Appointments, Remuneration and Sustainability Committee

Name	Position	Category
Mr. Roger Maxwell Cooke	Chair	Independent
Mr. Miguel Pereda Espeso	Member	Proprietary
Ms. Leticia Iglesias Herraiz	Member	Independent

The Secretary and the Deputy Secretary (non-directors) of the Appointments, Remuneration and Sustainability Committee of Lar España are Ms. Susana Guerrero Trevijano and Mr. Juan Gómez-Acebo Sáenz de Heredia, respectively.

(ii) Audit and Control Committee

Name	Position	Category
Ms. Isabel Aguilera Navarro	Chair	Independent
Mr. José Luis del Valle Doblado	Member	Independent
Ms. Leticia Iglesias Herraiz	Member	Independent

Ms. Susana Guerrero Trevijano and Juan Gómez-Acebo Saénz de Heredia are the Secretary and Deputy Secretary (non-directors) of the Appointments, Remuneration and Sustainability Committee and of the Audit and Control Committee.

The organization and functions of these committees are regulated in Lar España's Board regulations, available on the Target Company's website (www.larespana.com).

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

I.3.4 The Target Company's shareholder and control structure and shareholders' agreements

I.3.4.1 Shareholder structure

According to the public information available as of 12 November 2024, the shareholder structure of Lar España is as follows:

Name or business name of shareholder	Number of shares	% of total share capital
Vukile Property Fund Limited ⁽¹⁾	24,090,411	28.78%
Grupo Lar Inversiones Inmobiliarias, S.A.	8,466,045	10.12%
Adamsville, S.L.	4,355,713	5.2%
Brandes Investment Partners, L.P. ⁽²⁾	4,386,083	5.01%
Blackrock Inc. ⁽³⁾	2,361,978	2.82%
Utah State Retirement Systems	2,690,600	3.07%
DWS Investment GmbH ⁽⁴⁾	1,239,576	1.48%
BNP Paribas, Société Anonyme ⁽⁵⁾	964,199	1.15%
Treasury shares	58,130	0.07%
Other shareholders (Free Float) ⁽⁶⁾	35,080,234	42.30%
Total shares	83,692,969	100%

Source: Unless otherwise indicated, public information is available on Lar España's website (www.larespana.com) and the CNMV website (www.cnmv.es).

- (1) Indirect shareholding through Castellana Properties Socimi, S.A. Vukile Property Fund Limited holds 99.50% of the share capital of Castellana Properties Socimi, S.A.
- (2) Indirect shareholding through clients advised by Brandes Investment Partners, L.P. Brandes Investment Partners, L.P. does not have beneficial ownership of the shares and/or voting rights of Lar España, notwithstanding the fact that the individuals and institutional investors to whom Brandes Investment Partners, L.P. provides discretionary investment advisory services have granted Brandes Investment Partners, L.P. a power of attorney to exercise the voting rights attached to some of said shares, as explained in Section I.5.1.6 of this Prospectus. Brandes has irrevocably undertaken to accept the Offer with 9,039,045 shares of Lar España, representing 10.80% of its share capital, owned by its clients.
- (3) Indirect shareholding through investment funds managed by management companies which, in turn, are controlled by Blackrock Inc. In addition to the shares in Lar España, Blackrock Inc. holds financial instruments that entail an economic exposure equivalent to 1.05%.
- (4) Indirect shareholding through investment funds managed by DWS Investment GmbH.
- (5) Indirect shareholding through BNP Paribas Financial Markets (formerly BNP Paribas Arbitrage SNC), a wholly owned subsidiary of BNP Paribas, Société Anonyme. In addition to shares of Lar España, BNP Paribas, Société Anonyme holds financial instruments entailing an economic exposure equivalent to 0.01%.
- (6) In addition, the following declarations of ownership of financial instruments are stated below: (i) Simon Davies indirectly holds financial instruments entailing an economic exposure equivalent to 3.64%; (ii) Paul J. Glazer holds financial instruments entailing an economic exposure equivalent to 3.61%; and (iii) Samson Rock Event Driven Fund Limited holds financial instruments entailing an economic exposure equivalent to 1.63%.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

I.3.4.2 Control structure

According to publicly available information, no controlling interest is held by any natural or legal person, individually or jointly with others, in Lar España, as defined in Article 4 of the LMVSI, Article 4 of Royal Decree 1066/2007 and Article 42 of the Royal Decree of 22 August 1885 which enacted the Commercial Code.

I.3.4.3 Shareholders' agreements

According to publicly available information, there are no shareholders' agreements as described in Article 530 et seq. of the Spanish Companies Act involving Lar España.

The Offeror is not a party to and is not aware of the existence of any other shareholders' agreement pursuant to Article 530 of the Spanish Companies Act entered into between the shareholders of Lar España or in relation to Lar España.

I.3.5 Limitations on voting rights and restrictions on access to management bodies

Each Lar España share confers a right to one vote. Lar España's articles of association do not provide for any limitations on shareholders' voting rights. Pursuant to Article 27 of Lar España's articles of association, in order to attend general shareholders' meetings it is necessary to provide proof of ownership of at least one Lar España share recorded in the relevant book-entry register 5 days prior to the date set for the meeting.

Lar España's articles of association do not include any grounds for conflict of interest or prohibitions for directors other than those provided for by law.

I.3.6 Resolutions concerning the application of the planned neutralization and compensation measures

Lar España has not adopted any corporate resolution relating to the adoption of the neutralization and compensation measures referred to in Article 115 of the LMVSI and Article 29 of Royal Decree 1066/2007.

I.4. Information concerning the Offeror and its group

I.4.1 Information concerning the Offeror

I.4.1.1 Legal personality, company name, registered office, date of incorporation, period of activity and corporate purpose

The Offeror is Helios RE, S.A., a Spanish public limited company (*sociedad anónima*) with registered office at calle María de Molina 39, planta 10, 28006 Madrid, Spain, tax identification number A-10751865 and with LEI code 2549005DHFD0POU6FJ03. The Offeror was incorporated for an indefinite period on 30 May 2022 and is registered with the Madrid Commercial Registry in volume 43818, page 31, sheet M-773.283.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Pursuant to Article 2 of its articles of association, the Offeror's corporate purpose is as follows:

“Article 2. Purpose

1. *The company's corporate purpose is as follows:*
 - a. *The acquisition of urban real estate properties having residential, commercial or mixed use, for leasing thereof.*
 - b. *Holding interests in the capital of other SOCIMIs or in other entities that are not resident in Spain, have the same corporate purpose and are subject to a similar framework as that established for SOCIMIs in relation to compulsory policies on the sharing of profits, whether by law or as per the articles of association.*
 - c. *Holding interests in the capital of other entities that are resident or non-resident entities in Spain, the main corporate purpose of which is to acquire urban real estate property for lease, and are subject to a similar framework as that established for SOCIMIs in relation to compulsory policies on the sharing of profits, whether by law or as per the articles of association and meet the investment requirements set forth in article 3 of the SOCIMI Act.*
 - d. *In addition to the business derived from the main corporate purpose, SOCIMIs may also engage in other complementary activities, defined as any that, as a whole, provide revenues representing less than 5 percent of the company's revenue in each fiscal period or any that can be considered complementary in accordance with the applicable law at any time.*
2. *Any activities for which the Law sets forth requirements that are not met by the company are excluded.*
3. *The activities composing the corporate purpose can be conducted fully or partially in an indirect manner, by holding interests in other companies with the same or analogous purpose.”*

Certificates issued by the Madrid Commercial Registry concerning Helios RE, S.A., attesting to the incorporation and registration of said company and its current registered articles of association are attached as **Appendix 9**.

The Offeror is a special purpose vehicle which was acquired by Hines SC and Grupo Lar Retail on 5 July 2024 for the purpose of launching the Offer. Since its incorporation, the Offeror has not carried out any activity except for (i) adopting the necessary resolutions for authorizing the purchase of the shares of Lar España, making the Offer, obtaining a bank guarantee for the Offer, and actions related to the above (including the relevant financing); (ii) signing the agreements related to the Offer described in Section I.5; (iii) executing the documentation relating to the financing of the Offer, as described in Section II.4.2; (iv) all other actions in relation to the Offer; and (v) the amendment of the

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

articles of association and the application of the special SOCIMI tax regime, in both cases in compliance with the provisions of the Investment and Shareholders' Agreement.

On 22 July 2024, the Offeror requested the application of the SOCIMI regime in accordance with the provisions of the Investment and Shareholders' Agreement.

I.4.1.2 Share capital and markets on which the Offeror's shares are listed

The Offeror's share capital amounts to €60,000, divided into 60,000 shares with a par value of €1 each, all in the same class and series, 25% subscribed and paid up. The Offeror has not issued any shares granting a right to acquire or subscribe for shares. All the Offeror's shares confer the same voting and dividend rights on their holders. Each share entitles its holder to one vote.

The Offeror's shares are not traded or admitted to trading on any stock exchange. The Investment and Shareholders' Agreement provides that the Offeror's shares must be listed on a multilateral trading facility as soon as possible after settlement of the Offer and in any event within 6 months after the settlement of the Offer.

I.4.1.3 Structure of the Offeror's administrative, management and control bodies

The Offeror's governing and administrative bodies are the shareholders' meeting, which is the main decision-making body, empowered to decide on any matters within its competence, and the board of directors, which is empowered to adopt all resolutions that the Offeror's articles of association do not allocate to the general shareholders' meeting.

Pursuant to Article 20 of the Offeror's articles of association, its board of directors has five members. In accordance with Article 21 of the Offeror's articles of association, the term of office for directors is six years, and they may be re-elected for one or more terms of the same duration.

The current composition of the Offeror's board of directors is as follows:

Name	Position
Ms. Vanesa Gelado Crespo	Chair
Ms. Lucía Martínez-Noriega Campuzano	Director
Mr. Luis Jaime de Antonio Rodríguez	Director
Ms. María Isabel Plaza Hernández	Director
Mr. Miguel Pereda Espeso	Director

Pursuant to clause 11.6 of the investment and shareholders' agreement in relation to the Offer entered into by Hines SC, Grupo Lar Retail, Grupo Lar, Mr. Miguel Pereda Espeso and the Offeror on 11 July 2024 (the "**Investment and Shareholders' Agreement**"), Ms. Vanesa Gelado Crespo, Ms. Lucía Martínez-Noriega Campuzano and Mr. Luis Jaime de Antonio Rodríguez have been appointed as members of the Offeror's board of directors by Hines SC, while Ms. María Isabel Plaza Hernández and Mr. Miguel Pereda Espeso have been appointed by Grupo Lar Retail.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Ms. Vanesa Gelado Crespo has been appointed chair of the Offeror's board of directors at the proposal of Hines SC, in accordance with the Investment and Shareholders' Agreement.

The non-voting secretary of the Offeror's board of directors is Mr. Arnau Tapias Monné, appointed by Grupo Lar Retail in accordance with the provisions of the Investment and Shareholders' Agreement.

I.4.1.4 Offeror's shareholder and control structure

The Offeror is wholly owned, directly, by Hines SC and Grupo Lar Retail, as follows:

Shareholder	Number of shares	% of total share capital
Hines SC PropCo 37 S.à r.l.	37,500	62.5%
Grupo Lar Retail Investments, S.L.	22,500	37.5%
Total shares	60,000	100%

Pursuant to Article 19 of the Offeror's articles of association, the shareholders' meeting will decide all matters by the legally established majority, except for the adoption of general shareholders' meeting qualified matters described in Appendix 9 of the Investment and Shareholders' Agreement (as described in Section I.5.1.1 of this Prospectus), which require the favorable vote of Grupo Lar Retail.

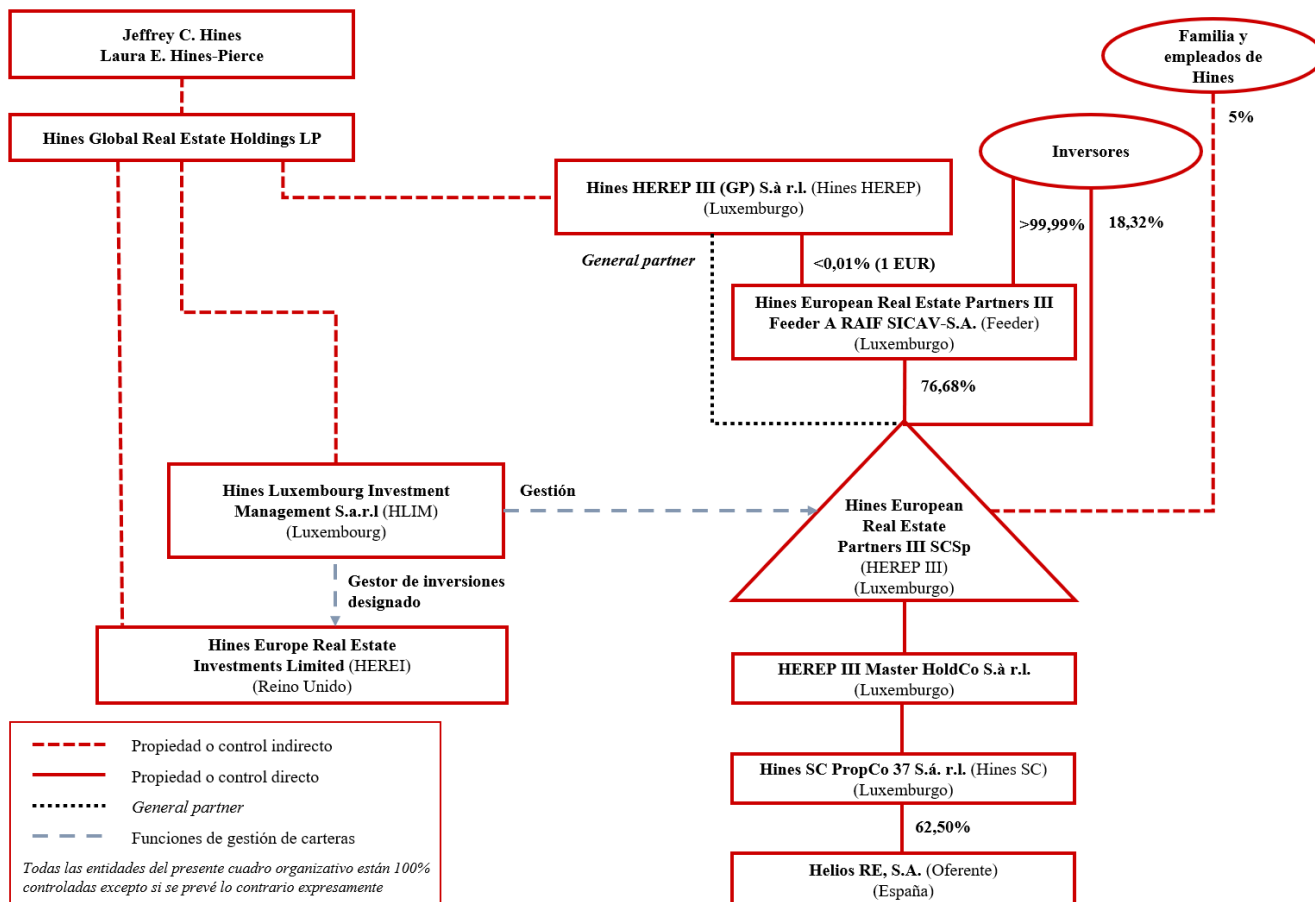
Accordingly, under Luxembourg law, the Offeror is controlled by the Alternative Investment Fund Manager (AIFM) (HLIM) and the general partner (Hines HEREP) of the HEREP III fund, which, in turn, are indirectly jointly controlled by Mr. Jeffrey C. Hines and Ms. Laura E. Hines-Pierce, who will also control Lar España following the settlement of the Offer.

The third paragraph of Article 8.1. of the Offeror's articles of association expressly excludes the possibility of shareholders partially transferring their shares in the Offeror to a third party, and therefore transfers can only be made to third parties of the totality of the shares held by each shareholder, and provided that the provisions of the Offeror's articles of association concerning the transfer of shares are complied with.

The Offeror's shareholder and control structure is as follows:

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Hines



(A) Hines SC

Hines SC PropCo 37 S.à r.l. (Hines SC) is a Luxembourg limited liability company with registered office at 35F, Avenue J. F. Kennedy, Luxembourg L-1855, Grand Duchy of Luxembourg, incorporated on 8 September 2022 and registered with the Luxembourg Commercial Registry under number B271384, with tax identification number N-0290819B, and which holds 62.5% of the Offeror's share capital.

Hines SC is a Luxembourg special purpose vehicle which was acquired on 25 June 2024 by HEREP III Master HoldCo S.à r.l. in order to make the Offer and therefore has not carried out any activities other than those related to the Offer to date.

The corporate purpose of Hines SC is, among others, the acquisition and sale of real estate and any transactions related to real estate, including, but not limited to, (i) the financing of real estate purchases and (ii) the direct or indirect holding of equity interests in companies, including, inter alia, listed companies engaging in the acquisition, development, promotion, sale, management and/or leasing of real estate.

The financial year of Hines SC starts on 1 January and ends on 31 December.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Hines SC's share capital amounts to €12,000, divided into 12,000 shares with a par value of €1 each, in the same class and series, fully subscribed and paid up.

Hines SC is wholly owned by HEREP III Master and its shares are not admitted to trading on any stock exchange.

Hines SC has not issued any shares that entitle their holders to acquire or subscribe for shares and all shares confer the same voting and dividend rights on their holders. Each share carries one vote at the general shareholders' meeting.

The management of Hines SC is entrusted to a board of directors (*conseil de gérance*) composed of three members: (i) Ms. Aneta Bondar; (ii) Mr. Kenneth MacRae; and (iii) Ms. Liana Pelcaru.

The board of directors may validly deliberate on or adopt resolutions only if a majority of its members are present or duly represented. Board resolutions are adopted by a majority of votes of the directors present or represented at the meeting. If necessary, the Chair has a casting vote.

Attached as **Appendix 10** is a legalized and apostilled copy of Hines SC's articles of association and an extract (*extrait*), legalized and apostilled, from the Luxembourg Commercial Registry (*Registre de Commerce et des Sociétés*), together with sworn translations into Spanish of both documents.

(B) HEREP III Master

HEREP III Master HoldCo S.à r.l. (HEREP III Master) is a Luxembourg limited liability company with registered office at 35F, Avenue J.F. Kennedy, Luxembourg L-1855, Grand Duchy of Luxembourg, incorporated on 22 November 2021 and registered with the Luxembourg Commercial Registry under number B261920. HEREP III Master is the direct owner of the entire share capital of Hines SC.

The corporate purpose of HEREP III Master is, among others, the acquisition and sale of real estate and any transactions related to real estate, including, but not limited to, (i) the financing of real estate purchases and (ii) the direct or indirect holding of equity interests in companies, including, inter alia, listed companies engaging in the acquisition, development, promotion, sale, management and/or leasing of real estate.

The financial year of HEREP III Master starts on 1 January and ends on 31 December.

HEREP III Master's share capital amounts to €751,970 and is represented by 12,000 ordinary shares with a par value of €1 each and 739,970 Tracker Shares with a par value of €1 each, which in turn are divided into different classes of Tracker Shares (Class A, Class B, Class D and Class E). The 223,985 Class A Tracker Shares are divided into: A1, A2, A3, A4, A5 and A6; the 223,985 Class B Tracker Shares are divided into: B1, B2, B3, B4, B5 and B6; the 120,000 Class D Tracker Shares are divided into: D1, D2, D3, D4 and D5; and the 172,000 Class E Tracker Shares are divided into: E1, E2, E3, E4 and E5. The different classes of Tracker Shares are related to specific investments and their subclasses are linked to different exit circumstances. For each additional investment made by HEREP III Master, new Tracker Shares will be created. HEREP III

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

owns 100% of the share capital of HEREP III Master. HEREP III Master's shares are not listed on any stock exchange.

The management of HEREP III Master is entrusted to a board of directors (*conseil de gérance*) composed of four members: (i) Ms. Aneta Bondar; (ii) Mr. Kenneth MacRae; (iii) Mr. Arjan Kirthi Singha; and (iv) Ms. Liana Pelcaru.

The board of directors may validly deliberate on or adopt resolutions only if a majority of its members are present or duly represented. Board resolutions are adopted by a majority of votes of the directors present or represented at the meeting.

Attached as **Appendix 11** is a legalized and apostilled copy of HEREP III Master's articles of association and a legalized and apostilled extract from the Luxembourg Commercial Registry, together with sworn translations into Spanish of both documents.

(C) HEREP III

Hines European Real Estate Partners III SCSp (HEREP III) is a Luxembourgian special limited partnership without a legal personality, with registered office at 35F, Avenue J.F. Kennedy, Luxembourg L-1855, Grand Duchy of Luxembourg, LEI code 254900MZ0ICTIB2SHP69, incorporated on 31 August 2021 and registered with the Luxembourg Commercial Registry under number B258875.

The corporate purpose of HEREP III is, among others, directly or indirectly, to acquire, own and sell or otherwise dispose of interests and/or shares in projects and to renovate, rehabilitate, develop, own, manage, operate, lease, mortgage, alter, repair projects and, in all other respects, to act as owner of interests and/or shares in projects and to engage in any other lawful business activities that the general partner may from time to time determine.

The financial year of HEREP III starts on 1 January and ends on 31 December.

HEREP III's capital is not divided into shares or units, as it has not issued any shares or units representing its share capital. The majority shareholder of HEREP III is the Feeder (as defined below), which owns 76.68% of its total capital, while the remaining shareholding is held by a number of investors (limited partners), generally institutional investors and large family offices of repute, and the Hines family and employees, as explained in the Hines organizational chart above.

The capital commitments of HEREP III total around €1,600 million. The limited partners' percentage holding in the fund is a fraction whose numerator is the capital commitment of each limited partner and whose denominator is the sum of the capital commitments of all limited partners at a given time.

HEREP III is a closed-end real estate investment fund owned by a number of investors (limited partners), generally institutional investors and large family offices of recognized standing. No end-investor (natural or legal person) owns directly or indirectly 25% or more of HEREP III. HEREP III's investors are passive investors and have no capacity to influence decisions made by HEREP III or to participate in the oversight, management

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

or control of its business or affairs. The liability of each investor is limited to the amount of its capital commitment.

Hines HEREP and HEREI have the authority to make investment and management decisions for HEREP III and decisions in respect of the companies and entities in which HEREP III invests.

HEREP III is controlled, managed and advised, in accordance with Luxembourg law, jointly by: (i) HLIM, its alternative investment fund manager (AIFM), which is responsible for the risk management function and which has delegated its AIFM portfolio management functions for HEREP III to HEREI, which is consequently the investment and management decision maker for HEREP III; and (ii) Hines HEREP, its general partner.

(D) HE Hines European Real Estate Partners III Feeder A RAIF SICAV-S.A.

Hines European Real Estate Partners III Feeder A RAIF SICAV-S.A. ("**Feeder**") is a Luxembourg variable capital investment company (*Société d'investissement à capital variable - SICAV*), organized as a reserved alternative investment fund (*fonds d'investissement alternatif réservé - RAIF*).

Feeder's registered office is 35F, Avenue J.F. Kennedy, Luxembourg L-1855, Grand Duchy of Luxembourg, it was incorporated on 31 August 2021 and is registered with the Luxembourg Commercial Registry under number B259338.

Feeder's main business purpose is to invest in HEREP III. In this respect, Feeder assumes commitments with this entity equivalent to the aggregate capital commitments on its own shares. Share capital is represented by fully paid-up shares with no par value, divided into 2 classes:

- (i) One class Z share, owned by Hines HEREP, which entitles the holder to individually submit a list of one or more candidates for appointment to the board of directors; and
- (ii) The remaining Class A shares, which are all owned by Feeder's limited partners.

As of 31 December 2023, Feeder's total capital commitments amounted to €1,240 million.

Feeder's financial year starts on 1 January and ends on 31 December.

Feeder is controlled by its board of directors, composed of the following Hines employees and independent directors: (i) Mr. Arjan Kirthi Singha; (ii) Ms. Blazena Grossmann; and (iii) Mr. Peter John Baxter.

The board of directors may validly deliberate on or adopt resolutions only if a majority of its members are present or duly represented. Board resolutions are adopted by a majority of votes of the directors present or represented at the meeting. The chair has a casting vote in the event of a tie.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

With the exception of the class Z share mentioned above, Feeder is wholly owned by a number of investors (limited partners), generally institutional investors and large, reputable family offices. No end-investor (natural or legal person) owns directly or indirectly 25% or more of Feeder. Feeder investors are passive investors and have no capacity to influence decisions made by Feeder or to participate in the oversight, management or control of its business or affairs. The liability of each investor is limited to the amount of its capital commitment.

Attached as **Appendix 12** is a legalized and apostilled copy of Feeder's articles of association and a legalized and apostilled extract from the Luxembourg Commercial Registry, together with sworn translations into Spanish of both documents.

(E) Hines HEREP

Hines HEREP III (GP) S.à r.l. (Hines HEREP) is a Luxembourg limited liability company with registered office at 35F, Avenue J.F. Kennedy, Luxembourg L-1855, Grand Duchy of Luxembourg, incorporated on 18 June 2021 and registered with the Luxembourg Commercial Registry under number B256608.

Hines HEREP is the general partner of HEREP III and is responsible for the control and development of its portfolio and certain administrative and day-to-day management functions in HEREP III.

Hines HEREP's corporate purpose consists of, among others, the holding of equity interests, the acquisition and transfer of securities and the administration, control and development of its portfolio and, in particular, of acting as a general partner in Luxembourg limited partnerships and holding an interest in them.

The financial year of Hines HEREP starts on 1 January and ends on 31 December.

Hines HEREP's share capital amounts to €12,000, divided into 12,000 shares with a par value of €1 each, in the same class and series, fully subscribed and paid up. Each share entitles its holder to one vote.

Hines HEREP has not issued any shares that entitle their holders to acquire or subscribe for shares and all shares confer the same voting and dividend rights on their holders. Hines HEREP's shares are not listed on any stock exchange.

The management of Hines HEREP is entrusted to a board of directors (*conseil de gérance*) composed of 3 members: (i) Mr. Arjan Kirthi Singha; (ii) Ms. Blazena Grossmann; and (iii) Mr. Peter John Baxter.

The board of directors may validly deliberate on or adopt resolutions only if a majority of its members are present or duly represented. Board resolutions are adopted by a majority of votes of the directors present or represented at the meeting.

Hines HEREP is indirectly controlled by Mr. Jeffrey C. Hines (Chairman and Co-CEO of the Hines Group), a US citizen of legal age, and by Ms. Laura E. Hines-Pierce (Co-CEO of the Hines group), a US citizen of legal age, both of whom together indirectly control more than 50% of the voting rights of Hines HEREP and can appoint members of the

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

board of directors. No other person, individually or acting in concert, holds more than 25% of the voting rights of this entity.

Mr. Jeffrey C. Hines and Ms. Laura E. Hines-Pierce exercise control over Hines HEREP through their indirect interest in Hines Global Real Estate Holdings LP ("**HGREH**"), which is the (indirect) sole owner and controller of Hines HEREP.

HGREH is a limited partnership incorporated under the laws of the State of Delaware, United States, with its principal place of business at 845 Texas Avenue, Suite 3300, Houston, Texas 77002, United States, and its registered office at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 (for purposes of legal notices only). HGREH was incorporated on 16 October 2020 and is registered with the State Division of Corporations of the Secretary of State of the State of Delaware under number 3480239.

HGREH was set up to consolidate the ownership of most of Hines' businesses into a single entity. Mr. Jeffrey C. Hines and Ms. Laura E. Hines-Pierce exercise joint control over HGREH through their joint control of HGREH GP LLC, the general partner of HGREH.

Attached as **Appendix 13** is a legalized and apostilled copy of Hines HEREP's articles of association and a legalized and apostilled extract from the Luxembourg Commercial Registry, together with sworn translations into Spanish of both documents.

(F) HLIM

Hines Luxembourg Investment Management S.à r.l. (HLIM) is a Luxembourg limited liability company with registered office at 35F, Avenue J.F. Kennedy, Luxembourg L-1855, Grand Duchy of Luxembourg, LEI code 254900SJ749EOTVBJ409, incorporated on 9 April 2014 and registered with the Luxembourg Commercial Registry under number B186667.

HLIM is authorized by the Luxembourg financial regulator (*Commission de Surveillance du Secteur Financier*) as an alternative investment fund manager (under number A00000496) and is registered in Spain with the CNMV as a European Economic Area AIF manager, with official registration number 334.

HLIM is the management company of HEREP III and has delegated its portfolio management functions with respect to HEREP III to HEREI.

The business activities of HLIM include acting as a management company and/or alternative investment fund manager to carry out the administration, management and marketing of alternative investment funds ("**AIFs**"). More generally, HLIM carries out any activity related to the management, administration and promotion of AIF investments. HLIM may also manage its own assets on an ancillary basis and carry out all activities it deems useful for the fulfilment of its purpose.

HLIM's financial year starts on 1 January and ends on 31 December.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

HLIM's share capital amounts to €600,000, divided into 6,000 shares with a par value of €100 each, in the same class and series, fully subscribed and paid up. Each share entitles its holder to one vote. HLIM has not issued any shares that entitle their holders to acquire or subscribe for shares and all shares confer the same voting and dividend rights on their holders. HLIM's shares are not listed on any stock exchange.

The management of HLIM is entrusted to a board of directors (*conseil de gérance*) composed of four members: (i) Mr. Arjan Kirthi Singha; (ii) Ms. Blazena Grossmann; (iii) Mr. Peter John Baxter; and (iv) Ms. Stephanie Duval.

The board of directors may validly deliberate on or adopt resolutions only if a majority of its members are present or duly represented. Board resolutions are adopted by a majority of votes of the directors present or represented at the meeting.

HLIM is indirectly controlled by Mr. Jeffrey C. Hines (Chairman and Co-CEO of the Hines Group), a US citizen of legal age, and by Ms. Laura E. Hines-Pierce (Co-CEO of the Hines group), a US citizen of legal age, both of whom together indirectly control more than 50% of the voting rights of HLIM and can appoint members of the board of directors. No other person, individually or acting in concert, holds more than 25% of the voting rights of this entity.

Mr. Jeffrey C. Hines and Ms. Laura E. Hines-Pierce exercise control over HLIM through their indirect interest in HGREH, which is the (indirect) sole owner and controller of HLIM.

Attached as **Appendix 14** is a legalized and apostilled copy of HLIM's articles of association and a legalized and apostilled extract from the Luxembourg Commercial Registry, together with sworn translations into Spanish of both documents.

(G) *HEREI*

Hines Europe Real Estate Investments Limited (HEREI) is a UK limited liability company whose registered office is at 6 Dryden Street, London, United Kingdom, WC2E 9NH, incorporated on 30 July 2010 and registered at Companies House in the United Kingdom under number 07331555.

HLIM, as AIFM of HEREP III, has delegated its portfolio management functions with respect to HEREP III to HEREI. As a result, HEREI makes investment decisions on behalf of HEREP III and takes decisions with respect to the companies in which HEREP III holds an interest.

HEREI's business activities include acting as investment advisor to various companies in the Hines group with regard to real estate investments, including within Europe. It therefore provides strategic advisory services for marketing real estate funds and raising capital for them, as well as portfolio management and/or investment advisory services to Hines group companies to support the management of the Hines group's investor funds and investor relations.

HEREI has been authorized and regulated by the UK financial regulator (Financial Conduct Authority) under number 530745 since 1 April 2011 and is qualified as a BIPRU/MIFID investment company.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

HEREI's financial year starts on 1 January and ends on 31 December.

HEREI's share capital amounts to GBP 115,105, divided into 115,105 shares with a par value of GBP 1 each, in the same class and series, fully subscribed and paid up. HEREI has not issued any shares that entitle their holders to acquire or subscribe for shares and all shares confer the same voting and dividend rights on their holders. Each share entitles its holder to one vote. HEREI's shares are not listed on any stock exchange.

The management of Hines HEREI is entrusted to a board of directors comprising three members: (i) Ms. Eleni Vakali; (ii) Mr. Paul Michael White; and (iii) D. Alexander Ward Nathaniel Knapp.

The board of directors may validly deliberate on or adopt resolutions only if the quorum requirement for the meeting is met in accordance with the provisions of its articles of association. The quorum for board meetings may be set under a board resolution, and the number of members of the board of directors will be two, unless otherwise agreed. Board resolutions are adopted by a majority of votes of the directors present or represented at the meeting. If necessary, the Chair has a casting vote.

HEREI is indirectly controlled by Mr. Jeffrey C. Hines (Chairman and Co-CEO of the Hines Group), a US citizen of legal age, and by Ms. Laura E. Hines-Pierce (Co-CEO of the Hines group), a US citizen of legal age, both of whom together indirectly control more than 50% of the voting rights of HEREI and can appoint members of the board of directors. No other person, individually or acting in concert, holds more than 25% of the voting rights of this entity.

Mr. Jeffrey C. Hines and Ms. Laura E. Hines-Pierce exercise control over HEREI through their indirect interest in HGREH, which is the (indirect) sole owner and controller of HEREI.

A legalized and apostilled copy of HEREI's certificate of incorporation and articles of association extracted from the UK Companies Registry, together with their sworn translations into Spanish, are attached as **Appendix 15**.

Grupo Lar

(A) Grupo Lar Retail

Grupo Lar Retail is a Spanish limited liability company with registered office at calle María de Molina 39, planta 10, 28006 Madrid, Spain, with tax identification number B-83713792 and registered with the Madrid Commercial Registry in volume 19081, page 158, sheet M-333.671, holding a 37.5% interest in the Offeror. Grupo Lar Retail was formerly named Desarrollos Ibéricos Lar, S.L. The company changed its corporate name to the current corporate name by virtue of the decisions taken by its sole shareholder on 8 July 2024, which were formalized in a public deed authorized on the same day by the Madrid notary Mr. Ignacio Paz-Ares Rodríguez, under number 2,478 of his protocol.

The share capital of Grupo Lar Retail amounts to €100,000, divided into 100,000 shares with a par value of €1 each, fully subscribed and paid up. Grupo Lar Retail has not issued any shares that entitle their holders to acquire or subscribe for shares and all shares

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

confer the same voting and dividend rights on their holders. Each share entitles its holder to one vote.

The financial year of Grupo Lar Retail commences on 1 January and ends on 31 December.

In accordance with its articles of association, Grupo Lar Retail is managed by four joint and several directors, Mr. Miguel Pereda Espeso, Mr. José Manuel Llovet Barquero, Mr. Luis José Pereda Espeso and Ms. María Isabel Plaza Hernández, with decision-making powers in relation to matters that do not fall within the competence of its general meeting.

The articles of association do not provide for any limitations on voting rights or restrictions on access to management bodies.

Notwithstanding the fact that Grupo Lar Retail will be wholly owned by Grupo Lar until the Offer settlement date, as a result of the contribution of the Immobilized Shares immediately after the settlement of the Offer, Miguel Pereda Espeso will also hold a minority interest in Grupo Lar Retail. At that time, Grupo Lar Retail may be owned, on a minority basis, by other investors in Grupo Lar's close environment, which would obtain an interest in its capital after the settlement date of the Offer, including Eurosazor by virtue of the terms of its irrevocable commitment to accept the Offer and reinvestment entered into with the Offeror on 11 July 2024 and which is described in Section I.5.1.5. Grupo Lar and Grupo Lar Retail have initiated contacts with some of these potential minority investors, none of which are currently shareholders of Lar España (except Eurosazor, as indicated above). Grupo Lar Retail does not anticipate that the individual shareholding of any of these investors will exceed 7% of the share capital of Grupo Lar Retail, nor that the overall shareholding of all of these investors will exceed 30% of the share capital of Grupo Lar Retail. Furthermore, to the best of Grupo Lar's knowledge and belief, the aforementioned minority investors will not act in concert within the meaning of Article 5.1 of Royal Decree 1066/2007. None of these minority investors is currently a shareholder of Lar España and they will undertake vis-à-vis Grupo Lar not to trade in shares of Lar España (and, in particular, not to subscribe for, purchase or otherwise acquire shares of Lar España, financial instruments having shares of Lar España as an underlying asset, or rights attaching to shares of Lar España, or the voting or dividend rights attached to such shares) until at least the date on which their acquisition of a holding in Grupo Lar Retail becomes effective following the Offer settlement date. Eurosazor, which will have an individual shareholding in Grupo Lar Retail of approximately 5% in accordance with its irrevocable commitment to accept the Offer and reinvestment, is exempt from the above. In particular, Grupo Lar will not enter into any agreement entitling the shareholders of Lar España Brandes or Castellana Properties to acquire any interest in the share capital of Grupo Lar Retail.

Certificates issued by the Madrid Commercial Registry concerning Grupo Lar Retail, attesting to the incorporation and registration of said company and its current registered articles of association are attached as **Appendix 16**.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

(B) Grupo Lar

Grupo Lar is a Spanish public limited company (*sociedad anónima*) with registered office at calle María de Molina 39, planta 10, 28006 Madrid, Spain, with tax identification number A-78107125 and LEI code number 95980022XNGMVGYYUF57, registered with the Madrid Commercial Registry, volume 1,548, page 63, sheet M-28.441.

Grupo Lar is a Spanish company with a major international presence specialized in the development, investment in and management of real estate assets. Grupo Lar is not controlled by any individual or legal entity.

Grupo Lar is the manager of Lar España's real-estate asset portfolio.

Grupo Lar's share capital amounts to €135,020.66, represented by 22,466 ordinary shares with a par value of €6.01, all belonging to the same class and series, fully subscribed and paid up. Grupo Lar has not issued any shares that entitle their holders to acquire or subscribe for shares and all shares confer the same voting and dividend rights on their holders. Each share entitles its holder to one vote. Grupo Lar's shares are not listed on any stock exchange.

Grupo Lar is controlled by the Pereda family, which holds (through the individual shareholdings of several of its members, who have not entered into any voting syndication agreement among themselves) 99.95% of the voting rights of Grupo Lar. Three of the seven members of the board of directors of Grupo Lar (Mr. Miguel Pereda Espeso, Mr. Jaime Pereda Espeso and Mr. Luis José Pereda Espeso) are members of the Pereda family and shareholders of Grupo Lar. In addition, Mr. Miguel Pereda Espeso is the executive chairman of Grupo Lar.

The financial year of Grupo Lar commences on 1 January and ends on 31 December.

In accordance with the provisions of its current articles of association, Grupo Lar is managed by a board of directors with decision-making powers in relation to matters that do not fall within the competence of its general shareholders' meeting, comprising seven members, the composition of which is as follows:

Name	Position
Mr. Miguel Pereda Espeso	Executive Chair
Mr. Nicolás López Santos	Director
Ms. María del Mar Ruiz Andújar	Director
Mr. Jaime Pereda Espeso	Director
Mr. Santiago Galaz Díaz	Director
Ms. Ana María Eugenia Fernández-Villarán	Director

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Name	Position
Mr. Luis José Pereda Espeso	Director

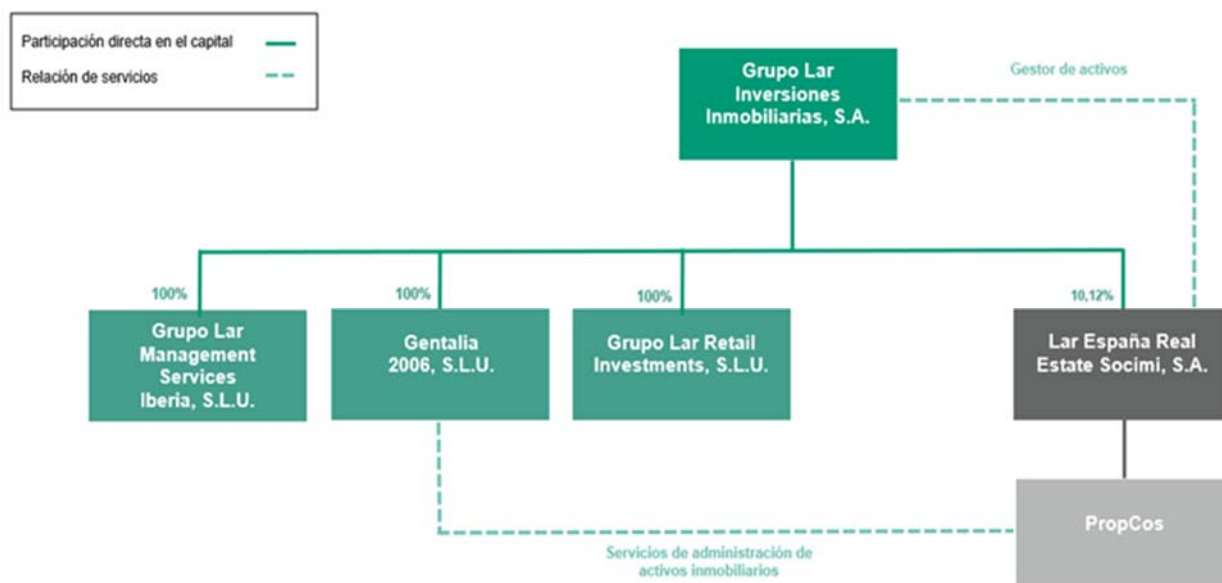
The Secretary (non-director) of the board of directors of Grupo Lar is Mr. Francisco Javier Linares Medina.

The articles of association do not provide for any limitations on voting rights or restrictions on access to management bodies.

Certificates issued by the Madrid Commercial Registry concerning Grupo Lar, attesting to its incorporation and registration, and its current registered articles of association, are attached as **Appendix 17**.

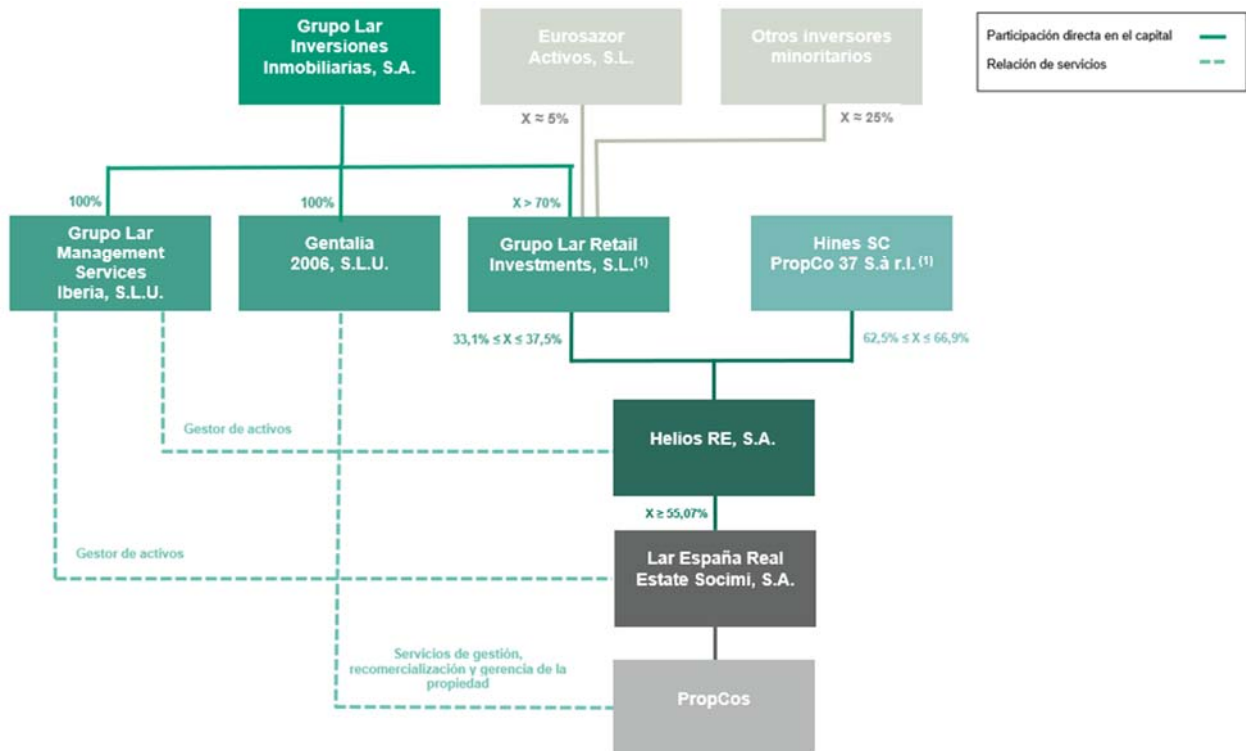
The following two diagrams show the relationship between Grupo Lar and Lar España before and after the settlement of the Offer, both as a shareholder (directly or indirectly) and as an asset manager for Lar España (directly or through subsidiaries).

Before settlement of the Offer:



This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

After settlement of the Offer:



⁽¹⁾ In a maximum dilution scenario for Grupo Lar (which would occur if there is 100% acceptance of the Offer (squeeze-out), issuance of the convertible instrument for €7,500,000 and conversion of the convertible instrument by Hines SC), Hines SC would hold a 69.9% interest and Grupo Lar would hold a 30.1% interest.

I.4.2 Identity of the persons acting in concert with the Offeror

Hines SC and Grupo Lar Retail, as shareholders of the Offeror (joint and direct holders of 100% of its share capital), act in concert through the Offeror for the purposes of Article 5.1 of Royal Decree 1066/2007.

I.4.3 Limitations on voting rights and restrictions on access to management bodies

Each share of the Offeror confers the right to one vote. The Offeror's articles of association do not provide for any limitations on shareholders' voting rights. There are no restrictions on access to the Offeror's management bodies.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

I.4.4 Resolutions regarding the application of neutralization or comparable measures and compensation contemplated by the Offeror

The Offeror has not adopted any resolution relating to the application of the neutralization and compensation measures referred to in Article 115 of the LMVSI and Article 29 of Royal Decree 1066/2007.

I.5. Resolutions concerning the Offer and the Target Company

I.5.1 Description of all resolutions or agreements of any kind between the Offeror and the shareholders and members of the administrative, management and supervisory bodies of the Target Company, and benefits reserved for those members

I.5.1.1 Investment and Shareholders' Agreement

On 11 July 2024, Hines SC, Grupo Lar Retail, Grupo Lar, Mr. Miguel Pereda Espeso and the Offeror entered into the Investment and Shareholders' Agreement by virtue of which they agreed the terms and conditions for the Offer being launched by the Offeror, as well as their investment in the Offeror's share capital and their relationship as shareholders of the Offeror and, indirectly, of Lar España, in the latter case, after the settlement of the Offer.

On 2 October 2024, as a result of the approval of the resolutions to increase the Offer Price by the Offeror's general shareholders' meeting and board of directors, the parties to the Investment and Shareholders' Agreement concluded an addendum to the Investment and Shareholders' Agreement to reflect (i) the new amount of the Offer Price of €8.30 per share, following the increase of the consideration by €0.20 per share, and (ii) the contribution commitments undertaken by the Offeror's shareholders to meet the total amount of the Offer consideration following said increase (the "**Addendum to the Investment and Shareholders' Agreement**").

A copy of the Investment and Shareholders' Agreement in English, together with its sworn translation into Spanish, is attached as **Appendix 18** and a copy of the Addendum to the Investment and Shareholders' Agreement, together with its sworn translation into Spanish, is attached as **Appendix 19**.

The main terms and conditions of the Investment and Shareholders' Agreement (as amended by the Addendum to the Investment and Shareholders' Agreement) are as follows:

(i) Launching of the Offer

The Offeror will launch the Offer for all the shares representing the share capital of Lar España, with the exception of the Immobilized Shares, in respect of which Grupo Lar and Mr Miguel Pereda Espeso have irrevocably undertaken, under the terms set out in the Contribution Commitment of Grupo Lar described in Section I.5 of this Prospectus, not to accept the Offer in respect of such shares.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

(ii) Investment structure. Contributions from the Offeror's shareholders

The Offeror's shareholders have agreed to contribute a total amount of up to €370,107,890.70 to the Offeror within the framework of the Offer. Of said amount, (i) €299,590,717.20 is the maximum amount in cash that said shareholders have undertaken to contribute (as ordinary capital and a shareholders' loan) to partially finance the Offer Price, and (ii) the remaining amount of €70,517,173.50 relates to the value of the Immobilized Shares that Grupo Lar Retail has undertaken to contribute to the Offeror (non-monetary contribution), taking into account for the purposes of said contribution their value equivalent to the Offer Price.

Of the maximum cash amount of €299,590,717.20 referred to above, (i) Hines SC has undertaken to contribute a maximum of €197,559,077.20 (in addition to the amount of €75,000,000 to be contributed pursuant to the Hines SC Loan described in Section II.4.2), and (ii) Grupo Lar Retail has undertaken to contribute a maximum of €27,031,640. In respect of said amount of €27,031,640, Grupo Lar Retail is entitled to request that Hines SC finance up to €7,500,000 of the last tranche thereof (i.e. if Grupo Lar Retail makes contributions of at least €19,531,640, Grupo Lar Retail will be entitled to have Hines SC finance the remaining committed €7,500,000), by means of the issue by the Offeror of a convertible instrument for the same amount (€7,500,000) to be subscribed by Hines SC in the terms agreed in the Investment and Shareholders' Agreement and described in section II.4.2 of the Prospectus.

Furthermore, in accordance with the terms of the Investment and Shareholders' Agreement, of the maximum sum of €27,031,640 that Grupo Lar Retail has undertaken to contribute in cash (intended, as indicated above, to partially finance the Offer Price), Grupo Lar must contribute at least €5,000,000.

Based solely on the level of acceptance of the Offer and in accordance with the formula agreed in the Investment and Shareholders' Agreement, and by virtue of the contribution commitments described above, the shareholders' final interest in the Offeror will be as follows: (a) Hines SC will hold between 62.5% (in the event of acceptance of the Offer by 50% of the shares targeted by the Offer) and 66.9% (in the event of 100% acceptance of the Offer) of the Offeror's share capital, and (b) Grupo Lar will hold between 33.1% (in the event of 100% acceptance of the Offer) and 37.5% (in the event of acceptance of the Offer by 50% of the shares targeted by it) of the Offeror's share capital. For the avoidance of doubt, in a maximum dilution scenario for Grupo Lar (which would occur if there is 100% acceptance of the Offer (squeeze-out), issuance of the convertible instrument for €7,500,000 and conversion of the convertible instrument by Hines SC), Hines SC would hold a 69.9% interest and Grupo Lar would hold a 30.1% interest.

The following table reflects the maximum contributions committed by each of the shareholders in favor of the Offeror within the framework of the Offer, as described above:

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

	Ordinary capital (EUR)		Hines SC Loan (EUR)	Total (EUR)
	In cash	In kind		
Hines SC	197,559,077.20	-	75,000,000.00	272,559,077.20
Grupo Lar Retail	27,031,640.00	70,517,173.50	-	97,548,813.50
Total	224,590,717.20	70,517,173.50	75,000,000.00	370,107,890.70

- (iii) Agreements to be entered into in accordance with the Investment and Shareholders' Agreement

The Investment and Shareholders' Agreement provides for:

- a) the termination of the Existing Investment Management Agreement entered into by Grupo Lar and Lar España and the execution of a new management agreement, i.e. the New Investment Management Agreement, by Grupo Lar Management Services Iberia, S.L.U., a Grupo Lar subsidiary, and Lar España, in the terms set out in Section I.5.1.2(A) of this Prospectus,
- b) the conclusion of an asset management agreement by Grupo Lar Management Services Iberia, S.L.U. and the Offeror, in the terms set out in Section I.5.1.3 of this Prospectus,
- c) the conclusion of shopping center management agreements by Gentalia 2006, S.L.U., a Grupo Lar subsidiary, and each of the subsidiaries of Lar España that own shopping centers, and the conclusion of management agreements by Gentalia 2006, S.L.U. and each of the subsidiaries of Lar España in which management is not outsourced to third parties, all in the terms set out in Section I.5.1.2(C) of this Prospectus, and
- d) the conclusion of a strategic services agreement by a Hines group company, i.e. HREIS Innova, S.L. and Lar España, in the terms set out in Section I.5.1.2(B) of this Prospectus.

- (iv) Compensation payable to Grupo Lar

The Investment and Shareholders' Agreement provides that Lar España must pay an amount of €8,300,000 to Grupo Lar as compensation for (i) termination due to a change in control of Lar España of the Existing Investment Management Agreement and its replacement by the New Investment Management Agreement, and (ii) the settlement of the performance fee provided for in the Existing Investment Management Agreement for 2024.

- (v) Offeror's corporate governance

The Offeror will be governed by the general shareholders' meeting and by a board of directors, which will be responsible for its management and, indirectly, for Lar

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

España and its subsidiaries. Unless otherwise agreed between Grupo Lar Retail and Hines SC, the Investment and Shareholders' Agreement provides that the Offeror's board of directors may not appoint a chief executive officer or an executive committee.

a) General shareholders' meeting

The quorum and majority rules will comply with the provisions of the Spanish Companies Act, except with respect to the general shareholders' meeting qualified matters provided for in the Investment and Shareholders' Agreement, which will require the attendance and favorable vote of Grupo Lar Retail.

Consequently, given that Hines SC and Grupo Lar Retail have an interest in the Offeror of 62.5% and 37.5%, respectively, the Offerors' articles of association provide for a reinforced majority of 70% of the Offeror's share capital for the adoption of the aforementioned qualified matters, which are as follows:

- (a) share capital increases, other than those required due to a serious loss of capital pursuant to the Spanish Companies Act and/or the acquisition of shares of Lar España under the Offer, provided that the issued shares are offered to the shareholders for subscription *pari passu*;
- (b) share capital reductions, other than those necessary in the event of a serious loss of capital with respect to the Offeror in accordance with the Spanish Companies Act;
- (c) acquisition and any other transaction relating to the Offeror's or Lar España's own shares;
- (d) bylaw amendments, to the detriment of the rights of any of the Offeror's shareholders (except those required by the applicable regulations);
- (e) transfer of the Offeror's or Lar España's registered or operational address to an address outside Spain;
- (f) transformation, merger, spin-off, global transfer of assets and liabilities and cross-border transformations;
- (g) issuance of convertible bonds or warrants with non-application or limitation of pre-emptive subscription rights;
- (h) waiving of SOCIMI status of the Offeror or Lar España;
- (i) delisting of Lar España or any of its subsidiaries from the Spanish stock exchanges; and
- (j) approval of the direction of the Offeror's vote at the general shareholders' meeting of Lar España in relation to any of the matters referred to in the preceding sections.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

b) Board of directors

Pursuant to the Offeror's articles of association, its board of directors has five members. Under the Investment and Shareholders' Agreement, Hines SC has the right to appoint three of its members - including the chair of the board of directors - and Grupo Lar Retail has the right to appoint the remaining two members, as well as the non-director secretary of the board of directors. At least 60% of the Offeror's directors must be tax residents in Spain, including the directors appointed at the proposal of Grupo Lar Retail.

The Offeror's board of directors will be validly assembled when at least three of the directors are present at the meeting, except when adopting decision on the board of directors qualified matters provided for in the Investment and Shareholders' Agreement, in which case at least one of the directors appointed by Grupo Lar Retail must be present.

The board of directors may decide on all matters by majority vote, except for the adoption of decisions on the board of directors qualified matters, for which the favorable vote of the directors appointed by Grupo Lar Retail is required in all cases.

The qualified matters of the Offeror's board of directors the approval of which requires a reinforced majority are the following:

- (a) capital investments exceeding an annual amount of 8,000,000 per year in total;
- (b) incurring any debt that results in an increase in the Offeror's financial leverage, consolidated with Lar España's financial leverage, of more than 65%;
- (c) arranging guarantees on any asset or cash flow of the Offeror in excess of €65,000,000;
- (d) disposal of any Lar España asset below 95% of its market value, or the acquisition of any asset exceeding €10,000,000 per annum in total;
- (e) approval of transactions or arrangements with related parties or for the benefit of Hines SC or its related parties;
- (f) granting powers or delegating authority to any person in relation to any of the above-mentioned qualified matters; and
- (g) the approval of the direction of the vote at meetings of the board of directors of Lar España in relation to any of the matters referred to in the preceding paragraphs.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

(vi) Lar España's corporate governance

In the event that the Offer is settled, the shareholders undertake to agree that the board of directors of Lar España be composed of seven directors, as follows:

- a) two independent directors, one of whom will be appointed non-executive chair of the board of directors, and each of whom will serve as chair of each of the two Board delegated committees, i.e. the Appointments, Remuneration and Sustainability Committee and the Audit and Control Committee;
- b) five proprietary directors appointed at the Offeror's proposal, of whom four will be appointed at the request of Hines SC and one will be appointed at the request of Grupo Lar Retail;
- c) at least 60% of the directors must be tax residents in Spain, including the director appointed at the proposal of Grupo Lar Retail; and
- d) in the event that Lar España's shares are delisted from the continuous market at any time, the board of directors will be composed of five members, three of whom will be appointed at the proposal of Hines SC and two of whom will be appointed at the proposal of Grupo Lar Retail (additionally, in this case at least 60% of the directors must be tax resident in Spain, including the director appointed at the proposal of Grupo Lar Retail).

Despite the express reference to the finance director provided for in clause 11.21 of the Investment and Shareholders' Agreement, the intention and agreement of the parties is that the Asset Manager should be in charge of the ordinary operations of the Offeror, Lar España and its group companies.

Lar España will continue to have the following senior management positions: Corporate and Finance Director, Legal Director, Investor Relations and Corporate Communications Director and Internal Audit Director, who may be dismissed or appointed by the board of directors of Lar España.

The companies holding the real estate assets will be administered by the Offeror, as sole administrator, which will initially be represented by Ms. Lucía Martínez-Noriega Campuzano and, in general, by any other person appointed by Hines SC from time to time.

In accordance with the provisions of Lar España's articles of association, the resolutions of its board of directors will be approved by a majority of the directors attending the meeting, present or represented. However, as provided in Section I.5.1.1(iii)b) of the Prospectus, pursuant to the Investment and Shareholders' Agreement, the vote of the proprietary directors appointed to the Offeror's board at the proposal of Grupo Lar Retail will be necessary to approve the direction of the vote in Lar España's board of directors in relation to any of the Offeror's board qualified matters. Lar España's board of directors will not delegate powers to a managing director or an executive committee.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

(vii) Exclusivity

Pursuant to the Investment and Shareholders' Agreement, both Hines SC and Grupo Lar have entered into an exclusivity commitment under which said companies have undertaken not to acquire, develop, invest or act as investment or asset manager, investment adviser or agent or real estate manager, for any party other than Lar España and its subsidiaries (and to cause certain parties related to Hines SC and Grupo Lar to comply with such exclusivity commitment), in each case in respect of shopping centers, retail parks or factory outlets of a size and proximity to equivalent Lar España centers subject to certain thresholds set out in the Investment and Shareholders' Agreement, in the same terms as the exclusivity commitment undertaken by the Asset Manager under the New Investment Management Agreement.

(viii) Regulations governing the transfer of shares

The transfers of the Offeror's shares to third parties (a) must comprise all the Offeror shares held by each shareholder (i.e. partial transfers of shares are expressly prohibited), (b) may only be carried out after a period of five years from the settlement of the Offer, with a possible extension of up to four months, and (c) are subject to (i) a right of first offer held by both Hines SC and Grupo Lar Retail which each of them may exercise in the event that the other shareholder wishes to transfer its shares in the Offeror, (ii) a tag-along right held by Grupo Lar Retail by virtue of which, in the event that the transfer of the shares held by Hines SC to a third party is proposed, such proposal must also offer the acquisition of the shares held by Grupo Lar Retail on the same terms and conditions, and (iii) a drag-along right held by Hines SC, by virtue of which, if this shareholder receives an offer from a third party to acquire all its shares in the Offeror, Hines SC may require Grupo Lar Retail to also transfer its shares to the third party, on the same terms and conditions as Hines SC. In relation to the drag-along right, if Hines SC intends to transfer its shares in the Offeror within the framework of a private process limited to a reduced number of potential purchasers (two or one), Grupo Lar Retail will only be obliged to transfer its holding if the price offered is at least equal to or higher than 95% of the fair market value agreed by the Offeror's shareholders or, if no agreement is reached, calculated by two experts chosen by the parties from a pre-established list.

Together with the sale of their shares, the Offeror's shareholders must transfer an equal percentage (calculated as the ratio of the relevant shares to the total number of shares held by the transferring shareholder) of any participating loan or any other debt instrument held by such shareholder vis-à-vis the Offeror. The price to be allocated to such participating loan or any other debt instrument will be equal to the nominal value plus accrued and unpaid interest and/or applicable fees.

Transfers (whether full or partial) of shares by one shareholder to another shareholder or to any subsidiary of the transferring shareholder are unrestricted and will not be subject to the restrictions set out in the preceding paragraph. For these purposes, "subsidiary" means any company or entity controlling or controlled by, or under common control with, such a company or entity.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

In the event that a shareholder fails to comply with the obligations contained in the Investment and Shareholders' Agreement relating to the transfer rules (and, in general, any other obligation) and this default is not remedied, the other shareholder may require the defaulting shareholder to transfer to it the whole of its holding in the Offeror at a price equivalent to 100% of the defaulting shareholder's percentage holding in the Offeror at fair market value, the defaulting shareholder being consequently obliged to transfer its entire holding thereto.

(ix) Distribution policy

The Investment and Shareholders' Agreement regulates the general principles of the distribution policy of the Offeror and Lar España and its subsidiaries that own the real estate assets, which take into account in all cases the limitations applicable to the Offeror and Lar España due to their status as SOCIMI.

The general principles of the distribution policy are as follows:

- (a) Lar España subsidiaries owning the real estate assets: the management body of these companies will endeavor to pay Lar España an interim dividend, where legally possible and up to the legally permitted amount, before the end of each financial year. In addition, to the extent permitted by law, the management body of these companies will endeavor to distribute to Lar España, within the first six months following the end of each financial year, the total distributable net cash flow generated by the assets they operate, net of expenses, interest, debt repayments and taxes, taking into account the current leverage and cash policy.
- (b) Lar España: Lar España's board of directors will endeavor to pay an interim dividend to its shareholders, where legally possible and up to the legally permitted amount before the end of each financial year. In addition, to the extent permitted by law, Lar España's board of directors will endeavor to distribute to its shareholders, within the first six months following the end of each financial year, the total distributable net cash flow generated by the assets operated by the group, net of expenses, interest, debt repayments and taxes, taking into account the current leverage and cash policy.

Further details of the Offeror's plans in relation to Lar España's distribution policy are set out in Section IV.7 of this Prospectus.

- (c) Offeror: as long as there are any amounts outstanding under the Hines SC Loan, the Offeror's board of directors will endeavor to pay to the shareholders only the mandatory dividend pursuant to Article 6 of Law 11/2009 of 26 October regulating Listed Property Investment Companies ("**Law 11/2009**"), within the first six months following the end of each financial year and during the year by way of interim dividends or extraordinary dividends, which may only be paid after payment of the 3% Coupon provided for under the Hines SC Loan. Once the amounts outstanding under the Hines SC Loan have been fully paid, the Offeror's board of directors will seek to distribute all distributable net cash flow, taking into account the existing leverage and cash policy.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

I.5.1.2 Management agreements of the Target Company and the Offeror

(A) New Investment Management Agreement

Grupo Lar is the manager of Lar España's portfolio of real estate assets under the investment management agreement entered into on 12 February 2014, as amended and redrafted on 29 December 2021 (the "**Existing Investment Management Agreement**").

In the framework of the negotiations of the Investment and Shareholders' Agreement, Hines SC considered it advisable to replace the terms and conditions currently provided for in the Existing Investment Management Agreement with new terms and conditions, in particular as regards the remuneration system of Lar España's asset manager, in order to achieve a better alignment of interests between Lar España's asset manager and shareholders.

As a result, Hines SC and Grupo Lar Retail have agreed to implement, following settlement of the Bod, the termination of the Existing Investment Management Agreement and its replacement by the New Investment Management Agreement to be entered into by a subsidiary of Grupo Lar, i.e. Grupo Lar Management Services Iberia, S.L.U. (the "**Asset Manager**") and Lar España (the "**New Investment Management Agreement**"). The agreed version of the New Investment Management Agreement is attached as an appendix to the Investment and Shareholders' Agreement. A summary of the new terms and conditions to be included in the New Investment Management Agreement is included below in this section.

As a result of said resolution, the Offeror's shareholders have agreed to the payment by Lar España to Grupo Lar of compensation totaling €8,300,000, which has been set by reference to (and not exceeding) the amounts that would pertain to Grupo Lar under the Existing Investment Management Agreement in respect of (i) settlement of the performance fee for 2024 (until the Offer settlement date), and (ii) compensation due to termination in the event of a change in control (which is set in said agreement at 0.5% of the latest reported net tangible assets (NTA) figure and which the Offeror considers to be a fair amount in accordance with market standards).

The principal terms and conditions of the New Investment Management Agreement are as follows, and the differences from the Existing Investment Management Agreement (if applicable) are set out below:

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

(i) Services

The Asset Manager will provide Lar España, inter alia, with services for managing its real estate asset portfolio (in particular to meet the financial and risk management objectives defined by Lar España) and for bookkeeping, administration, registration, reporting, preparation of Board reports, structuring of all investments in a manner that enables Lar España to comply with the requirements of the SOCIMI regime, informing Lar España of any developments that may jeopardize its real estate assets or affect their value, and investing and/or divesting in real estate assets.

The services to be provided by the Asset Manager to Lar España under the New Investment Management Agreement are essentially the same as those that Lar España receives under the Existing Investment Management Agreement.

For the avoidance of doubt, the amendment to the articles of association that the Offeror intends to carry out in Lar España after the settlement of the Offer is aimed at adapting Lar España's corporate purpose to the activities that this company carries out in practice, among which the development activity is not included, without such amendment deriving from the conclusion of the New Investment Management Agreement.

(ii) Fees

- a) Base fee: in view of Lar España's new capital structure after the settlement of the Offer (which envisages an increase in debt), the Offeror's shareholders have considered it necessary to change the method for calculating the fixed remuneration to be received by the asset manager (currently based on NAV, as detailed below) to replace it with another system based on GAV that does not take into account Lar España's leverage.

Accordingly, under the New Investment Management Agreement the monthly base fee will be calculated by reference to an annual amount equal to (i) as long as the gross asset value (GAV) is greater than 300,000,000, 0.42% of the gross asset value in the previous year, subject to a minimum of €2,000,000, or (ii) as long as the gross asset value is less than €300,000,000, 0.42% of the gross asset value in the previous year, subject to a minimum of €800,000.

According to the published GAV figure of €1,304 million at 30 June 2024, which relates to an EPRA NTA of €855 million, resulting in an EPRA NTA per share of €10.22, a base fee of €5.48 million is applicable.

As indicated above, this method of calculating the base fee differs from that provided for in the Existing Investment Management Agreement, which is a 0.62% of net asset value (NAV). For illustrative purposes only, the following table sets out the amounts of the base fee calculated under the Existing Investment Management Agreement and under the New

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Investment Management Agreement, based on the figures reported in Lar España's financial statements as of 31 December 2023:

Base fee (Existing Investment Management Agreement)

	(Million €)
FY 2023 NAV	898
Base fee	0.62%
Base fee (A)	5.470

Base fee (New Investment Management Agreement)

	(Million €)
GAV	1.313
Base fee	0.420%
Base fee (B)	5.514
Difference in base fee depending on the agreement ((B) - (A))	0.044

- b) **(Performance fee):** the performance fee will be based on the IRR of Lar España's cash flows from the settlement of the Offer until the termination of the New Investment Management Agreement, the date on which Hines SC gives up control over Lar España or the date on which Lar España distributes the income from the sale of its interest in the last of its properties. The amount of the performance fee will be (i) if the IRR is above 10%, 1.5% on all returns in excess of 10%, (ii) if the IRR is above 15%, 2% on all returns in excess of 15% and (iii) if the IRR is above 20%, 3% on all returns in excess of 20%. The performance fee will be zero if the above-mentioned performance thresholds are not met.

The above calculation, as provided for in the New Investment Management Agreement, differs from that currently provided for in the Existing Investment Management Agreement, since in the latter the performance fee is calculated based on the growth in EPRA NAV/ NTA per share and developments in the Lar España share price. In addition, under the current agreement the settlement of this amount is performed annually and is limited to a maximum of 1.5 times the annual base fee, payable at Lar España's choice in cash or in treasury shares valued at their closing price on a pre-determined date.

Therefore, under the Existing Investment Management Agreement, the amount of the performance fee per year is equal to the minimum amount of: (i) the sum of the following amounts: (a) 8% of the annual increase in EPRA NAV/NTA (net of capital increases and dividend payments) exceeding 8.5% of such annual increase; and (b) 2% of the annual increase in market capitalization (net of capital increases and dividend payments) in excess of 8.5% of such annual increase; and (ii) 10% of the high water mark outperformance, and will be subject to an aggregate limit equal to 1.5 times the amount of the annual fixed amount.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

As a result of this change in the method for calculating the performance fee, its accrual is designed to incentivize and reward the Asset Manager for generating shareholder returns. This fee will therefore be based on the returns received by the shareholders instead of on the increase in Lar España's NAV and share price, which, in the opinion of the Offeror's shareholders, achieves a greater alignment of interests between the Asset Manager and Lar España's shareholders.

Under the Existing Investment Management Agreement, during FY 2023: (a) no performance fee has accrued in accordance with the annual increase of the EPRA NAV/NTA recorded and (b) 3,268 thousand euros has accrued as a performance fee in accordance with the annual increase in market capitalization, as market capitalization during 2023 increased by over 8.5%.

Under the New Investment Management Agreement, the Asset Manager is entitled to receive advance payments on account of the performance fee if, at any time from the third year after settlement of the Offer and during the remaining term of the New Investment Management Agreement, the IRR is higher than 10%, 15% or 20%. In particular, the Asset Manager will be entitled to receive the following amounts as an advance payment: (a) if the IRR is above 10%, 50% of 1.5% of any distribution by Lar España to its shareholders, (b) if the IRR is above 15%, 50% of 2% of any distribution by Lar España to its shareholders and (c) if the IRR is above 20%, 50% of 3% of any distribution by Lar España to its shareholders.

For illustrative purposes only, the following table shows the amounts of the performance fee calculated under the Existing Investment Management Agreement and under the New Investment Management Agreement, based on the figures reported in Lar España's financial statements as of 31 December 2023:

**Performance fee (Existing Investment Management Agreement)
(applicable since 1 January 2022*)**

	(Million €)
FY 2023 performance fee	3.268
FY 2022 performance fee	0.080
Performance fee total for 2 consecutive years	3.348
Average annual performance fee (A)	1.674

* This table only includes information for FY 2023 and FY 2022 as the Existing Investment Management Agreement was amended and redrafted on 29 December 2021, when the performance fee contained in the Existing Investment Management Agreement was established. The performance fee envisaged in the previous agreement was based on metrics not comparable to those used in the Existing Investment Management Agreement.

Performance fee (New Investment Management Agreement)

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

The performance fee under the New Investment Management Agreement has been calculated on the basis of the following assumptions:

- (1) The Offeror will maintain its holding in Lar España for five years.
- (2) The thresholds contained in the New Investment Management Agreement for the accrual of this fee are exceeded.
- (3) The exit price ensures an IRR on Lar España's cash flows for shareholders as follows:

	(Million €)		
IRR	10%	15%	20%
Total performance fee over 5 years, payable in year 5	-	3.219	8.187
Average annual performance fee (B)	-	0.644	1.637
Difference in performance fee depending on agreement ((B) – (A))	(1.674)	(1.030)	(0.037)

- c) Additional Fee: The Asset Manager will be entitled to receive an additional variable fee for services additional to those provided for in the New Investment Management Agreement which it concludes with Lar España in good faith and on arm's length terms, although it is not expected that such fee will accrue at the present time.

In the Existing Investment Management Agreement, this additional performance fee consists of a percentage of the total cost (capex excluding land) in cases in which Lar España makes investments in new assets or extensions or betterments to its portfolio assets. The applicable rate is (i) 4% of total costs up to €40,000,000; and (ii) 3% of total costs above €40,000,000.

No additional performance fee for special actions accrued in 2023.

(iii) Business plan

It is envisaged that on the same day that Lar España's board of directors approves Lar España entering into the New Investment Management Agreement, the Board will approve a business plan which must include the annual budget in respect of the professional fees estimated to be incurred by the Asset Manager in relation to the properties of Lar España and its subsidiaries.

No later than 45 days prior to the end of the period to which the prevailing business plan relates, the Asset Manager will prepare and submit to Lar España's board of directors a draft business plan for the following year for its consideration, comment and approval, which will include any changes that Lar España's Board may reasonably require.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

(iv) Term

The New Investment Management Agreement will be in force until 31 March 2030, without prejudice to the possibility of extending this period in the following cases:

- a) the term will be extended for a maximum of 10 additional consecutive periods of one year, i.e. until 31 March 2040, at the request of either party, by written notice at least three months prior to the date of termination; and
- b) if not terminated by 31 March 2040, the New Investment Management Agreement will automatically renew thereafter for annual periods unless prior notice is given by either party at least three months before the end of the current contractual term.

Lar España may not unilaterally terminate the New Investment Management Agreement early without just cause. However, provision is made for automatic early termination of the New Investment Management Agreement, if applicable, on the earlier of the following dates:

- a) the date of introduction or amendment of any law which has the effect of making unlawful or materially impeding the provision by the Asset Manager of the services under the New Investment Management Agreement to Lar España; or
- b) the date of completion of Lar España's disposal of all its assets, following the approval of a resolution by the general shareholders' meeting to discontinue its business and operations.

In addition, either party may seek termination of the New Investment Management Agreement in the event, inter alia, of a breach of contract by the other party or if the other party is affected by a change in control or insolvency, in the terms of the New Investment Management Agreement.

The Existing Investment Management Agreement has a five-year term, from 1 January 2022 to 31 December 2026.

(v) Exclusivity

The Asset Manager will undertake, and will ensure that its subsidiaries undertake, over the term of the New Investment Management Agreement, not to acquire, develop or invest in, or act as investment or asset manager for, any company other than Lar España, in respect of:

- a) shopping centers with a gross lettable area exceeding 30,000 m² within 40 km of any shopping center owned by Lar España at any time;

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

- b) retail parks with a gross lettable area exceeding 20,000 m² within a distance of 30 km from any retail park owned by Lar España at any time; and
- c) factory outlets with a gross lettable area exceeding 15,000 m² within a maximum distance of 100 km from any factory outlet owned by Lar España.

The New Investment Management Agreement does not contain the right of first refusal provided for in the Existing Investment Management Agreement, whereby the asset manager is contractually obliged to submit to Lar España any potential acquisition of a shopping center or business park (existing or under development) within Spain, provided that the relevant asset meets the investment criteria included in Lar España's business plan.

(vi) Powers

The Asset Manager will have broad powers to manage the assets of Lar España, although the New Investment Management Agreement provides for certain matters the execution of which will at all times require the prior consent of Lar España's Board, in which the Offeror will hold a majority interest.

These matters include, among others, the acquisition or transfer of assets, the financing or refinancing of assets, the incurring of capex in excess of €0.5 million or the signing or termination of lease agreements in excess of €0.5 million.

(B) Strategic Services Agreement

Pursuant to the terms of the Investment and Shareholders' Agreement, the parties have agreed that, following settlement of the Offer, a Hines subsidiary will provide Lar España with strategic services for which it will be entitled to receive a monthly base fee calculated by reference to an annual amount equal to 0.0609% of the gross value of the assets, with a minimum of (i) €300,000 per annum, if the gross asset value is equal to or greater than €300,000,000, and (ii) €120,000 per annum, if the gross asset value is less than €300,000,000. The Strategic Services Agreement will be signed, in principle, by HREIS Innova, S.L. (the "**Strategic Advisor**") and Lar España.

According to the published GAV figure of €1,304 million at 30 June 2024, which relates to an EPRA NTA of €855 million, resulting in an EPRA NTA per share of €10.22, a fee of €0.79 million is applicable.

The Strategic Advisor will provide Lar España, inter alia, with strategic services to make presentations and recommendations of suitable opportunities for Lar España, to supervise and assist, where necessary, in notifying and updating Lar España with respect to cash flows from the conclusion of projects, to coordinate and supervise, together with the Asset Manager, the due diligence processes on assets undertaken by Lar España, and to supervise the Asset Manager in the

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

appointment of professional advisors, including lawyers, technical advisors, tax advisors and accountants.

The agreed version of the Strategic Services Agreement is attached as an appendix to the Investment and Shareholders' Agreement.

(C) Other agreements

Pursuant to the Investment and Shareholders' Agreement, the parties have agreed that, within 15 business days following the settlement of the Offer, Gentalia 2006, S.L.U., a company wholly owned by Grupo Lar, will enter into, with each Lar España subsidiary, (a) a management agreement relating to property management and remarketing services, which replaces the management and remarketing agreements currently in force with Gentalia 2006, S.L.U. and (b) a management agreement relating to management services, with Lar España subsidiaries with which Gentalia 2006, S.L.U. has entered into management agreements. The new agreements concluded by Lar España's subsidiaries will replace those currently in force.

The term of these agreements will be in line with the term of the New Investment Management Agreement. The terms and conditions of the new agreements to be entered into by the subsidiaries of Lar España, including the fees provided for therein, are in line with the agreements currently entered into by such subsidiaries and do not represent a material change with respect thereto.

The agreed version of these agreements is attached as an appendix to the Investment and Shareholders' Agreement.

1.5.1.3 Offeror's Management

Pursuant to the Investment and Shareholders' Agreement, the Asset Manager will also provide asset management services to the Offeror under an asset management agreement which will enter force upon the settlement of the Offer.

The services provided for in the asset management agreement include, among others, the strategic management of the Offeror and advice to its board of directors on risk management, reporting to Offeror's board of directors on any event that might affect the Offeror's value, preparation and submission to the Offeror's board of directors of the Offeror's business plan, reporting to the Offeror's board of directors of the financial statements, cash flow forecasts and any information necessary for decision-making, advice on investment and divestment.

This agreement lists a number of matters the execution of which will at all times require the prior consent of the Offeror's board of directors, which is controlled by Hines SC. These matters relate to the matters subject to consent provided for in the New Investment Management Agreement to be entered into by Lar España.

The Asset Manager will receive a base fee of €1,000 per month for these services and will be entitled to receive a performance fee based on the internal rate of return (IRR)

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

obtained by all the Offeror's shareholders from the settlement of the Offer until the final date of their investment in the Offeror.

The amount of the variable fee (after deducting any performance fee payable by Lar España to the Asset Manager, in the percentage relating to the Offeror based on its shareholding in Lar España) will be: (i) if the IRR is above 10%, 5% on all excess amounts distributed; (ii) if the IRR is above 15%, 6% on all excess amounts distributed; and (iii) if the IRR is above 20%, 7.5% on all excess amounts distributed.

The agreed version of this agreement is attached as an appendix to the Investment and Shareholders' Agreement.

For purely illustrative purposes, a table is included below showing the variable fee to be received by the Asset Manager under the New Investment Management Agreement to be concluded with Lar España and the new investment management agreement to be entered into between the Asset Manager and the Offeror. For the avoidance of doubt, it is stated that the fees received from the Offeror by the Asset Manager derive solely from that company (which, in turn, will have received distributions from Lar España in accordance with its resulting shareholding in Lar España), and therefore they have no impact whatsoever on Lar España's other shareholders:

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Performance fee (new investment management agreements)

The performance fee under the new investment management agreements of the Offeror and Lar España has been calculated on the basis of the following assumptions:

- (1) The Offeror will maintain its holding in Lar España for five years.
- (2) The thresholds contained in the new investment management agreements for the accrual of this fee are exceeded.
- (3) The exit price ensures an IRR on the Offeror's or Lar España's cash flows for their respective shareholders as follows:

	(Million €)		
IRR	10%	15%	20%
Total performance fee total over 5 years, payable in year 5 on a Lar España level (A)	-	3.2	8.2
Total performance fee total over 5 years, payable in year 5 on a Offeror level (B)	-	3.8	13.8
Total performance fee over 5 years, payable in year 5 (A + B)	-	7	21.9
Average annual performance fee Lar España (C)	-	0.64	1.64
Average annual performance fee Offeror (D)	-	0.75	2.75
Average annual performance fee (C + D) (E)	-	1.40	4.39
Difference between performance fee under new investment management agreements (FY 25-30) vs. performance fee under Existing Investment Management Agreement (FY 22-23) (A* - E)	(1.67)	(0.28)	2.72

* The performance fee for the Existing Investment Management Agreement (FY 22-23) amounts to €1.67 million, as indicated in the section "Average annual performance fee (A)" included in the illustrative table in the "Performance fee" paragraph of this section of the Prospectus.

I.5.1.4 Lar Group's Contribution Commitment

On 11 July 2024, Grupo Lar, Mr Miguel Pereda Espeso, Hines SC, Grupo Lar Retail and the Offeror entered into an irrevocable contribution commitment by virtue of which Grupo Lar and Mr Miguel Pereda Espeso undertook not to accept the Offer with respect to the shares of Lar España held by each of them, i.e. (i) 8,466,045 ordinary shares in Lar España representing 10.12% of its share capital held by Grupo Lar, and (ii) 30,000 ordinary shares in Lar España representing 0.04% of its share capital held by Mr. Miguel Pereda Espeso (jointly the Immobilized Shares), and to contribute the Immobilized Shares to Grupo Lar Retail in exchange for the subscription of Grupo Lar shares, which in turn has undertaken to contribute the Immobilized Shares to the Offeror as consideration for the subscription of the Offeror's shares (the "**Grupo Lar Contribution Commitment**"). Both contributions will be made immediately after settlement of the Offer at a value per share equal to the Offer Price.

The main terms and conditions of Grupo Lar's Contribution Commitment are as follows:

(i) Launching of the Offer

The Offeror undertakes to launch the Offer in the terms described in the Previous Announcement.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

(ii) Lock-in and contribution of the Immobilized Shares

In relation to the Immobilized Shares, Grupo Lar and Mr. Miguel Pereda Espeso have irrevocably undertaken:

- a) not to transfer them in the Offer or in any competing Offer, unless the Offeror withdraws the Offer;
- b) not to transfer, assign or otherwise dispose of any of its Immobilized Shares or the voting rights attached to the Immobilized Shares, nor to encumber, pledge, charge or grant any option or other right over any of its Locked Shares, nor otherwise deal in the Immobilized Shares;
- c) to lock in the shares until the settlement of the Offer, for which purposes Grupo Lar and Mr. Miguel Pereda Espeso will deliver a certificate attesting to this circumstance as soon as possible and, at the latest, five working days following the date on which the Offeror submits the application for authorization of the Offer to the CNMV; and
- d) contribute them to Grupo Lar Retail and, in turn, Grupo Lar Retail has irrevocably undertaken to contribute, immediately thereafter, the Immobilized Shares to the Offeror in the same terms and conditions and at a value per share equal to the Offer Price.

(iii) Exercising voting rights in relation to the Offer

Both Grupo Lar and Mr. Miguel Pereda Espeso have irrevocably undertaken to exercise or procure the exercising of the voting rights attaching to their Immobilized Shares for the purposes of allowing and facilitating the implementation of the Offer and of any transactions related thereto, and against any resolutions proposed at the Offeror's general shareholders' meeting which, if adopted, could give rise to the nonfulfillment of any of the conditions set out in Section II.3 or could impede or hamper the Offer in any way. Furthermore, each of them has undertaken to seek the convening of the competent corporate body of Lar España to decide on this matter and for its inclusion in the agenda of the meeting, and has undertaken to attend, in person or by proxy, the relevant general shareholders' meeting.

In addition, Grupo Lar has undertaken to ensure, to the extent permitted by applicable law and subject to compliance with the legal duties of the directors, that the Lar España directors appointed by Grupo Lar comply with the above commitments and do not take any action which, if it were to occur, could give rise to the nonfulfillment of any of the conditions set out in Section II.3 or could impede or hamper the Offer in any way.

(iv) Standstill

Grupo Lar and Mr. Miguel Pereda irrevocably and unconditionally undertake not to trade in, and to ensure that no person related to them for the purposes of Royal Decree 1066/2007 (in particular Article 5 of Royal Decree 1066/2007) trades in, shares of Lar España until the Immobilized Shares are contributed to the Offeror.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

(v) Directors' report

Grupo Lar undertakes to procure, to the extent permitted by applicable law and subject to compliance with the legal duties of the directors, that the Lar España directors appointed by it support and vote in favor of the issuance of a favorable report on the Offer and, in particular, on the Offer Price.

A copy of Grupo Lar's Contribution Commitment in English, together with its sworn translation into Spanish, is attached as **Appendix 20**.

I.5.1.5 Eurosazor's Acceptance and Reinvestment Commitment

On 11 July 2024, Eurosazor, a shareholder of Lar España holding 563,265 ordinary shares in Lar España representing 0.67% of its share capital, Grupo Lar Retail and the Offeror entered into an acceptance and reinvestment commitment (the "**Eurosazor's Acceptance and Reinvestment Commitment**").

The main terms and conditions of the Eurosazor's Acceptance and Reinvestment Commitment are summarized below:

- (i) Launching of the Offer: the Offeror confirms its intention to launch the Offer in accordance with the main terms and conditions set out in the Previous Announcement.
- (ii) Offer acceptance commitment: in relation to its shares in Lar España, Eurosazor has irrevocably and unconditionally undertaken:
 - a) to accept the Offer in respect of all of its shares of Lar España (including in the event of competing takeover Offers offering a consideration higher than the Offer Price, whether in cash or as an exchange of shares or as a combination of cash and shares) within the first five business days of the Offer acceptance period, and further undertakes not to revoke this acceptance;
 - b) not to accept in any event, unless the Offer is withdrawn by the Offeror or is not authorized by the CNMV, any offer from a third party in relation to its shares in Lar España;
 - c) to reinvest in Grupo Lar Retail the income obtained from the sale of its shares in Lar España under the Offer immediately after the settlement of the Offer, simultaneously and *pari passu* with the contribution by Grupo Lar and Mr. Miguel Pereda Espeso of the Immobilized Shares to Grupo Lar Retail, in exchange for the acquisition of newly created shares in Grupo Lar Retail. It is hereby stated that the implicit valuation of the underlying shares of Lar España for the purposes of the reinvestment to be made by Eurosazor through the Lar Retail Group will be the Offer Price.
- (iii) Exercise of the voting rights of shares of Lar España in relation to the Offer: Eurosazor has irrevocably undertaken to exercise, or procure the exercising of, the voting rights attaching to its shares of Lar España for the purpose of enabling and assisting in the implementation of the Offer and any transactions in related thereto.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

- (iv) No trading in shares of Lar España (standstill): without prejudice to its obligation to accept the Offer as provided above, Eurosazor has irrevocably and unconditionally undertaken not to trade in, and to procure that no person related to it for the purposes of Royal Decree 1066/2007 (in particular Article 5 of Royal Decree 1066/2007) trades in, any shares of Lar España until settlement of the Offer.

A copy of Eurosazor's Acceptance and Reinvestment Commitment, in Spanish-English double-column format, is attached as **Appendix 21**.

I.5.1.6 Irrevocable Commitment of Brandes Investment Partners, L.P.

On 11 July 2024, the Offeror entered into an irrevocable commitment to accept the Offer with Brandes (the "**Brandes' Irrevocable Commitment**"), a US registered investment adviser providing discretionary investment advisory services to individuals and institutional investors, with the power to buy and sell shares on their behalf discretely and to exercise voting rights attached to part of such shares on behalf of those individuals and institutional investors that have granted Brandes discretion to do so. These individuals and institutional investors are the beneficial owners of 9,039,045 shares in Lar España, representing 10.80% of its share capital. Brandes has entered into the Brandes' Irrevocable Commitment in its capacity as investment advisor of said individuals and institutional investors who are the ultimate beneficial owners of the aforementioned shares of Lar España.

The main terms and conditions of the Brandes' Irrevocable Commitment are summarized below:

- (i) Launching of the Offer: the Offeror undertakes to launch the Offer in accordance with the main terms and conditions set out in the Previous Announcement.
- (ii) Commitment to accept the Offer: Brandes, on behalf of the individuals and institutional investors to which it provides discretionary investment advisory services, irrevocably and unconditionally undertakes:
 - a) to accept the Offer in respect of all of its shares of Lar España (including in the event of competing takeover Offers offering a consideration higher than the Offer Price, whether in cash or as an exchange of shares or as a combination of cash and shares) within the first five business days of the Offer acceptance period, and further undertakes not to revoke this acceptance.
 - b) not to accept in any event, unless the Offer is withdrawn by the Offeror or is not authorized by the CNMV, any offer from a third party in relation to its shares in Lar España.
- (iii) Exercise of voting rights attaching to shares of Lar España: Brandes, on behalf of the individuals and institutional investors to whom it provides discretionary investment advisory services in respect of which it has discretionary voting powers, irrevocably undertakes to exercise or procure the exercise of the voting rights attaching to its shares of Lar España for the purpose of enabling and assisting in the implementation of the Offer and any transactions relating thereto.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Brandes has undertaken to use its best efforts to require those individuals and institutional investors in respect of which Brandes does not have discretionary voting powers to comply with the commitment referred to in the preceding paragraph.

- (iv) No trading in shares of Lar España (standstill): without prejudice to its obligation to accept the Offer as provided above, Brandes has irrevocably and unconditionally undertaken not to trade in, and to procure that no person related to it for the purposes of Royal Decree 1066/2007 (in particular Article 5 of Royal Decree 1066/2007) trades in, any shares of Lar España on behalf of the individuals and institutional investors to whom Brandes provides discretionary investment advisory services (except for the discontinuance by any such individuals and institutional investors of their accounts with Brandes).

On 18 July, the Offeror and Brandes signed an addendum (amendment agreement) to Brandes' Irrevocable Commitment to amend Recital VII thereof in order to make it clear that Brandes is obliged to accept the Offer with the shares of Lar España held by the individuals and institutional investors to whom Brandes provides its discretionary investment advisory services (9,039,045 shares of Lar España, representing 10.80% of its share capital), which will not include for such purposes any other shares of Lar España that may be additionally acquired by Brandes (for clarification, Brandes may not acquire shares of Lar España pursuant to its standstill commitment, which will remain in force in the agreed terms).

A copy of the Brandes' Irrevocable Commitment and the addendum thereto (amendment agreement) in English, together with their sworn translations into Spanish, are attached as **Appendix 22**.

Furthermore, Brandes has no relationship whatsoever with the Offeror or with its direct or indirect shareholders, and these are not Brandes clients to whom Brandes provides its discretionary investment advisory services.

1.5.1.7 Castellana Properties' Irrevocable Commitment

Subsequent to the admission for processing of the Offer authorization application, which was filed on 23 July 2024, the Offeror held discussions with Castellana Properties, a shareholder owning 24,090,411 shares in Lar España representing 28.78% of its share capital, in relation to the possible acceptance of the Offer by Castellana Properties in respect of its shares in Lar España.

As a result of these discussions, on 2 October 2024 the Offeror and Castellana Properties entered into an agreement pursuant to which the Offeror undertook to increase the initial price of the Offer by €0.20 per Lar España share (from €8.10 per share to €8.30 per share) and, in exchange, Castellana Properties made an irrevocable commitment to accept the Offer in respect of its shares of Lar España (the "**Castellana Properties' Irrevocable Commitment**").

The main terms and conditions of the Castellana Properties' Irrevocable Commitment are summarized below:

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

- (i) Improvement in the Offer consideration: the Offeror undertakes to increase the initial Offer Price of €8.10 per share by €0.20 per share to €8.30 per share in cash.
- (ii) Commitment to accept the Offer: Castellana Properties irrevocably and unconditionally undertakes:
 - a) to accept the Offer in respect of all of its shares of Lar España (including in the event of competing takeover Offers offering a consideration higher than the Offer Price, whether in cash or as an exchange of shares or as a combination of cash and shares) within the first five business days of the Offer acceptance period, and further undertakes not to revoke this acceptance.
 - b) not to accept in any event, unless the Offer is withdrawn by the Offeror or is not authorized by the CNMV, or the agreement is terminated (due to a breach thereof), any offer from a third party in relation to its shares in Lar España.
- (iii) Exercise of the voting rights of shares of Lar España in relation to the Offer: Castellana Properties has undertaken to exercise, or procure the exercise of, the voting rights attaching to its shares of Lar España against any resolutions which would result in a breach of any Offer condition or impede or hamper the Offer.
- (iv) No trading in shares of Lar España (standstill): Without prejudice to its obligation to accept the Offer as set out above, Castellana Properties has undertaken not to trade, and to procure that its group companies do not trade, in any shares of Lar España until settlement of the Offer.

A copy of the Castellana Properties' Irrevocable Commitment, together with its sworn translation into Spanish, is attached as **Appendix 23**.

Apart from Castellana Properties' Irrevocable Commitment, Castellana Properties has not entered into any other agreement with the Offeror or its shareholders in relation to the Offer or Lar España.

Except for the foregoing, no agreement of any kind in relation to the Offer has been entered into by the Offeror or any of the entities referred to in Section I.4.1.4, or by Lar España, any of its shareholders, any of the holders of financial instruments on shares of Lar España, or any of the members of its board of directors.

No benefit has been reserved for shareholders in Spain or for any of the members of the board or management team of Lar España.

I.5.2 Members of the administrative, management and control bodies of the Target Company and the Offeror simultaneously

Mr. Miguel Pereda Espeso, chairman and CEO of Grupo Lar, a director of the Offeror and joint and several director of Grupo Lar Retail, is a proprietary director of Lar España on behalf of Grupo Lar and deputy chairman of the board of directors of Lar España.

In addition, Grupo Lar is manager of Lar España's assets under the Existing Investment Management Agreement.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Except for the above, there are no other individuals or legal entities that simultaneously belong to the administrative, management or supervisory bodies of the Offeror and Lar España and the companies that make up the Offeror's shareholder and control structure described in Section I.4.

I.5.3 Offeror's shares owned by the Target Company

Mr. Miguel Pereda Espeso, Chairman and CEO of Grupo Lar, is a direct shareholder of Grupo Lar and a member of the Pereda family. Grupo Lar is controlled by the Pereda family, which holds (through the individual shareholdings of several of its members, who have not entered into any voting syndication agreement among themselves) 99.95% of the voting rights of Grupo Lar.

Mr. Miguel Pereda Espeso is an indirect shareholder of the Offeror (through the aforementioned holding in Grupo Lar which controls Grupo Lar Retail, which is a direct shareholder of the Offeror) and will be a shareholder of Grupo Lar Retail after the contribution of the Immobilized Shares owned by him.

Except for the above, no shares in the Offeror are owned directly or indirectly by Lar España, Lar España's directors, the companies comprising the Lar España group or the directors of the group companies appointed at the proposal of Lar España.

I.6. Shares of the Target Company owned by the Offeror

I.6.1 Shares of the Target Company owned by the Offeror

The conclusion of the Investment and Shareholders' Agreement described in Section I.5.1.1 of this Prospectus, which gives rise, inter alia, to the launching of the Offer by the Offeror and the commitment of Grupo Lar and Mr. Miguel Pereda Espeso to contribute their shares in Lar España to the Offeror after settlement of the Offer, means that Hines SC acts in concert with Grupo Lar and Mr. Miguel Pereda Espeso for the purposes of Article 5 of Royal Decree 1066/2007, insofar as they collaborate by virtue of an agreement whereby Hines SC, through the Offeror, will acquire control over Lar España.

Neither the Offeror nor any company in its group, nor HEREP III, HEREI, HLIM, Hines HEREP, HGREH, Mr. Jeffrey C. Hines nor Ms. Laura E. Hines-Pierce as the persons that ultimately control the Offeror, nor any of the companies controlled by them nor the funds managed or advised by companies or entities controlled by HGREH nor the companies controlled by such funds nor, to the Offeror's best knowledge and belief, after having made the appropriate verifications, any of their respective directors, are holders, directly or indirectly, of shares in Lar España or securities or financial instruments that may grant subscription or acquisition rights to shares in Lar España.

Grupo Lar holds 8,466,045 shares of Lar España, representing 10.12% of its share capital, and its executive chairman, Mr. Miguel Pereda Espeso, holds 30,000 shares in Lar España, representing 0.04% of its share capital, which will be contributed to Grupo Lar Retail and subsequently, immediately after settlement of the Offer, to the Offeror, in the terms of the Contribution Commitment of Grupo Lar described in Section I.5.1.4 of

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

this Prospectus, the voting rights of which are allocated to the Offeror and ultimately to Mr Jeffrey C. Hines and Ms. Laura E. Hines-Pierce in accordance with the criteria for calculating voting rights provided for in Article 5.1.b) of Royal Decree 1066/2007.

Hines SC and Grupo Lar are not acting in concert with any other person or entity and the irrevocable commitments to accept the Offer and the irrevocable agreement to accept the Offer that envisages a subsequent reinvestment, i.e. the Eurosazor's Acceptance and Reinvestment Commitment, entered into with Lar España shareholders described in Sections I.5.1.5, I.5.1.6 and I.5.1.7 above, do not entail a concerted action nor the allocation to the Offeror, Hines SC, or Grupo Lar of Lar España's voting rights, in accordance with the calculation rules provided for in Article 5 of Royal Decree 1066/2007.

The following persons, who hold management positions in companies in Grupo Lar's group, are owners of the shares of Lar España indicated below, the voting rights of which are allocated to the Offeror and, ultimately, to Mr. Jeffrey C. Hines and Ms. Laura E. Hines-Pierce in accordance with the criteria for calculating voting rights provided for in Article 5.1.a) of Royal Decree 1066/2007:

Person	Position	Lar Spain shares	% of Lar España's share capital
Mr. Jaime Pereda Espeso	Member of Grupo Lar's board of directors	1,906	0.002%
Mr. José Manuel Llovet	Joint and several director of Grupo Lar Retail	1,914	0.002%
Ms. Maria Isabel Plaza	Joint and several director of Grupo Lar Retail and director of Gentalia 2006, S.L.U., a Grupo Lar subsidiary	3,200	0.004%
Mr. Sergio García García	Director of Grupo Lar Tech, S.L., a Grupo Lar subsidiary	2,932	0.004%
Total	-	9,952	0.012%

Except for the above, no other company in Grupo Lar's group or, to the best of the Offeror's knowledge and understanding, after having carried out the appropriate verifications, its directors, directly or indirectly hold shares in Lar España or securities or financial instruments that might grant subscription or acquisition rights Lar España's shares.

Therefore, the percentage of voting rights attributable to the Offeror and ultimately to Mr. Jeffrey C. Hines and Ms. Laura E. Hines-Pierce for the purposes of Article 5 of Royal Decree 1066/2007 is 10.17%, relating to 8,505,997 shares of Lar España.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

I.6.2 Target Company's treasury shares

According to publicly available information at 12 November 2024, Lar España holds 58,130 treasury shares representing 0.07% of its share capital.

I.7. Transactions with the Target Company's shares

In the 12 months prior to the date of the Previous Announcement, Mr. Sergio García García, director of Grupo Lar Tech, S.L., a subsidiary of Grupo Lar, acquired 2,932 shares in Lar España representing 0.004% of its share capital, for a price of €6.81 per share. This acquisition took place on 10 March 2024.

The Offeror has entered into the following agreements with Lar España shareholders:

- (i) Eurosazor has irrevocably undertaken to accept the Offer in respect of its shares of Lar España (563,265 Lar España ordinary shares representing 0.67% of its share capital) and to reinvest in Grupo Lar Retail the proceeds from the sale of its shares of Lar España in the Offer immediately following settlement of the Offer, in accordance with the terms of Eurosazor's Acceptance and Reinvestment Commitment described in Section I.5.1.5 of the Prospectus.
- (ii) Brandes Investment Partners, L.P., in its capacity as investment adviser to clients who are beneficial owners of certain shares of Lar España (9,039,045 Lar España ordinary shares representing 10.80% of its share capital), has irrevocably undertaken to accept the Offer in respect of such shares, in accordance with the terms of the irrevocable commitment described in Section I.5.1.6 of the Prospectus.
- (iii) Castellana Properties has irrevocably undertaken to accept the Offer in respect of the shares of Lar España held by Castellana Properties (24,090,411 Lar España ordinary shares representing 28.78% of its share capital), in accordance with the terms of the irrevocable commitment described in Section I.5.1.7 of the Prospectus.

The Offeror hereby states that the irrevocable commitments relating to the Offer mentioned in sections (i) to (iii) above do not constitute a concerted action pursuant to the provisions of Article 5 of Royal Decree 1066/2007.

Eurosazor has not entered into any transactions involving shares of Lar España or securities or financial instruments granting subscription or acquisition rights to shares of Lar España in the 12 months prior to the date of the Previous Announcement (i.e. from 12 July 2023), until 11 July 2024. The above information has been provided by Eurosazor to the Offeror in response to its request for confirmation following the CNMV's request addressed to the Offeror.

In accordance with the Eurosazor's Acceptance and Reinvestment Commitment, Eurosazor has irrevocably and unconditionally undertaken from the date of execution of such Commitment (11 July 2024) not to trade in, and to procure that no person related

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

to it for the purposes of Royal Decree 1066/2007 (in particular Article 5 of Royal Decree 1066/2007) trades in, shares of Lar España until settlement of the Offer.

In the 12 months prior to the date of the Previous Announcement (from 12 July 2023) until 11 July 2024, Brandes has acquired a total of 495,738 shares of Lar España at a price per share between €5.39 and €7.30, and has sold 1,018,612 shares of Lar España at a price per share between €5.52 and €7.59 (no transactions having been carried out during said period in other securities or financial instruments granting subscription or acquisition rights to shares of Lar España), on behalf of the individuals and institutional investors to whom Brandes provides discretionary investment advisory services, as described in Section I.5.1.6 of this Prospectus. This information has been provided by Brandes to the Offeror in response to its request for confirmation as a result of the CNMV's request to the Offeror.

Appendix 24 hereto provides details of the transactions in Lar España's shares carried out by Brandes on behalf of the individuals and institutional investors to whom Brandes provides discretionary investment advisory services in the 12 months preceding the date of the Previous Announcement.

In accordance with its Irrevocable Commitment, Brandes has irrevocably and unconditionally undertaken not to trade in, and to procure that no person related to it for the purposes of Royal Decree 1066/2007 (in particular Article 5 of Royal Decree 1066/2007) trades in, from the date of execution of the commitment (11 July 2024) to the Offer settlement date, any shares of Lar España on behalf of the individuals and institutional investors to whom Brandes provides discretionary investment advisory services (except for the discontinuance by any such individuals and institutional investors of their accounts with Brandes).

In the 12 months prior to the date of the Previous Announcement (from 12 July 2023) until 2 October 2024, Castellana Properties has acquired a total of 2,577,952 shares of Lar España at a price per share between €5.30 and €7.25 (no transactions in other securities or financial instruments granting subscription or acquisition rights over shares of Lar España having been performed during said period). This information has been provided by Castellana Properties to the Offeror in response to its request for confirmation as a result of the CNMV's request to the Offeror.

Appendix 25 provides details of the transactions in Lar España's shares carried out by Castellana Properties in the 12 months preceding the date of the Previous Announcement, until 2 October 2024.

Pursuant to the Castellana Properties' Irrevocable Commitment, Castellana Properties has irrevocably and unconditionally undertaken not to trade in, and to procure that none of its group companies trades in, shares of Lar España from the date of execution of the Commitment (2 October 2024) until the Offer settlement.

Except for the above, in the 12 months preceding the date of the Previous Announcement and in the period between the date of the Previous Announcement and the date of this Prospectus, neither the Offeror, nor Grupo Lar, nor the companies in their group or their partners, nor the companies in the group to which HLIM and HEREI belong, nor the funds managed by them, including HEREP III, nor HGREH, nor Mr.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Jeffrey C. Hines or Ms. Laura E. Hines-Pierce as persons ultimately controlling the Offeror, nor any company or entity controlled by them, nor any funds managed or advised by companies or entities controlled by HGREH, nor any companies controlled by such funds, nor any person who could be deemed to be acting in concert with any of the foregoing nor, to the best of the Offeror's knowledge and belief, after having carried out the appropriate verifications, any of their respective directors, has carried out or agreed to carry out, directly or indirectly, individually or in concert with other parties or in any other way, any transaction involving shares of Lar España or securities or financial instruments that grant subscription or acquisition rights to shares of Lar España.

Neither the Offeror nor any of the persons indicated in Section I.4 of this Prospectus has entered into any other agreement with any person to acquire, directly or indirectly, themselves or through an intermediary, or in concert, shares in Lar España, in the course of the Offer or otherwise, until the date of publication of the Offer result. However, the Offeror reserves the right to acquire shares of Lar España at any time, although it acknowledges that, by virtue of Article 32 of Royal Decree 1066/2007, such acquisition would determine the elimination of the conditions stipulated in Section II.3.1 and the obligation to report the acquisition to the CNMV on the same day, indicating the prices paid or agreed.

Furthermore, without prejudice to the other consequences provided for in the aforementioned article, if the acquisition is made at a price higher than that offered in the Offer, the Offer Price will automatically be increased to that new price and the Offeror will be obliged to extend the guarantee arranged within three business days following the acquisition. In this case, the Offeror must publicly disclose this circumstance through the relevant insider information notice, providing details of the price paid or agreed.

I.8. Offeror's business activity and economic-financial situation

I.8.1 Concerning the Offeror

The Offeror is a special purpose vehicle incorporated on 30 May 2022 and its shares were acquired on 5 July 2024 by Hines SC and Grupo Lar Retail in order to make the Offer.

Since its incorporation, the Offeror has not carried out any activities other than (i) the adoption of the resolutions necessary to approve the acquisition of the shares of Lar España, to launch the Offer, to obtain a bank guarantee for the Offer, and activities related to the foregoing (including the related financing); (ii) the execution of the agreements relating to the Offer described in Section I.5; (iii) the signing of the documentation relating to the Offer financing, as described in Section II.4.2; and (iv) all other activities and actions related to the Offer.

The following table sets out the main figures of the Offer as of 4 November 2024:

The Offeror	Euro (€) (as of 4 November 2024)
Equity (shareholders' equity)	750,920.96
Revenue	0

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

The Offeror	Euro (€) (as of 4 November 2024)
Total assets	751,023.68
Net financial debt	751,023.68
Net result of the financial year (loss)	(1,272,771.71)

The following table sets out the Offeror's main figures at 31 December 2023 (per the annual accounts for the year ended 31 December 2023):

The Offeror	Euro (€) (as of 31 December 2023)
Equity (shareholders' equity)	13,730.05
Revenue	0
Total assets	13,730.05
Net financial debt	13,481.81
Net result of the financial year (loss)	(61.37)

A certificate with the Offeror's unaudited financial statements as of 4 November 2024, which include the balance sheet for the period 21 December 2023 to 4 November 2024, and the registry certification of the Offeror's annual accounts for the year ended 31 December 2023, are attached as **Appendix 26**.

1.8.2 Concerning the Offeror's shareholders

The Offeror is wholly owned directly by Hines SC and Grupo Lar Retail which, in turn, are wholly owned by HEREP III and Grupo Lar, respectively.

Hines is a global property investor, developer and operator. Founded in 1957 by Gerald D. Hines, the company now operates in 30 countries and manages a portfolio of USD 93.2 billion in high-quality assets with exposure to the residential, logistics, retail, office and other mixed-use sectors. Its local teams, operating in various countries, cover and manage a total of 857 properties globally with a cumulative total surface area of 823 million square meters.

Hines SC holds a direct 62.5% interest in the Offeror; it was incorporated on 8 September 2022 and was acquired as a special purpose vehicle for launching the Offer and therefore has not carried out any activities other than those related to the Offer to date. HEREP III is an entity without a legal personality set up in Luxembourg and 76.68% owned by Feeder. The remaining capital is owned by other institutional investors and by Hines' family and employees, as described in the organization chart in Section I.4.1.4 above).

The business purpose of HEREP III is to acquire a diversified portfolio of prime commercial and residential property investments in major European markets on behalf of institutional investors. HEREP III has broad flexibility across all real estate sectors and the portfolio is largely focused on thematic investing in segments where Hines sees strong fundamentals and potential to create value through active initiatives using Hines' vertically integrated platform and ESG market expertise.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

The following table shows Feeder's key figures for the period ended 31 December 2023, which is the latest audited financial information currently available:

Feeder	Thousand euro (€) (at 31 December 2023)
Total non-current assets	92,671
Total current assets	51
Total current liabilities	51
Capital contributions	100.071
Net result of the financial year (loss)	(7,400)
Total net assets	92,722

A copy of Feeder's audited financial statements for the year ended 31 December 2023, together with the auditors' report, both in English, together with its sworn translation into Spanish, is attached as **Appendix 27**.

The audit report on Feeder's audited financial statements for the year ended 31 December 2023 is unqualified.

Pursuant to Article 1711 of the Luxembourg Law of 10 August 1915 on trading companies, as amended, neither HEREP III Master nor Hines SC is required to draw up consolidated accounts. Furthermore, in relation to the HEREP III fund, there is no legal regulation in Luxembourg applicable to special partnerships with Luxembourg nationality (SCSp) requiring that these entities publicly disclose their individual or consolidated annual accounts.

Grupo Lar Retail, which holds an indirect interest of 37.5% in the Offeror, is an investment vehicle controlled and majority-owned by Grupo Lar, which is a private company set up in 1969 by the Pereda family and specialized in the investment, development and management of real estate assets, focused on Europe and Latin America. In addition to these real estate asset management activities, Grupo Lar also carries out investment and capital management activities and real estate development within its business lines. Grupo Lar manages assets worth €4,000 million in five countries (Spain, Poland, Brazil, Mexico and Peru), has 270 employees, manages 9,700 residential properties under development for sale, 480,000 square meters of operational shopping centers, 2,100 residential properties for rent and 92,000 m² of logistics facilities under development¹.

Grupo Lar is not controlled by any individual or legal entity. However, Grupo Lar is controlled by the Pereda family, which holds (through the individual shareholdings of several of its members, who have not entered into any voting syndication agreement among themselves) 99.95% of the voting rights of Grupo Lar. Three of the seven members of the board of directors of Grupo Lar (Mr. Miguel Pereda Espeso, Mr. Jaime Pereda Espeso and Mr. Luis José Pereda Espeso) are members of the Pereda family

¹ Data obtained from the Grupo Lar website.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

and shareholders of Grupo Lar. In addition, Mr. Miguel Pereda Espeso is the executive chairman of Grupo Lar.

The following table shows Grupo Lar's key consolidated figures for the period ended 31 December 2023, which is the latest audited financial information currently available:

Grupo Lar	Thousand euro (€) (at 31 December 2023)
Equity	223,166
Revenue	77,112
Total assets	380,468
Net financial debt ²	131,607
Net result of the financial year (loss)	-5,915

A registration certificate of Grupo Lar's individual and consolidated annual accounts for the year ended 31 December 2023, together with the auditors' report, both drawn up in Spanish, is attached as **Appendix 28**.

The audit reports on Grupo Lar's individual and consolidated annual accounts for the year ended 31 December 2023 are unqualified.

² Net financial debt is the sum of non-current liabilities (€15,598) plus current liabilities (€141,704), less cash and cash equivalents (€25,695).

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Chapter II

II.1 Shares targeted by the Offer

The Offer targets the entire share capital of Lar España, represented by 83,692,969 shares with a par value of €2 each in the same class and series, fully subscribed and paid up. However, the Offer excludes the Immobilized Shares (i.e. 8,496,045 shares of Lar España representing 10.15% of its share capital, which have been immobilized in until the completion of the Offer) in accordance with the following breakdown: (i) 8,466,045 shares, representing 10.12% of Lar España's share capital, owned by Grupo Lar and (ii) 30,000 shares, representing 0.04% of Lar España's share capital, owned by Mr. Miguel Pereda Espeso.

Certificates relating to the immobilized shares of Lar España held by Grupo Lar and the shares of Lar España held by Mr. Miguel Pereda Espeso are attached as **Appendix 29**.

Accordingly, the Offer targets a total of 75,196,924 shares of Lar España, representing 89.85% of its share capital.

According to publicly available information, Lar España has currently not issued any non-voting or special class shares, nor any pre-emptive subscription rights, convertible or exchangeable bonds or other similar securities or instruments carrying a right, directly or indirectly, to subscribe for or acquire shares in Lar España. Lar España therefore has no other shares, apart from those that may be targeted by the Offer.

II.2 Consideration offered

II.2.1 Consideration offered for each share and payment method

The Offer is arranged as a purchase and sale of shares. The consideration offered by the Offeror to the holders of shares of Lar España is €8.30 per share and will be fully paid in cash (the Offer Price). Consequently, the maximum total amount to be paid by the Offeror is €624,134,469.20 (taking into account the 75,196,924 shares of Lar España which the Offer actually targets).

The initial consideration under the Offer was €8.10 per share in cash and was subsequently increased by €0.20 per share (to €8.30 per share) as a result of the execution on 2 October 2024 of the Castellana Properties' Irrevocable Commitment, described in Section I.5.1.7 of the Prospectus.

The terms of the Offer are identical for all the shares of Lar España to which the Offer is addressed.

If Lar España makes any distribution of dividends, reserves or any other distribution to its shareholders prior to settlement of the Offer, whether ordinary or extraordinary, interim or supplementary, the Offer Price will be reduced by an amount equal to the gross

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

amount per share of the distribution, provided that the disclosure date of the Offer result in listing bulletins coincides with or is subsequent to the *ex-dividend* date.

II.2.2 Justification for the consideration

The Offer is voluntary and is made in accordance with the provisions of Article 13 of Royal Decree 1066/2007; therefore, the Offer Price is not subject to equitable price rules.

The Offeror considers the Offer Price to be an equitable price for the purposes of Article 9 of Royal Decree 1066/2007, insofar as (i) it is the highest price paid or agreed by the Offeror or by the persons acting in concert with the Offeror for the purchase of shares of Lar España during the 12 months prior to the date of the Previous Announcement and until the date of the Prospectus, as the price has been agreed with Castellana Properties by virtue of Castellana Properties' Irrevocable Commitment; (ii) there is no other compensation in addition to the agreed price, either in that irrevocable commitment or in the other irrevocable commitments of acceptance of the Offer signed by the Offeror; (iii) no deferral of payment has been agreed in any of those commitments; and (iv) none of the circumstances provided for in Article 9 of Royal Decree 1066/2007 entailing the modification of the Offer Price are present. There are no other agreements in force for the transfer of shares of Lar España to the Offeror or to persons acting in concert with the Offeror.

The Investment and Shareholders' Agreement and the other agreements entered into with Grupo Lar or its subsidiaries do not include any obligation on the part of the Offeror, any Hines Group entity, funds managed or advised by Hines Group entities or companies controlled by such funds, to acquire the Offeror's shares to be held by Grupo Lar at a given price, or any compensation for the sale of said shares

It will not be necessary to make a mandatory takeover Offer after the Offer in the event that the Offer is settled and the Offeror achieves a controlling interest for the purposes of Article 4 of Royal Decree 1066/2007, by virtue of the provisions of Article 8.f) of Royal Decree 1066/2007.

II.3 Conditions to which the Offer is subject

II.3.1 Description of the conditions to which the Offer is subject

II.3.1.1 Condition under Article 13.2.b) of Royal Decree 1066/2007

Pursuant to the provisions of Article 13.2.b) of Royal Decree 1066/2007, the acceptance of the Offer by at least 37,598,462 shares of Lar España representing 50% of the shares targeted by the Offer (i.e. excluding the Immobilized Shares). Compliance with this condition will enable the Offeror to achieve a minimum holding in Lar España of 44.92% as a result of the Offer settlement which, in addition to the holding in Lar España represented by the Immobilized Shares to be contributed to the Offeror following the settlement of the Offer, would provide it with a minimum shareholding in Lar España of 55.07%. The establishment of this threshold forms part of the commercial arrangements between Hines SC and Grupo Lar Retail in relation to the minimum amount of capital to

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

be contributed by each shareholder to the Offeror for the purposes of making the Offer.

Since Eurosazor, Brandes and Castellana Properties have undertaken, by virtue of their irrevocable commitments, to accept the Offer, i.e. to sell under the Offer all of their shares in Lar España, i.e. 33,692,721 shares representing 40.26% of share capital, the minimum acceptance condition will be fulfilled if, in addition to the aforementioned shareholders, holders of at least 3,905,741 shares representing 4.67% of Lar España's share capital accept the Offer.

II.3.1.2 Condition under Article 13.2.d) of Royal Decree 1066/2007

Pursuant to Article 13.2.d) of Royal Decree 1066/2007, the effectiveness of the Offer is subject to the following conditions:

- a) Lar España, prior to the termination of the Offer acceptance period (i) must not amend its articles of association to replace or substantially modify its corporate purpose, increase or reduce the share capital, increase the quorum or the majorities required for the approval of resolutions by the general shareholders' meeting or the board of directors, or lay down additional requirements for being appointed a director of Lar España or limitations on shareholders' voting rights, provided that as a result of any such resolution to amend the articles of association, the Offeror would be unable, following the settlement of the Offer, to approve in general meeting the reversal of any such amendment with a majority of 50% plus one share of share capital; and (ii) it must not waive the SOCIMI regime.
- b) Lar España must not have resolved to perform, prior to the termination of the Offer acceptance period, a merger, spin-off, liquidation or global transfer of assets and liabilities of Lar España or its group.
- c) The net financial debt of the Lar España group on the day before the termination of the Offer acceptance period may not exceed the amount of the net financial debt publicly reported by Lar España in the Q1 2024 Business Update issued on 24 May 2024, except for increases in such net financial debt arising in the ordinary course of business for the maintenance, improvement or repositioning (capex) of its assets or due to the general corporate needs of Lar España and its Group which are freely redeemable in advance without giving rise to fees or associated cancellation costs (except for those relating to the settlement of any hedging instruments arranged with respect to such debt, as the case may be).
- d) Lar España and its subsidiaries must not have carried out (or agreed to make), prior to the end of the Offer acceptance period:
 - a. the sale or encumbrance of real estate assets (i) for an aggregate transaction value (including costs and taxes payable by the seller) (as of the date of publication of the Previous Announcement, i.e., 12 July 2024) in excess of 5% of the net value of the assets (EPRA NAV) as of 31 December 2023; or (ii) that do not represent all of the assets owned by Lar España and its subsidiaries in the shopping center or business park concerned, whatever the

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

transaction value (even if such transaction value is below 5% of the EPRA NAV as of 31 December 2023); or

- b. the purchase of real estate assets (i) for an aggregate transaction value (including costs and taxes payable by the purchaser) (as of the date of publication of the Previous Announcement, i.e. 12 July 2024) in excess of 5% of the EPRA NAV as of 31 December 2023; or (ii) that do not represent all of the real estate assets in the acquired shopping center or business park, whatever the transaction value (even if such transaction value is below 5% of the EPRA NAV as of 31 December 2023).

The Offer launch was conditional on the authorization (or non-opposition as a result of the expiry of the applicable waiting period) of the economic concentration resulting from the Offer by the Spanish antitrust authorities, namely the National Markets and Competition Commission ("**CNMC**"), in accordance with the provisions of Article 26.1 of Royal Decree 1066/2007. Said authorization was received on 7 August 2024, and therefore this condition has already been fulfilled.

The Offeror and its shareholders are not aware of any action carried out by Lar España or the companies in its group from the date of the Previous Announcement to the date of this Prospectus that might constitute a breach of these conditions, which, based on the information available to the Offeror, are understood to have been fulfilled at the date of this Prospectus.

II.3.2 Restrictions to the waiver of conditions if they are not fulfilled

The waiver of the minimum Offer acceptance level condition envisaged in section II.3.1.1 if, as a result of such waiver, the Offeror does not reach an interest of 50% or more of the shares in Lar España, also taking into account the percentage of the Immobilized Shares that will be contributed to the Offeror upon settlement of the Offer, will require the prior consent of the agent under the Senior Financing Facility (as this term is defined in section II.4 below). In any case, bearing in mind that the Offeror has made irrevocable acceptance commitments to Eurosazor, Brandes and Castellana Properties, as well as a contribution commitment to Grupo Lar, the shareholders of an overall 50.40% of the shares of Lar España, the aforementioned circumstance is not foreseeable. The above notwithstanding, the Offeror is not subject to any limit or restriction of any kind, whether self-imposed or imposed by third parties, to waive or not to waive the conditions indicated in section II.3.1 of this Prospectus.

In any event, the possible waiver by the Offeror of any of the conditions indicated in section II.3.1 of this Prospectus will require the prior mutual agreement of Hines SC and Grupo Lar Retail.

II.3.3 Waiver to conditions and impact of such waiver on the Offer

The Offeror has no intention of waiving the conditions set forth in section II.3 of this Prospectus.

However, the Offeror reserves the right to do so under Article 33.3 of Royal Decree 1066/2007.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

If the Offeror waives the minimum Offer acceptance level condition envisaged in section II.3.1.1 (having previously obtained the consents referred to in section II.3.2, if necessary), in accordance with the irrevocable Offer acceptance commitments referred to in sections I.5.1.5, I.5.1.6 and I.5.1.7 of this Prospectus, the Offeror will reach a minimum interest of over 50% of the shares in Lar España (also taking into account the percentage of the Immobilized Shares that will be contributed to the Offeror upon settlement of the Offer), such that the Offeror may implement all the plans and intentions with respect to Lar España that are indicated in Section IV of this Prospectus.

Should any of the conditions set forth in section II.3.1.2 be infringed, the Offeror will consider the specific circumstances and the foreseeable impact of such infringement on the Offeror's plans and intentions with respect to Lar España referred to in Section IV of this Prospectus, before making the decision to waive fulfilment. In any case, in view of the relevance and materiality of these conditions for the Offeror, the said waiver is unlikely to occur. The above notwithstanding, should the Offeror finally decide to waive fulfilment of any of the said conditions, it will announce the decision and the foreseeable effect of non-fulfilment on the Offeror's plans and intentions in relation to Lar España indicated in Section IV of this Prospectus, in which case the Spanish National Securities Market Commission (CNMV) may require the publication of a supplement to the prospectus and extend the acceptance period, where required due to the relevance of the information.

In accordance with Article 33.3 of Royal Decree 1066/2007, the Offer will have a negative result and will be rendered void if the aforementioned minimum acceptance is not received or if any of the conditions laid down in Article 13.2d) of Royal Decree 1066/2007, as described in section II.3.1.2 above, are not fulfilled and the Offeror does not waive fulfilment. Pursuant to Article 39 of Royal Decree 1066/2007, in the event that the Offer is rendered void, neither the Offeror nor the companies of its group, nor the members of their administrative bodies, nor any person that may have promoted the Offer in its own name but for the account of the Offeror, or, acting together with the Offeror, may promote a different takeover Offer to acquire the shares in Lar España (except under the provisions of Chapter IX of Royal Decree 1066/2007) within 6 months as from the publication date of the result whereby the Offer is rendered void, may acquire securities or be in situations requiring a takeover Offer in the cases envisaged in Royal Decree 1066/2007.

II.4 Collateral and funding for the Offer **II.4.1 Collateral for the Offer**

In accordance with Article 15 of Royal Decree 1066/2007, the Offeror has submitted to the CNMV a bank guarantee issued by Banco Santander, S.A. for the amount of €624,134,469.20, securing full payment of the Offer consideration by the Offeror (hereinafter the "**Bank Guarantee**").

Initially, the Offeror submitted to the CNMV a bank guarantee issued by Banco Santander, S.A. for the amount of €609,095,084.40, securing full payment of the initial Offer consideration, taking into account the fact that the initial Offer price was €8.10 per share (the "**Initial Bank Guarantee**"). The Offeror has replaced the Initial Bank

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Guarantee with the Bank Guarantee as a result of the €0.20-per-share improvement in the consideration, up to €8.30 per share, as stipulated in section II.2.1 of this Prospectus.

A copy of the Bank Guarantee is attached as **Appendix 30** hereto.

II.4.1 Funding for the Offer

Assuming that the Offer is accepted for all the shares effectively targeted, the maximum amount payable by the Offeror, on the Offer settlement date, taking account of the Offer Price, is €624,134,469.20.

The amount owed as a consequence of Offer settlement, including any resulting expenses, will be funded by the Offeror through a combination of:

- (i) cash contributions received from its shareholders for a total amount of up to €299,590,717.20, as follows:
 - a) Hines SC will contribute a cash amount of up to €272,559,077.20 (of which €75,000,000 relates to the amount of the Loan from Hines SC, as defined below); and
 - b) Grupo Lar Retail will contribute a cash amount of up to €27,031,640;
- (ii) intragroup bridge financing in the amount of up to €139,000,000, which will be contributed by Hines SC (except in the event that Tranche B of the Senior Financing Facility (as these terms are defined below) is arranged before the settlement of the Offer); and
- (iii) syndicated bank financing under the Senior Financing Facility:
 - a) in an amount of up to €214,000,000 of Tranche C; and
 - b) in an amount of up to €139,000,000, in the event that Tranche B is arranged with a financial institution prior to the settlement of the Offer,

in each case, as described below:

Shareholder contributions

Specifically, the shareholder contributions will be arranged by means of:

- (i) Share capital: subscription of share capital with a share premium in a proportion of 5%/95% par value/share premium, save for the initial contribution of shareholders' funds totalling €2,009,962.62 (€1,256,226.64 by Hines SC and €753,735.98 by Grupo Lar Retail), which will be made through account 118.

The ordinary capital contributions will be made in cash.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

The cash amounts committed by each of the Offeror's shareholders under the Investment and Shareholders' Agreement are as follows: (i) Hines SC €197,559,077.20; and (ii) Grupo Lar Retail, €27,031,640.

As regards this amount of €27,031,640, which is the maximum amount that Grupo Lar Retail has committed to contribute in cash, Grupo Lar Retail has the right to ask Hines SC to finance up to €7,500,000 of the final tranche of the said amount by virtue of the said maximum contribution commitment (i.e. if Grupo Lar Retail has made contributions amounting to at least €19,531,640, Grupo Lar Retail will be entitled to have Hines SC finance the remaining €7,500,000 committed), through the issuance by the Offeror of a convertible instrument for the same amount (€7,500,000) to be subscribed by Hines SC, under the following terms and conditions:

Convertible instrument

Parties	(a) Initial holder: Hines SC. (b) Issuer: the Offeror. (c) Sponsor and beneficiary of the Purchase Option: Grupo Lar Retail.
Nature	Instrument convertible into shares in the Offeror.
Purpose	The Offeror will use the entire amount of the convertible instrument to fund the Offer or, following settlement, to fund additional investments.
Maturity date	19 months as from the Offer settlement date.
Interest rate	15% per annum until the earlier of the convertible instrument Conversion Date or the Maturity Date. The accrued interest will be capitalised and settled by Grupo Lar Retail on exercising its Purchase Option right or upon the conversion of the convertible instrument by Hines SC, and will be calculated based on a 360-day year and the actual number of days elapsed.
Conversion Date	The convertible instrument will be converted into newly issued shares in the Offeror (a) at the request of the holder of the convertible instrument on any date prior to the Maturity Date (" Conversion Date "), subject to the exception provided in the following paragraph, or (b) necessarily, on the Maturity Date (" Mandatory Conversion "). When it is the holder of the convertible instrument, Hines SC will not be entitled to exercise the Conversion Right prior to the Maturity Date and will only be entitled to convert the convertible instrument at the time of Mandatory

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Convertible instrument

	Conversion (i.e. on the maturity date of the convertible instrument).
Conversion	<p>If conversion is the result of (i) the exercise of the Conversion Right (prior to the Maturity Date of the convertible instrument); or (ii) Mandatory Conversion, provided that the holder of the convertible instrument on the Maturity Date is any person other than Hines SC, the number of shares to be issued by the Offeror to the holder of the convertible instrument will be calculated by applying the following formula:</p> $S = NA / SP$ <p>Where:</p> <ol style="list-style-type: none"> “S” (<i>Shares</i>) means the number of new shares that will be issued to the holder of the convertible instrument at the time of conversion (rounded down to the nearest whole number); “NA” (<i>Nominal Amount</i>) means the nominal amount at which the convertible instrument is subscribed; and “SP” (<i>Share Price</i>) means the value of the Offeror's shares (which would be calculated taking into account the value of the shares of Lar España owned by the Offeror and of the contribution of the Immobilized Shares at the Offer Price) immediately following the settlement of the Offer and the contribution of the Immobilized Shares. <p>Therefore, the SP (of the Offeror's shares) is the result of dividing the Offeror's equity (including the shares of Lar España acquired in the Offer, and at which the Immobilized Shares will have been contributed, all at the Offer value) into the total number of shares issued at that time.</p> <p>If conversion is the result of Mandatory Conversion, provided that the holder of the convertible instrument on the Maturity Date is Hines SC, the number of shares that the Offeror will issue to Hines SC will be calculated by applying the following formula:</p> $S = 1.5 \times NA / SP$
Purchase option	Hines SC grants a purchase option for no consideration for the entire convertible instrument, on the following terms:

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Convertible instrument

	<p>a. Exercise period: Grupo Lar Retail may exercise the Purchase Option at any time once it has contributed to the Offeror at least €19,531,640 of the €27,031,640 that Grupo Lar Retail has committed to contribute in cash, subject to written notice to Hines SC, until the tenth business day prior to the Maturity Date.</p> <p>b. Exercise price: a cash amount equal to the nominal amount of the convertible instrument plus interest capitalised to the date on which the convertible instrument is purchased by exercising the Purchase Option.</p> <p>c. Exercise: will take place in Madrid on the fifth business day following the date on which Hines SC is notified of the exercise of the Purchase Option.</p>
--	---

- (ii) Shareholder Loan Preferred to Equity: On 11 July 2024, Hines SC, as lender, granted a preferred loan to the Offeror, as borrower, in the amount of €75,000,000 (the “**Hines SC Loan**”), on the following terms and conditions:

Hines SC Loan

Parties	<p>(a) Lender: Hines SC.</p> <p>(b) Borrower: the Offeror.</p> <p>(c) Offeror's shareholder: Grupo Lar Retail.</p>
Nature	Credit line.
Purpose	The Borrower will use the full amount of the Hines SC Loan to partially fund the contributions needed to settle the Offer and the contributions following the settlement date, for 12 months, to make additional investments in the Lar España Group or through the group.
Maximum amount	€75,000,000.
Drawdown period	From the date on which the positive result of the Offer is confirmed until the first anniversary of the Offer settlement.
Remuneration	<p>The Lender will be remunerated for the Hines SC Loan as follows:</p> <p>(a) Firstly, annual remuneration at a rate of 3% of the average balance of principal outstanding on the</p>

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Hines SC Loan

	<p>Hines SC Loan during each year covered by the business plan (the “3% Coupon”).</p> <p>(b) Secondly, following payment of the Offeror's ordinary dividend, annual remuneration accruing and payable at the same time as the 3% Coupon, provided that the Offeror has paid the minimum dividend envisaged in the Investment and Shareholders' Agreement, as a result of applying a 10% rate to the average balance of principle outstanding on the Shareholder Loan during each year covered by the business plan (the “10% Coupon” and, together with the 3% Coupon, the “Coupons”).</p> <p>Should the Borrower not have sufficient cash to make full payment of any of the Coupons, any unpaid amount will be capitalised (and will therefore be added to and form part of the amount of principal outstanding on the Hines SC Loan at that time).</p> <p>Under the Hines SC Loan, the Lender has the right to receive minimum remuneration of 37.50% of the loan principal actually used (the “Make-Whole”), regardless of the date on which fully repayment is made. Therefore, if, on the Hines SC Loan repayment date, the amount of Coupons paid by the Borrower to the Lender is below the said minimum remuneration, the Lender will be entitled to receive an amount equal to the said difference, under the said Make-Whole clause, and the Hines SC Loan will not be deemed fully repaid until the said amount is paid.</p> <p>Consequently, the Hines SC will not be deemed fully repaid until the amount necessary to meet the Make-Whole has also been settled.</p>
Initial Maturity Date	<p>The Borrower will pay to the Lender the outstanding amount of principal on the Hines SC Loan within five years as from the Offer settlement date, together with the accrued Coupons and Make-Whole amounts. The Initial Maturity Date will be automatically extended each year until the date on which full repayment of the Hines SC Loan is completed.</p>
Early repayment by the Offeror	<p>The Borrower may repay the Hines SC Loan in advance, fully or partially, without any penalty, provided that the following conditions are met:</p> <p>(a) the Borrower notifies the Lender at least five business days in advance of the repayment date, stating the amount to be repaid; and</p>

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Hines SC Loan

	(b) in the case of full repayment, the overall remuneration reaches the Make-Whole amount.
Early repayment due to change of control	In the event that the Lender no longer has control of the Borrower, any amount of principal outstanding, Coupons or the Make-Whole, if applicable, will accrue and be payable upon the Lender's request.
Subordination	The Hines SC Loan is subordinated to the Senior Financing Facility and the Bridge Loan (as defined below).

In accordance with Clause 5 of the Hines SCL Loan agreement, the Offeror may not distribute dividends to its shareholders exceeding the minimum dividend required under applicable legislation, given its SOCIMI status, until the amounts owed to Hines SC under the Hines SC Loan have been fully repaid.

The Offeror must also repay the outstanding amount of the Hines SC Loan using available cash, after paying the Coupons and the aforementioned minimum dividend required by Law 11/2009.

A copy of the Hines SC Loan, drawn up in English, together with its sworn translation into Spanish, are attached as **Appendix 31**.

Intragroup bridge financing

Hines SC has undertaken to grant to the Offeror intragroup bridge financing of up to €139,000,000 under an Acquisition Bridge Facility Agreement, the terms and conditions of which are set forth in the Investment and Shareholders' Agreement attached as **Appendix 18** to this Prospectus (the "**Bridge Loan**").

The Bridge Loan will be used to fund the Offer consideration (unless Tranche B of the Senior Financing Facility is committed prior to the Offer settlement date).

The Offeror is currently negotiating Tranche B of the Senior Financing Facility with the lender institutions and intends to reach an agreement with those institutions so that Tranche B is committed prior to the Offer settlement date, in which case the amount thereof will be used to partially fund the Offer Price, instead of drawing the Bridge Loan.

The main terms of the Bridge Loan are as follows:

Bridge loan

Borrower	The Offeror.
Lender	Hines SC.
Amount	€139,000,000.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Bridge loan

Purpose	The Borrower will use the amounts drawn down on the Bridge Loan to fund a part of the payment of the Offer consideration.
Maturity date	The Bridge Loan will fall due six months after the date of the first drawdown.
Nature	The Bridge Loan is arranged as short-term, unsecured bridge financing.
Drawdown	The Bridge Loan must be drawn down in the same proportion as Tranche C under the Senior Financing Facility.
Repayment	The Borrower must fully repay the loan on the due date.
Interest	The amounts drawn down will accrue interest at a rate equal to the sum of the EURIBOR (with a 0% floor) plus a 7% annual spread that will periodically increase by an additional 0.25% each quarter as from the date of the first drawdown.
Fees	The Bridge Loan includes a commitment fee of 0.50% of the drawable amount during the first three months as from the Bridge Loan signing date, which will increase by an additional 0.10% every three months until the end of the financing drawdown period.
Voluntary early repayment	The Borrower may repay all or part of the financing in advance.
Default events	<p>The Bridge Loan will include certain default events, including (i) the failure to make payment of any amount owed on the Bridge Loan; (ii) the breach of any obligations (other than payment obligations) arising from the Bridge Loan; and (iii) the Borrowers ceasing to be a subsidiary of the Lender.</p> <p>Following a default event that has not been remedied, the Lender may declare all or part of the financing to be due and payable.</p>
Governing law	Spanish law.

Bank financing

The bank financing described below will be used to pay the part of the Offer consideration that is not covered by the shareholder contributions described previously in this Prospectus, as well as to pay any expenses and fees that may accrue in relation to the Offer.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

On 11 July 2024, the Offeror, as borrower, Morgan Stanley Principal Funding, Inc. and Banco Santander, S.A., as coordinating entities and lenders, and Banco Santander, S.A., as agent bank and guarantee agent, entered into a senior financing facility for an original amount of €865,000,000 (extendable up to the amount of €1,004,000,000 if Tranche B is finally committed as indicated) (the **“Senior Financing Facility”**), of which only Tranche C, in the amount of €214,000,000 (and, if applicable, Tranche B in the amount of €139,000,000) would be used to fund the Offer and associated costs (the **“Acquisition Debt”**).

Tranche B is not currently committed, but the Offeror is negotiating with the lender institutions to reach an agreement and arrange this tranche before settling the Offer, as indicated previously. However, should Tranche B not be arranged prior to the settlement of the Offer (and the Bridge Loan is therefore needed to fund the payment of the Offer Consideration), the Offeror intends to arrange it as soon as possible following settlement of the Offer (in which case the Tranche B amounts will be used to refinance the Bridge Loan).

The main terms of the Senior Financing Facility Acquisition Debt are as follows:

Senior Financing Facility
(Acquisition Debt)

Borrower	The Offeror.
Guarantors	The Offeror.
Lenders	Morgan Stanley Principal Funding, Inc. and Banco Santander, S.A.
Agent	Banco Santander, S.A.
Amount	The Senior Financing Facility includes two tranches that may be used to fund the Offer: (a) a loan (not committed) of €139,000,000 (“Tranche B”); and (b) a loan of €214,000,000 (“Tranche C”).
Purpose	The Borrower will use the amounts drawn down on Tranche C and Tranche B (the latter only in the event that it is committed prior to the Offer settlement date) to fund, together with the shareholder contributions described previously, the payment of the Offer consideration and the payment of any associated expenses and fees that may accrue (i.e. the Acquisition Debt).
Due date	Tranche B falls due 24 months after the signing date of the Senior Financing Facility (the “B Initial Due Date”). The B Initial Due Date may be extended at the Borrower’s request for an additional six-month period following the B Initial Due Date (the “First Extended B Due Date”) and for a second

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Senior Financing Facility (Acquisition Debt)

	<p>additional six-month period following the First Extended B Due Date.</p> <p>Tranche C falls due three months as from the Offer settlement date.</p>
Nature	The financing granted under Tranche B and Tranche C is arranged as bridge financing.
Repayment	The Borrower must fully repay the amounts drawn down on Tranche B and Tranche C on the respective due dates.
Interest	<p>The amounts drawn down will accrue interest equal to the sum of the EURIBOR (with a 0% floor) plus a spread.</p> <p>A spread of 4.00% per annum is applicable to Tranche C. The spread applicable to Tranche B will be agreed with the relevant financing entities once it is arranged.</p>
Fees	The Senior Financing Facility provides for the payment of certain customary fees to the financial institutions, in their various capacities (including, among others, a commitment fee, structuring fee, agency fee, extension fee, etc.).
Voluntary early repayment	The Borrower may repay all or part of the financing in advance.
Mandatory early repayment	<p>The Senior Financing Facility includes certain mandatory (full or partial) early repayment events, including:</p> <p>(a) <u>Illegality</u>: If it is or becomes illegal for any financial institution to meet any of its obligations under the Senior Financing Facility, to contribute the corresponding funds or to maintain its share of any loan, the Borrower must repay the corresponding share to the financial institution(s) affected.</p> <p>(b) <u>Change of control</u>: If (i) there is a change of control of Hines SC, Grupo Lar Retail or the Offeror; or (ii) as from the settlement date, the Offeror disposes of any Lar España share owned; or (iii) the Offer acceptance percentage is 50% or less, a person or group of persons acting in concert (other than the Offeror) acquires control of Lar España; or (iv) Hines HEREP is no longer the managing general partner of HEREP III, each financial institution will be individually entitled to request repayment of its share of the financing.</p> <p>(c) <u>Disposals</u>: The Senior Financing Facility also includes the obligation to apply an amount equivalent to the net</p>

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Senior Financing Facility (Acquisition Debt)

	<p>income from any disposals of the Lar España Group's real estate assets (or of the shares in the Lar España subsidiaries that own said real estate assets) that may be completed, as from the date on which the Offeror controls Lar España, as indicated below, (i) firstly, an amount equivalent to the value of Tranche A allocated to said assets, to repay Tranche A (i.e. Refinancing Debt); (ii) secondly, any surplus, to repay Tranche B and Tranche C (as applicable), for which purposes the Offeror will have Lar España distribute dividends to its shareholders (the amount of which will be used by the Offeror for the said purpose); and (iii) thirdly, the Senior Financing Facility allows any surplus to be distributed by means of a permitted distribution to Lar España's shareholders (which the Offeror intends to arrange).</p>
Financial covenants	<p>The Senior Financing Facility includes a financial covenant relating to the projected debt yield, which must be 9.5% or more at all times as from the first interest payment date.</p> <p>The projected debt yield is calculated based on the Lar España Group's net operating income, divided by the group's debt.</p>
Commitments	<p>The Senior Financing Facility includes certain commitments that are customary in financing of this kind, subject to the usual exceptions and thresholds, including information obligations, restrictions on the establishment of encumbrances and restrictions on financial debt.</p> <p>The Senior Financing Facility also includes a commitment by the Offeror, when possible once the Offeror has acquired control of Lar España, to have Lar España carry out a distribution in favour of its shareholders and to use the funds received from said distribution to make early repayment of Tranche C.</p> <p>Besides the aforementioned obligation of the Offeror, the Senior Financing Facility does not include (nor do the Tranche B negotiations include) any obligation to re-allocate or transfer (i.e. push down) the Acquisition Debt to Lar España.</p> <p>The above notwithstanding, the Offeror will arrange an increase in Lar España's leverage up to levels of around 60% LTV (loan-to-value) for the purposes of funding the distribution of dividends or shareholders' funds in order to repay the said financing, among other uses.</p>

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Senior Financing Facility (Acquisition Debt)

In rem guarantees	<p>The Senior Financing Facility provides for the issuance of the following <i>in rem</i> guarantees for the amounts to be used to fund the Acquisition Debt:</p> <ul style="list-style-type: none"> (a) prior to the Offer settlement date, (i) pledge on 100% of the Offeror's share capital; (ii) pledge on the credit rights held by Hines SC and Grupo Lar Retail; (iii) pledge on the intragroup credit rights held by the Offeror; (iv) pledge on the credit rights arising from the Offeror's bank accounts; and (v) guarantee related to the hedging agreements; and (b) following the Offer settlement date, a pledge on the shares of Lar España acquired by the Offeror from time to time. <p>The Senior Financing Facility also provides for the issuance of certain additional <i>in rem</i> guarantees for Tranche A (i.e. Refinancing Debt (as this term is defined below)), which are described below in Chapter IV of this Prospectus.</p>
Default events	<p>The Senior Financing Facility includes certain default events (subject to certain thresholds and grace periods) that are customary in financing of this kind.</p> <p>The default events include, among others: (i) non-payment of any amount owed under the financing documents; (ii) infringement of the financial covenant; (iii) non-fulfilment of any obligations (other than payment obligations and the financial covenant) arising from the financing documents; (iv) inaccuracies, misstatements or misleading information in any representation or warranty made in the financing documents; (v) cross-breach of other financing; (vi) insolvency and/or insolvency proceedings; (vii) change or discontinuance of an activity; (viii) ownership of the obligors; (ix) illegality and/or invalidity; and (x) the SOCIMI regime.</p> <p>Following a default event that has not been remedied, the Agent may declare the financing to be fully or partially due and payable, and must do so if requested by financial institutions having an overall share of more than 66.66% of the total amount of the Senior Financing Facility.</p>
Governing law	English law.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Summary of the total financial resources of the Offer

There follows a breakdown of the contributions made by the Offeror's shareholders (including the Hines SC Loan), the Bridge Loan and Senior Financing Facility to cover the maximum amount payable by the Offeror on the Offer settlement date, taking into account the Offer Price and the expenses and fees of the Offer and the related financing, and depending on the Offer acceptance level:

Offer acceptance percentage ⁽¹⁾	50.0%	75.0%	100.0%
Total investment (including transaction costs)	334,268,773.00	493,189,663.85	652,590,717.20
Bridge Loan (or Tranche B of the Senior Financing Facility, if it is committed)	76,555,253.68	107,777,626.84	139,000,000.00
Tranche C of the Senior Financing Facility	117,862,045.23	165,931,022.62	214,000,000.00
Total funding sources	194,417,298.91	273,708,649.46	353,000,000.00
Grupo Lar's contribution	5,000,000.00	16,015,820.00	27,031,640.00
Hines' contribution	125,861,955.83	159,767,309.77	197,559,077.20
Hines SC Loan	8,989,518.25	43,697,884.62	75,000,000.00
Total contributions to shareholders' funds	139,851,474.09	219,481,014.39	299,590,717.20

⁽¹⁾ Percentage of shares of Lar España effectively targeted by the Offer (i.e. excluding the Immobilized Shares).

Forms of refinancing and repayment of the external financing

The Offeror foresees that the amount of external financing used to fund the Offer settlement (i.e. the Acquisition Debt, the Bridge Loan and the Hines SC Loan) will be (i) repaid using dividends received from Lar España and other distributions of shareholders' funds that may, if applicable, be distributable by Lar España; and/or (ii) to the extent necessary, refinanced by long-term financial debt based on the alternatives available in the debt market, which the Offeror is already exploring with various financial institutions (including, among other alternatives, but not limited to, the Tranche B negotiations).

As described in section IV.4 of this Prospectus, the Offeror intends to repay the external financing used to settle the Offer as indicated below:

- (i) Tranche C, by means of a distribution of shareholders' funds by Lar España in favour of its shareholders, for which a general meeting of Lar España will be called as soon as possible following the Offer settlement in order to approve the said distribution (which the Offeror estimates could reasonably amount to approximately €200 million (equivalent, in this case, to €2.39 per share), on the basis of cash resources of €213,025 thousand available at 30 June 2024, and excluding the amount of operating costs assumed to be the minimum amount

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

necessary for the proper functioning and operations of Lar España's business, and likewise based on the financial information at 30 June 2024);

- (ii) Tranche C not repaid using the funds from the distribution referred to in paragraph (i) above and Tranche B or the Bridge Loan (as applicable), by increasing Lar España's leverage up to levels of around 60% LTV (loan-to-value), as described in section IV.4 of this Prospectus, and the subsequent distribution to Lar España's shareholders of all the distributable cash, which the Offeror will use for the said purpose. To the extent necessary and taking account of market conditions, any residual amount of the Acquisition Debt and the Bridge Loan that has not been repaid through the aforementioned mechanisms will be refinanced by long-term financial debt; and
- (iii) the Hines SC Loan, through the distribution of shareholders' funds or dividends by Lar España and its subsidiaries to their shareholders, or using the income from the sale of Lar España's assets. As it has a five-year term and is automatically extended each year, there will be no need for refinancing in any event.

To this end, the Investment and Shareholders' Agreement stipulates that the administrative bodies of Lar España's subsidiaries and of Lar España must endeavour to distribute, as dividends to their respective shareholders during the fiscal year, all distributable net cash flows generated by assets, net of expenses, interest, debt repayments and taxes, taking into account the established leverage and cash policy.

II.4.3 Effects of the Acquisition Debt on the Target Company

The Senior Financing Facility requires the fulfilment of a certain financial covenant and imposes a limit on the increase in the financial debt of the Offeror's group companies (which, following Offer settlement, will include Lar España and its subsidiaries), save for certain exceptions, such as existing subordinated debt, bank guarantees and/or credit lines.

Besides the obligation to have Lar España distribute a dividend following Offer settlement in order to repay Tranche C, neither the Acquisition Debt nor the Bridge Loan nor the Hines SC Loan include the obligation to re-allocate or transfer (i.e. push down) to Lar España any financial debt incurred to fund the Offer settlement. The above notwithstanding, the Offeror will arrange an increase in Lar España's leverage up to levels of around 60% LTV (loan-to-value) for the purposes of funding the distribution of dividends or shareholders' funds to Lar España's shareholders, which the Offeror intends to use to repay the said financing, as described in section II.4.2 and in section IV.4 of this Prospectus.

Neither the Senior Financing Facility nor the other financing documents require the Offeror to carry out a merger or other kind of corporate restructuring between Lar España and the Offeror or its group companies.

The Senior Financing Facility does not include any obligation to dispose of Lar España's assets. The above notwithstanding, in the event of the disposal of any real estate asset of Lar España or of its subsidiaries, the net income from such disposal must be used as indicated below: (i) firstly, an amount equivalent to the value of Tranche A allocated to

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

said assets, to repay Tranche A (i.e. Refinancing Debt); (ii) secondly, any surplus, to repay Tranche B and Tranche C (as applicable), for which purposes the Offeror will have Lar España distribute dividends to its shareholders (the amount of which will be used by the Offeror for the said purpose); and (iii) thirdly, the Senior Financing Facility allows any surplus to be distributed by means of a permitted distribution to Lar España's shareholders (which the Offeror intends to arrange).

Neither Lar España nor its subsidiaries will act as guarantor or establish *in rem* guarantees on their assets to secure payment of the Acquisition Debt. However, Lar España and its subsidiaries will adhere as guarantors to the Senior Financing Facility and grant *in rem* guarantees solely and exclusively to secure debt other than the Acquisition Debt (i.e. Refinancing Debt), as described below in Chapter IV of this Prospectus.

Despite the above, the Offeror considers that the structure, terms and conditions of the Acquisition Debt will not have any effect on Lar España's ordinary activities or on its investment plans, since it considers that Lar España will have sufficient cash resources to carry them out.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Chapter III

III.1 Procedure for acceptance and settlement of the Offer

III.1.1 Acceptance period of the Offer

The acceptance period for this Offer is 15 calendar days as from the stock market day following the date of publication of the first of the announcements referred to in Article 22 of Royal Decree 1066/2007, which will be published: (i) in the Spanish Stock Exchange quotation bulletins; and (ii) in at least one national newspaper (excluding digital media). The publication date of the announcements in the stock exchange quotation bulletins will be the date of the stock market session to which they relate.

The first and last days of the period will be included in the calculation of the 15 calendar days. If the first day of the period is not a stock market day, it will begin on the first following stock market day. If the last day of the period is not a stock market day, the acceptance period will extend to the first following stock market day for such purposes. In any event, the acceptance period will end at 23:59 on the last day of the said period.

The Offeror may extend the Offer acceptance period one or more times in accordance with Article 23 of Royal Decree 1066/2007, provided that the maximum limit of 70 calendar days is not exceeded and the CNMV receives prior notice of the extension. Any extension of the acceptance period must be announced in the same media in which the Offer announcement was published, at least three calendar days in advance of the end date of the initial period or applicable extension, stating the reasons.

The template for the announcement that must be published in the Madrid, Barcelona, Bilbao and Valencia quotation bulletins and in at least one national newspaper is attached as **Appendix 32**. A letter from the Offeror relating to the Offer advertising is also attached as **Appendix 33**.

III.1.2 Formalities to be fulfilled by the addressees of the Offer to express their acceptance and the means and period in which they will receive the consideration

III.1.2.1 Statements of acceptance of the Offer

The Offer acceptance statements by Lar España's shareholders will be made following the procedure set forth in this Prospectus. Acceptance statements sent by the parties targeted by the Offer following the last day of the acceptance period will not be valid and will not therefore be included in the Offer result. Acceptance statements will be revocable at any time prior to the last day of the said period and will be invalid if they are subject to conditions, as laid down in Article 34 of Royal Decree 1066/2007. Acceptance statements relating to shares traded following the last day of the Offer acceptance period and those sent by parties targeted by the Offer outside the said period will also be invalid.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

III.1.2.2 Procedure for acceptance of the Offer

Lar España shareholders wishing to accept the Offer must submit their acceptance statements in writing to the depository institutions at which their shares are deposited, whether in person, through electronic means or by any other means permitted by the depository institutions. The parties targeted by the Offer may accept the Offer for all or a part of the shares of Lar España held, from day one of the acceptance period to the last day, both inclusive. All acceptance statements must include at least one Lar España share.

The shares in respect of which the Offer is accepted will include all dividend and voting rights, whatever their nature, carried by the shares. The shares must be transferred (i) together with all dividend and voting rights carried, (ii) free of charges, encumbrances and third-party rights limiting the dividend and voting rights or free transferability; and (iii) by a person authorised to do so according to the entries in the relevant account register, such that the Offeror acquires unassailable ownership property of the shares pursuant to Article 11 of the Securities Market and Investment Services Act (LMVSI).

Pursuant to Article 34.2 of Royal Decree 1066/2007, during the Offer acceptance period the depository institutions that receive the acceptance statements from the parties targeted by the Offer will send daily to the Offeror, through the representative designated for such purposes as indicated below, and to the Spanish Stock Exchange governing companies, the overall data relating to the number of shares included in the acceptance statements submitted, including both acceptances received directly and acceptances received through an Iberclear participant entity.

Depository institutions that have notified overall valid Offer acceptance statements from parties targeted by the Offer that subsequently revoke their acceptances must submit new overall statements modifying and replacing the previous overall data. Acceptance statements sent by the parties targeted by the Offer following the last day of the acceptance period will not be valid and will therefore be rejected and not counted as an acceptance or included in the Offer result.

The Offeror's representative designated to notify the acceptance statements is the following bank:

Entity: Banco Santander, S.A.

Address: Calle Juan Ignacio Luca de Tena, 11, 28027 Madrid (Spain)

Email: emisores.madrid@gruposantander.com

The Offeror and the Spanish Stock Exchange governing companies will provide the CNMV with information on the number of acceptances received and not revoked of which they are aware, whenever requested.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Following the end of the acceptance period and within the period established in the operating instructions issued and published by the Spanish Stock Exchanges, the valid Offer acceptances will be sent by the receiving entities to the governing companies of the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges through the depository institutions participating in Iberclear in which the corresponding shares are deposited, which will collect the acceptances in writing, in person, through electronic means or through any other means accepted by the depository institutions, and will be answerable, based on their detailed records, for the ownership and holding of the shares to which the acceptances refer, as well as for the absence of charges and encumbrances or third-party rights limiting the voting or dividend rights or free transferability of said shares.

Lar España's shareholders' acceptance statements will be accompanied by sufficient documentation allowing the transfer of the shares and must include all identification details required by applicable legislation for transactions of this kind, including but not limited to: (i) full name or business name, (ii) address and (iii) tax identification number or, in the case of shareholders not resident in Spain that do not have a Spanish tax identification number, their passport or identification number, nationality and place of residence.

The Offeror will not in any case accept shares traded following the last day of the Offer acceptance period, nor acceptance statements sent by parties targeted by the Offer outside the said period. In other words, the trading date of the shares offered for sale must be no later than the last day of the Offer acceptance period and the acceptance statements must also be sent by the parties targeted by the Offer within the said maximum period.

All the above refers to the shareholder acceptances and to the role of the depository institutions and investment service entities that first receive them. It does not therefore affect subsequent flows of information between the receiving entities, custodians, Iberclear participating entities and market infrastructures for the processes required to report details of the acceptances resulting from the acceptance statements or orders to the Spanish Stock Exchange governing companies.

The information on the number of acceptances submitted in accordance with Article 35.2 of Royal Decree 1066/2007 may be obtained by the interested parties during the Offer acceptance period, following a request by and full identification of the party in question, including details of its shareholding in Lar España, at the registered office of either the Offeror or its representative, Banco Santander, S.A.

The market members that take part in the transactions on behalf of the accepting shareholders and the share depository institutions are reminded of their obligation to submit the acceptances received during the acceptance period daily to the corresponding governing companies and to the Offeror (through its representative, Banco Santander, S.A.), in accordance with Article 34.2 of Royal Decree 1066/2007.

Lar España's shareholder may accept the Offer for all or a part of the shares held. Acceptance statements must include at least one Lar España share.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

III.1.2.3 Publication of the result of the Offer result

Under Article 36 of Royal Decree 1066/2007, once the acceptance period indicated in section 3.3.1 or the period resulting from an extension or modification, if applicable, has elapsed, and within a maximum of seven business days as from that date, the Stock Exchange governing companies (Sociedad de Bolsas) will publish the Offer result in the Official Quotation Bulletins, in the terms and in the session to be indicated by the CNMV.

The publication date of the Offer result will be the date of the session referred to in the said Official Quotation Bulletins in which the Offer result is published.

III.1.2.4 Intervention, settlement and payment of the Offer consideration

The acquisition of the shares targeted in the Offer will be arranged and settled by Banco Santander, S.A. in its capacity as a member of the Spanish Stock Exchanges and as an Iberclear participating entity and intermediary in the transaction for the account of the Offeror.

The settlement and payment of the price of the shares will be carried out in accordance with Article 37 of Royal Decree 1066/2007, following the procedure laid down for such purposes by Iberclear, the trading date of the relevant stock market transaction being the date of the session referred to in the Stock Exchange Official Quotation Bulletins in which the Offer result is published.

III.1.3 Costs of acceptance and settlement of the Offer

The Lar España shareholders that accept the arrangement of the Offer through Banco Santander, S.A. will not bear the brokerage costs arising from a market member's involvement in the sale and purchase, nor the Iberclear settlement fees, nor the Stock Exchange trading fees, which will be borne entirely by the Offeror.

In the event that market members other than Banco Santander, S.A. intervene on behalf of the accepting shareholder, the brokerage costs and other costs of the seller in the transaction, including the Iberclear settlement fees and the Stock Exchange trading fees, will be borne by the accepting shareholder.

The expenses incurred by the Offeror to acquire the shares and settle the transaction will be borne by the Offeror.

The Offeror will not in any event bear any fees and expenses that the depository institutions and share administrators may charge to their customers for the processing of Offer acceptance orders and balance maintenance.

Any expenses other than those indicated above will be borne by the party that incurs them.

III.1.4 Period for waiving the conditions to which Offer effectiveness is subject

In the event that the minimum acceptance condition is not met, the Offeror will inform the CNMV of its decision to waive, or not to waive, said minimum acceptance condition, at

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

the latest, by the business day following the day on which the CNMV notifies the total number of shares of Lar España included in the Offer acceptance statements submitted. In the absence of such notification by the Offeror within the said period, the Offeror will be understood not to waive this minimum acceptance condition and the negative Offer result will be published in the quotation bulletins, rendering the Offer void.

Should any of the other conditions (other than the minimum acceptance condition) established by the Offeror in accordance with Article 13.2d) of Royal Decree 1066/2007 not be met, the Offeror will inform the CNMV of such non-fulfilment and of its decision to waive, or not to waive, the unfulfilled condition as soon as possible after becoming aware that the condition is not met and, in any event, no later than the day following the end of the Offer acceptance period. Moreover, if these considerations are met on the said date, the Offeror will also notify the CNMV accordingly. Should the Offeror fail to notify the CNMV whether or not the other conditions have been met within the said period, they will be understood to have been met.

If any of the conditions other than the minimum acceptance conditions are not met and the Offeror does not notify its decision not to waive the condition within the period indicated in the immediately preceding paragraph, it will be understood that the Offeror does not waive the condition and the Offer will be rendered void.

III.1.5 Financial intermediary acting on behalf of the Offeror in the acquisition of shares and settlement of the Offer

The Offeror has designated Banco Santander, S.A., with registered address at Paseo de Pereda, 9-12, 39004 Santander (Spain) and tax identification number (TIN) A-39000013, entered in the Santander Commercial Register, page 286, folio 64, as the entity in charge of intermediating and settling the Lar España share purchase transactions resulting from the Offer.

Banco Santander, S.A.'s letter of acceptance, in its capacity as the entity in charge of Offer intermediation and settlement, is attached as **Appendix 34**.

III.2.1 Procedure for forced sale and purchase Forced sale and purchase requirements

In accordance with Article 116 of the Securities Market and Investment Services Act (LMVSI), the necessary requirements for the exercise of the right of forced sale will be met if, on the Offer settlement date, the following circumstances apply: (i) the Offeror is the owner of shares representing at least 90% of Lar España's voting capital and (ii) the Offer has been accepted by shareholders representing at least 90% of Lar España's voting capital, other than the shares already held by the Offeror.

To this end, it is understood that the Offeror already holds the 8,466,045 shares owned by Grupo Lar (representing 10.12% of Lar España's share capital) and the 30,000 shares owned by Mr. Miguel Pereda Espeso (representing 0.04% of Lar España's share capital) which, together, form the Immobilized Shares (totalling 8,496,045 shares representing 10.15% of Lar España's share capital), having been immobilized and not targeted by the Offer, and which will be contributed to the Offeror following settlement of the Offer.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

For the purposes of calculating the acceptance requirement laid down in paragraph (ii) of the first paragraph of this section III.2.1, the acceptances relating to the following shares will not be taken into account: (a) those held by the four persons holding directorships in companies of the group of which Grupo Lar forms part, as indicated in section I.6.1 of this Prospectus, comprising 9,952 shares of Lar España (representing 0.012% of Lar España's share capital), the relevant voting rights being attributed to the Offeror in accordance with Article 5.1a) of Royal Decree 1066/2007; nor (b) the 563,265 shares of Lar España owned by Eurosazor (representing 0.67% of Lar España's share capital), as Eurosazor has committed to accept the Offer for all the said shares and to reinvest the amount obtained in Grupo Lar Retail, immediately after the settlement of the Offer.

Accordingly, the requirements set out in the first paragraph of this section III.2.1 will be deemed to be met if the Offer acceptances other than those indicated above reach 90% of the result of deducting the 573,217 shares of Lar España indicated in letters (a) and (b) of the immediately preceding paragraph from the number of shares of Lar España targeted by the Offer.

In view of the above, the requirements allowing the exercise of the forced sale right will be deemed fulfilled if the Offer is accepted by a minimum number of 67,161,337 shares representing 90% of the voting rights carried by the shares of Lar España targeted by the Offer, after discounting the shares of Lar España owned by Eurosazor and by the four persons holding directorships in companies of the group of which Grupo Lar forms part, and 80.25% of Lar España's share capital.

The acceptances relating to the 563,265 shares of Lar España for which Eurosazor has committed to accept the Offer and, if applicable, the 9,952 shares owned by the four persons holding directorships in companies of the group of which Grupo Lar forms part (should they decide to accept the Offer for the said shares), i.e. a total of 573,217 shares of Lar España, will not be taken into account and will be discounted from the total number of acceptances for the purposes of verifying fulfilment of the requirement for the exercise of the forced sale and purchase right.

In the event that the Offer for the treasury shares is accepted, the requirements of Article 116 LMVSI will be deemed to be met provided that the Offer acceptance statements reach a minimum number of 67,734,554 shares representing 90.08% of the voting rights carried by the shares of Lar España effectively targeted by the Offer (including the aforementioned 573,217 shares of Lar España owned by Eurosazor and by the four persons holding directorships in companies of the group of which Grupo Lar forms part), and 80.93% of Lar España's share capital. This figure, together with the 8,496,045 shares of Lar España that have been immobilized and will be contributed to the Offeror following settlement of the Offer, means that Offer acceptance will reach 76,230,599, representing 91.08% of Lar España's share capital.

In the event that Lar España does not accept the Offer for the treasury shares (58,130 shares representing 0.07% of Lar España's share capital) and the said shares remain in the treasury share portfolio on the Offer settlement date, the Offeror undertakes to have them redeemed in Lar España's first general meeting held, reducing share capital and locking the said shares in the meantime. In this case, and in view of the above, the requirements allowing the exercise of the forced sale and purchase right will be deemed

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

fulfilled if the Offer is accepted by a minimum number of 67,109,020 shares representing 90% of the voting rights carried by the shares of Lar España targeted by the Offer, i.e. after discounting the 573,217 shares of Lar España owned by Eurosazor, as a reinvesting shareholder, and by the aforementioned four persons holding directorships in companies of the group of which Grupo Lar forms part, and 80.24% of Lar España's share capital, following the capital reduction through the redemption of treasury shares.

Therefore, should Lar España not accept the Offer for the treasury shares, the forced sale requirements will be deemed to be met provided that the Offer acceptance statements reach 67,682,237 shares representing 90.08% of the voting rights carried by the shares of Lar España effectively targeted by the Offer (including the aforementioned 573,217 shares of Lar España owned by Eurosazor and by the four persons holding directorships in companies of the group of which Grupo Lar forms part), after discounting the treasury shares, and 80.93% of Lar España's share capital, following the capital reduction through the redemption of treasury shares. This figure, together with the 8,496,045 shares of Lar España that have been immobilized and will be contributed to the Offeror following settlement of the Offer, means that Offer acceptance will reach 76,178,282, representing 91.08% of Lar España's share capital, following the capital reduction through the redemption of treasury shares.

For any other figure for treasury shares held by Lar España on the Offer settlement date, the relevant adjustment will be made to the calculation when verifying fulfilment of the forced sale requirements. For any other figure for voting rights attributable to the Offeror, held by Grupo Lar directors that accept the Offer, the relevant adjustment will be made to the calculation when verifying fulfilment of the forced sale requirements.

In the event that the following thresholds are reached:

- (i) The Offeror will demand the forced sale of all the shares held by the remaining Lar España shareholders in exchange for a cash contribution per share equal to the price at which the Offer is settled, adjusted downwards by the gross amount per share of any distributions made to the Lar España shareholders between the Offer settlement date and the date on which the forced sale transaction is settled (also if the ex-dividend date of such distribution coincides with or is prior to the settlement of the forced sale transaction), all costs of the forced sale transaction and those pertaining to the settlement of that transaction being borne by the Offeror.
- (ii) The Lar España shareholders that wish to do so may demand the forced purchase by the Offeror of all their shares at the same price as the Offer settlement price, adjusted downwards by the gross amount per share of any distributions made to the shareholders between the Offer settlement date and the respective dates on which the forced purchase transactions are settled (also if the ex-dividend date of such distribution coincides with or is prior to the settlement of the corresponding forced purchase transaction), and all costs incurred in connection with the said transactions will be borne by the selling shareholders.

Accordingly, and taking account of the formalities relating to the forced purchases described in section III.2.3 of this Prospectus, the Lar España shareholder must bear in

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

mind the following consideration before deciding to demand forced purchase by the Offeror:

- (i) The requirements entitling the Offeror to demand the forced sale of the shares held by the other shareholders are the same as those required by law for Lar España's remaining shareholders to demand forced purchase.
- (ii) The consideration receivable by the remaining shareholders will be the same whether the Offeror demands forced sale or those shareholders demand forced purchase. They will receive the Offer price in cash in both cases, adjusted downwards as indicated previously, where applicable.
- (iii) In the forced sale process, all the share sale and settlement costs will be borne by the Offeror, while in the case of forced purchase, the costs will be borne by the selling shareholders.
- (iv) If, in view of the date the Offeror receives any request for the forced purchase of shares of Lar España, settlement would take place following the forced sale transaction, the request will be void and the corresponding shareholders will be included in the forced sale transaction.

III.2.2 Forced sale transaction procedure, periods and settlement

In the event that the requirements indicated in section III.2.1 above are met, the Offeror will exercise the forced sale right with respect to the remaining Lar España shareholders as soon as possible following Offer settlement. To this end, within three stock market days following publication of the Offer result in the CNMV's website, the Offeror will notify the CNMV whether or not the forced sale requirements have been met, for the purposes of a public announcement.

If the forced sale requirements are met, the Offeror will have Lar España request the admission to listing of its shares on a multilateral trading system in Spain in order to maintain the SOCIMI regime, such that Lar España's shares are admitted to trading on such multilateral trading system before the date of the delisting of the shares of Lar España from the Spanish Stock Exchanges, in accordance with Article 48 of Royal Decree 1066/2007 and applicable legislation.

The Offeror will obtain the necessary information to check whether any of the shares included in the Offer acceptances must be deemed attributable to the Offeror under Article 5 of Royal Decree 1066/2007 and whether there has been any change to the voting rights attributed to the Offeror as indicated in section I.6 above. The notification referred to in the preceding paragraph will include details of the voting rights attributable to the Offeror for the purposes of Article 116 LMVSI or, where applicable, the corresponding negative statement.

In that notification, or by means of a new notification from the Offeror to the CNMV as soon as possible within the maximum three-month period following the end of the acceptance period, which will be publicly announced, the Offeror will disclose the date on which it has decided to complete the forced sale transaction. Under Article 48 of Royal Decree 1066/2007, the said date will be between 15 and 20 business days following the

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

latter notification. The Offeror's decision will be irrevocable. As soon as possible, and always within five stock market days following the last notification mentioned, the Offeror will issue a public, general announcement of the characteristics of the forced sale through means analogous to those of the Offer, in accordance with Article 22 of Royal Decree 1066/2007.

If the requirements are met for the Offeror to exercise the forced sale right, Lar España's shareholders may exercise their forced purchase right. The transactions will be settled in the same period as Offer settlement, beginning on the date of the forced sale transaction.

Prior to the date of the forced sale transaction, the Offeror will submit to the CNMV proof of the establishment of guarantees securing fulfilment of the obligations resulting from the exercise of the forced sale right.

Under Article 116 LMVSI, if the shares of Lar España included in a forced purchase or sale transaction were subject to an attachment order as a result of administrative decisions or court rulings, or to any kind of charge, including encumbrances, limited *in rem* rights or financial guarantees, the said shares will be sold free of such charges, which will be applied to the consideration received. The share depository will be required to hold the share purchase price on deposit, notifying the judicial or administrative authority that ordered the attachments, or the holder of any other charges or rights, of the application of this procedure. If, after applying the provisions of this paragraph, a part of the price were unnecessary to satisfy the obligations secured by the attachment(s) ordered, or the charges on the shares, it will immediately be made available to the shareholder.

The forced sale transaction resulting from the exercise of the aforementioned right will in turn lead to the delisting of the shares of Lar España from the Spanish Stock Exchange, in accordance with Article 48 of Royal Decree 1066/2007 and applicable legislation. Such delisting will have effect as from the settlement of the forced sale transaction.

III.2.3 Formalities that must be completed by the Target Company's shareholders to request forced purchase of the shares

Once the Offeror has given notice of the fulfilment of the requirements to demand forced sale and, in any event, not before the date of the forced sale transaction, the Lar España shareholders that wish to request the forced purchase of their shares must submit to the Iberclear participating entity at which their shares are deposited a written statement requesting forced purchase in person, through electronic means or by any other means permitted by the participating entity.

The said entities will send the forced purchase requests in writing to the Offeror. The Iberclear participating entities at which the shares are deposited will be answerable based on their records for the details relating to the ownership and holding of the shares referred to in the forced purchase requests. All shareholders requesting forced purchase must include all the shares of Lar España held in their requests.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

The Iberclear participating entities at which the shares of Lar España are deposited that receive forced purchase requests will send daily to the Offeror the data on the number of shares included in the forced purchase requests submitted, if applicable, by Lar España shareholders.

The forced purchase requests made by Lar España's shareholders will be accompanied by sufficient documentation allowing the transfer of the shares and must include all identification details required by prevailing legislation for transactions of this kind.

Notwithstanding the provisions of section (iv) above in relation to Article 116 LMVSI, the shares of Lar España in respect of which forced purchase is requested must include all voting and dividend rights carried by the shares, whatever their nature, for transfer according to the entries in the account register, such that the Offeror acquires unassailable ownership in accordance with Article 11 LMVSI.

The forced purchase transactions will be settled in the same period as Offer settlement, beginning on the date of the forced sale transaction or, if applicable, on the date on which each of the forced purchase requests is received. The share purchases resulting from forced sale and purchase will be arranged and settled by Banco Santander, S.A.

III.2.4 Forced sale and purchase expenses

The expenses arising from the sale, purchase and settlement of the shares transferred as a result of the exercise of the forced sale right by the Offeror will be borne by the Offeror. The Offeror will not in any case be required to bear any securities administration or custody fees that the depository and administration institutions may charge to the shareholders.

Conversely, expenses arising from the exercise of forced purchase rights by the Lar España shareholders will be borne by the latter.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Chapter IV

All the representations included in this Chapter IV regarding plans and intentions in connection with Lar España and its group relate both to the Offeror and to the Hines Group and Grupo Lar.

IV.1 Purpose of the acquisition

The Offeror aims to acquire control of Lar España by means of the Offer, so as to operate through this company in the shopping center and retail park investment and management market in Spain.

Lar España is a listed property investment company (SOCIMI) originally promoted and managed by Lar since incorporation. Lar España was admitted to trading in 2014 with a diversified investment strategy across various real estate industry segments, including shopping centers, offices, logistics facilities and residential (the segment with the greatest weight in the portfolio being retail since then, at over 50%).

Since its flotation, Lar España has been one of Spain's leading listed real estate companies. As has occurred with other similar platforms, over the years Lar España has pursued a specialization strategy within the real estate industry, focusing gradually on retail asset (shopping centers and retail parks) management and ownership, and divesting in non-strategic segments.

This rotation policy has been accompanied by the careful selection of assets so as to build a high-quality portfolio comprising assets that are highly relevant in the respective areas of influence or population centers. This dual objective has allowed Lar España to become one of the leading retail segment operators in Spain.

HEREP III and Grupo Lar have partnered through their interests in the Offeror to make the Offer, in the terms of the Investment and Shareholders' Agreement described in section I.5.1.1 of this Prospectus. This partnership will be mutually beneficial thanks, on the one hand, to the Hines Group's experience and financial capacity as manager of the real estate investment fund HEREP III (formed in 2022) and its long track record managing real estate assets, specifically in the Spanish real estate market, where it operates and has operated since 1996; and, on the other hand, to Grupo Lar's industry experience spanning over 55 years, as well as its leading position in commercial asset management through a numerous, experienced multidisciplinary team, combined with deep insight into Lar España and its assets gained while managing investments under the Existing Investment Management Agreement. Moreover, as the Offeror's shareholders have agreed in the Investment and Shareholders' Agreement, Lar España will continue to be managed by Grupo Lar (through a subsidiary) under the New Investment Management Agreement described in section I.5.1.2(A) of this Prospectus, the main modification relating to the remuneration scheme for Lar España's asset manager, so as to further align the interests of the asset manager and Lar España's shareholders. Specifically, the new performance fee scheme envisaged in the New Investment Management Agreement is based on the IRR on Lar España's cash flows from Offer settlement to the termination of the New Investment Management Agreement,

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

as opposed to the current performance fee scheme laid down in the Existing Investment Management Agreement, which is based on the growth in EPRA NAV/NTA per share and on Lar España's stock price trend.

Following Offer settlement, the Offeror will encourage Grupo Lar to continue to apply the current Lar España asset management strategy so as to maximise operational efficiency. The transaction will also allow Grupo Lar to increase its interest (indirectly through the Offeror) in Lar España, investing jointly with HEREP III. Additionally, the Offer will allow HEREP III (the third European fund promoted by Hines) to invest up to €272.5 million in a high-quality platform and cover, with this investment, virtually all its portfolio's targeted exposure to the retail segment.

Following Offer settlement, the Offeror plans to enhance and continue the operating business improvement policy applied at Lar España, which will be based on a package of specific measures designed to optimise the occupancy of commercial premises, rental management and development of plans for commercial offerings and services for customers, and bolster the ESG strategy, as well as maintenance, security and marketing in each of the assets. To achieve these objectives, the Offeror will implement an investment plan in all the assets to address specific needs following Offer settlement. The activities to be undertaken as part of this investment plan will be less significant, given the good state of Lar España's assets.

In any event, this plan will essentially be aligned with Lar España's current commercial and strategic positioning objectives, expressed publicly through its mission statement, which may be summarised as "*Leading the industry based on the size of our portfolio, the quality of our assets and our management model*", thus reflecting a forward-looking medium- and long-term vision.

The Offeror's ultimate goal for Lar España's shopping centers and retail parks is to optimise the number of customer visits, thus increasing store sales and the market share in their respective areas of influence, enhancing potential future income, and seeking security and sustainability for Lar España's revenues.

In particular, as regards marketing, the Offeror plans to retain a solid, diversified tenant base, including major domestic and international brands, so that each asset has a large percentage of leading global firms and an optimal commercial, leisure and hospitality mix, which is essential to attract and retain different types of users. The Offeror also intends to ensure that Lar España continues to provide shopping center customers with distinctive shopping experiences, in which leisure and the quality commercial offering are combined with an exclusive omnichannel approach able to integrate, coordinate and dynamize final purchases.

Finally, the Offeror intends that Lar España's shares will continue to be traded on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, there being no plans to promote or propose delisting.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

IV.2 Strategic plans and intentions with regard to future activities and location of the business sites of the Target Company and its group

The Offeror shares Lar España's strategic vision of the retail real estate industry, specifically in relation to the shopping center and retail park segment.

The Offeror plans to maintain Lar España's current strategy as the owner of assets that stand out in their respective areas of influence, with a diversified portfolio combining shopping centers and retail parks tailored to current demand paradigms. The Offeror does not intend to make substantial changes to the nature of Lar España's current activities.

Specifically, the Offeror plans to promote three main areas at Lar España: (i) international commercial offering and new commercial formats; (ii) development of a technology plan designed to boost store sales; and (iii) an enhanced ESG strategy, with more ambitious targets as regards emissions certification and control, and energy and water consumption, thanks to capex investments to modernise facilities.

These strategic lines reinforce and are aligned with the initiatives described in Lar España's 2023 Annual Report, in which the following main pillars are established for the following years: (i) maintain high occupancy levels; (ii) protect relationships with tenants; (iii) invest in the assets that need most attention in terms of various aspects of image and positioning (commercial offering, sustainability and innovation), promoting profitable operations and solutions; (iv) work closely with retailers to implement new projects and formats in their assets; (v) study investment opportunities; and (vi) rotate mature assets.

Lar España's shopping centers and retail parks will continue to be managed by Grupo Lar (through a subsidiary) under the New Investment Management Agreement. Grupo Lar will carry on applying an active, responsible, professional management approach, in line with past practices and focusing on repositioning, ESG aspects, innovation and accessibility.

The Offeror has no plans to change the location of Lar España's existing offices.

IV.3 Strategic plans and intentions towards maintaining jobs at the Target Company and its group

Lar España is managed externally by Grupo Lar under the Existing Investment Management Agreement.

Therefore, as indicated in the 2023 consolidated annual accounts and in its corporate website, Lar España only has four employees forming senior management (Corporate and Finance Director, Legal Director, Investor Relations and Corporate Communication Director and Internal Audit Director).

The Offeror intends Lar España to remain managed externally by Grupo Lar (through a subsidiary) under the New Investment Management Agreement described in section

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

I.5.1.2(A) of this Prospectus. Moreover, Hines SC and Grupo Lar Retail plan to keep the four senior managers referred to in the previous paragraph in the same positions, and the Offeror has no plans to change their working conditions. Any resolution to remove or appoint these people must be adopted by Lar España's Board of Directors.

IV.4 Plans concerning the utilisation of the Target Company's assets and changes planned for its net financial debt

Plans for the use of Lar España's assets

The Offeror intends that Lar España's assets will continue to be used in the activities currently carried out.

The Offeror plans to foster a continuity strategy through investments essentially designed to maintain the assets and improve the quality of the commercial offering and shopping experience by permanently upgrading the services and facilities available to customers in Lar España's assets (minor upgrades, given the good state of Lar España's assets), and construction work so as to meet the highest environmental standards, enhancing efficiency in line with the most stringent international environmental certifications. The investments will have the dual purpose of improving the assets and boosting rental income.

The Offeror intends to undertake a strategic assessment of the portfolio so as to define the optimal state of maturity of each of the assets. In line with Lar España's current asset rotation policy, when the time comes the Offeror will evaluate potential divestments of assets that have reached maturity and stability in order to maximise the portfolio yield and focus on other assets with greater value increase and growth potential.

The Offeror plans to continue to apply the mature asset rotation policy applied by Lar España in the past. The Offeror will also analyse investments in assets considered to be attractive based on the asset strategy and profile defined by both Lar España and the Offeror, as described previously.

The Senior Financing Facility does not include any obligation to dispose of Lar España's assets. The above notwithstanding, in the event of the disposal of any real estate asset of Lar España or of its subsidiaries, the net income from such disposal must be used as indicated below: (i) firstly, an amount equivalent to the value of Tranche A allocated to said assets, to repay Tranche A (i.e. Refinancing Debt); (ii) secondly, any surplus, to repay Tranche B and Tranche C (as applicable), for which purposes the Offeror will have Lar España distribute dividends to its shareholders (the amount of which will be used by the Offeror for the said purpose); and (iii) thirdly, the Senior Financing Facility allows any surplus to be distributed by means of a permitted distribution to Lar España's shareholders (which the Offeror intends to arrange).

At the present date, the Offeror has not identified any specific asset for divestment or any investment opportunity in the market.

Planned changes to Lar España's net financial debt

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

As regards Lar España's net financial debt, the Offeror will promote the optimisation of Lar España's capital structure and an increase in leverage up to levels of around 60% LTV (loan to value), above the current levels of 30-35% and the current policy target of 40-45%, distributing cash surpluses to shareholders (excluding the minimum amount deemed necessary for the proper functioning and operations in the course of Lar España's business).

As soon as possible after Offer settlement, the Offeror plans to take the following actions to increase Lar España's leverage:

- (i) promote a general meeting of Lar España to approve a distribution of shareholders' funds by Lar España in favour of its shareholders, which the Offeror estimates could reasonably amount to approximately €200 million (equivalent, in this case, to €2.39 per share), on the basis of cash resources of €213,025 thousand available at 30 June 2024, and excluding the amount of operating costs assumed to be the minimum amount necessary for the proper functioning and operations of Lar España's business, and likewise based on the financial information at 30 June 2024; This distribution will increase Lar España's net financial debt; and
- (ii) taking account of market conditions, increase Lar España's financial debt to reach an LTV (loan to value) of around 60% and distribute available cash to Lar España's shareholders.

In addition, the Investment and Shareholders' Agreement stipulates that, to the extent permitted by law, the Offeror will promote the distribution by Lar España of all net cash flows generated by its assets, net of expenses, interest, debt repayments and taxes, as dividends to the shareholders, taking into account the established leverage and cash policy, through two payments (i) an interim dividend prior to the financial year-end; and (ii) a supplementary dividend six months after the financial year-end.

As regards existing debt, in the context of the Offer, the creditors of Lar España's existing debt (the "**Existing Financial Debt**"), which includes:

- (i) the following bond issues (the "**Bonds**"):
 - a) a senior bond issue of €400,000,000 maturing in 2026 (for an outstanding (nominal) amount of €293 million at 31 December 2023); and
 - b) a senior bond issue of €300,000,000 maturing in 2028 (for an outstanding (nominal) amount of €288 million at 31 December 2023); and
- (ii) a loan of €70,000,000 arranged with the European Investment Bank on 26 October 2018 (the "**EIB Loan**"),

will be entitled to demand early repayment of the Existing Financial Debt, whether (a) in relation to the Bonds, by exercising the put right due to the "Tender Offer Trigger Event" tied to the CNMV's authorisation of the Offer, or the "Change of Control Trigger Event" in the event of a change of control as a result of Offer settlement, all in accordance with the terms and conditions of the corresponding issuance prospectuses; or (b) in relation to the EIB Loan, in the event that it may be declared due as a result of Offer settlement.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Therefore, the Senior Financing Facility includes a loan tranche of €651,000,000 (“**Tranche A**”) that the Offeror plans to use to repay all the outstanding amounts of Existing Financial Debt following the Offer settlement date (the “**Refinancing Debt**”).

To this end, the Senior Financing Facility stipulates that both the Offeror and Lar España may draw down Tranche A (subject to adherence as an additional borrower in the case of Lar España) in order to be able to refinance the Existing Financial Debt. Furthermore, the terms of the Senior Financing Facility indicate that Lar España may also draw down Tranche A (adhering to the agreement as a borrower) to refinance the Bonds, due to the exercise of the put right following the “Tender Offer Trigger Event” tied to the CNMV's authorisation of the Offer, in the event that the Offer made by the Offeror, despite having been authorised by the CNMV, is not settled by the Offeror (on any grounds other than the settlement of a competing Offer authorised by the CNMV).

The main terms of the Senior Financing Facility Refinancing Debt are as follows:

Senior Financing Facility
(Refinancing Debt)

Borrower	The Offeror. The Senior Financing Facility stipulates that Lar España may adhere to the agreement as a Tranche A borrower.
Guarantors	The Offeror. The Senior Financing Facility states that, within a maximum of 24 months as from the signing date, Lar España and its subsidiaries will adhere to the agreement as additional guarantors and give <i>in rem</i> guarantees for certain assets (in the terms described below), solely and exclusively securing the obligations assumed under Tranche A (i.e. securing the Refinancing Debt).
Lenders	Morgan Stanley Principal Funding, Inc. and Banco Santander, S.A.
Agent	Banco Santander, S.A.
Amount	€651,000,000.
Purpose	The Borrower will use the amounts drawn down to refinance the Existing Financial Debt and any refinancing costs (i.e. the Refinancing Debt).
Due date	Tranche A falls due 24 months after the signing date of the Senior Financing Facility (the “ A Initial Due Date ”). The A Initial Due Date may be extended at the Borrower's request for an additional six-month period following the A Initial Due Date (the “ First Extended A Due Date ”) and for a second

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Senior Financing Facility (Refinancing Debt)

	additional six-month period following the First Extended A Due Date.
Nature	The financing granted under Tranche A is arranged as bridge financing.
Repayment	The Borrower must fully repay the amounts drawn down on Tranche A on the due date.
Interest	<p>The amounts drawn down will accrue interest equal to the sum of the EURIBOR (with a 0% floor) plus a spread.</p> <p>A spread of 3.75% per annum is applicable to Tranche A, if it is drawn down by the Offeror, or 3.50% per annum, if it is drawn down by Lar España.</p> <p>The Tranche A spread will increase (i) as from January 2026 (i.e. 18 months after the Senior Financing Facility signing date) by an additional 0.25%; and (ii) subsequently, by an additional 0.25% every six months.</p>
<i>In rem</i> guarantees	<p>The Senior Financing Facility provides for the issuance of the following <i>in rem</i> guarantees:</p> <p>(a) securing the obligations assumed under the Senior Financing Facility (including both the Refinancing Debt and the Acquisition Debt):</p> <p style="padding-left: 40px;">(i) prior to the Offer settlement date, (A) pledge on 100% of the Offeror's share capital; (B) pledge on the credit rights held by Hines SC and Grupo Lar Retail; (C) pledge on the intragroup credit rights held by the Offeror; (D) pledge on the credit rights arising from the Offeror's bank accounts; and (E) guarantee related to the hedging agreements; and</p> <p style="padding-left: 40px;">(ii) following the Offer settlement date, a pledge on the shares of Lar España acquired by the Offeror from time to time; and</p> <p>(b) securing the obligations assumed under Tranche A of the Senior Financing Facility, following the Offer settlement date:</p> <p style="padding-left: 40px;">(i) pledge on the intragroup credit rights held by the Offeror (subject to Spanish law);</p> <p style="padding-left: 40px;">(ii) within 24 months as from the signing date of the Senior Financing Facility, the agreement</p>

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Senior Financing Facility (Refinancing Debt)

	<p>stipulates the adherence of the Lar España Group companies as guarantors and the issuance of: (A) pledges on their share capital; (B) pledges on the credit rights held; (C) pledges on the credit rights held by their shareholders/partners; (D) pledges on the credit rights arising from their bank accounts; and (E) guarantees related to the hedging agreements; and</p> <p>(iii) the following real estate mortgages, (A) within 24 months as from the signing date of the Senior Financing Facility, a mortgage on real estate assets representing 75% of the value of the properties; and (B) within 30 months as from the signing date of the Senior Financing Facility, a mortgage on real estate assets representing 100% of the value of the properties.</p>
<p>Fees / Voluntary early repayment / Mandatory early repayment / Financial covenants / Obligations / Default events</p>	<p>Same terms as the Acquisition Debt – see section II.4.2 of this Prospectus.</p>
<p>Governing law</p>	<p>English law.</p>

In this regard, the Offeror assumes that a part of the Bond holders will exercise their put right as a result of the “Tender Offer Trigger Event” linked to the CNMV's authorisation of the Offer, in accordance with the terms and conditions of the corresponding issuance prospectuses, it being necessary to redeem the Bonds for 101% of their nominal value. Lar España will also redeem the Bonds that have not been redeemed because the Bond holders have not exercised their put right following Offer settlement (once the Offeror has acquired control of Lar España).

To fund payments arising from the exercise of put rights by the Bond holders and the redemption of the Bonds described in the preceding paragraph, as well as other refinancing needs that may arise following Offer settlement, the Offeror will have Lar España adhere as a borrower to Tranche A of the Senior Financing Facility, in the terms indicated previously.

The Offeror will promote the refinancing of Lar España's debt within 24 months as from the Offer settlement date, provided that the market conditions allow it, through new long-term financing and maintaining 60% LTV as the targeted leverage when defining the amount of future debt. Should the Offeror not manage to refinance Lar España's debt within that period, the Offeror will request a six-month extension of the A Initial Maturity Date, in the terms set forth in the Senior Financing Facility.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Bearing in mind the current financial market conditions, the Offeror foresees that the aforementioned actions, particularly the repayment and redemption of the Bonds, replacing them with new financing at a higher interest rate, as well as increasing the group's leverage, will increase Lar España's finance costs.

IV.5 Plans concerning the issue of securities by the Target Company

The Offeror has no plans to promote new issues of securities by Lar España.

IV.6 Plans for corporate restructuring of any kind

On today's date, the Offeror has not identified any need to carry out any corporate restructuring and has no plans to promote any restructuring of this kind that may affect Lar España and its subsidiaries. In particular, the Offeror does not intend to promote the merger of Lar España and the Offeror.

However, the Offeror will review the corporate structure of Lar España and its subsidiaries following Offer settlement so as to analyse the advisability of restructurings designed to streamline and optimise the group.

The Senior Financing Facility does not require Lar España to merger with the Offeror or with another group company in any Offer acceptance scenario.

IV.7 Dividend policy

Lar España has SOCIMI status and has opted for the special SOCIMI tax scheme, so it is required to distribute dividends in the terms of Law 11/2009 of 26 October on Listed Property Investment Companies ("**Law 11/2009**").

Therefore, after settling the Offer, the Offeror, as Lar España's controlling shareholder, will ensure compliance with the legal scheme applicable to SOCIMIs under Law 11/2009, without affecting the non-distribution of the amounts necessary to cover the planned capex, maintain minimum operating cash and fulfil obligations vis-à-vis the financing entities.

In accordance with the Investment and Shareholders' Agreement, the Offeror will have Lar España distribute the maximum dividend legally permitted, before the end of each fiscal year. Moreover, to the extent permitted by law, the Offeror will promote the distribution as dividends to the shareholders, within six months as from the end of the fiscal year, all distributable net cash flows generated by Lar España's assets, net of expenses, interest, debt repayments and taxes, taking account of the established leverage and cash policy.

The administrative bodies of Lar España's subsidiaries will endeavour to pay out dividends to Lar España on the same terms as those that the Offeror will have Lar

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

España distribute to its shareholders, in accordance with the Investment and Shareholders' Agreement.

The Offeror intends to promote a general meeting of Lar España as soon as possible after Offer settlement to approve a distribution of shareholders' funds by Lar España in favour of its shareholders, which the Offeror estimates could reasonably amount to approximately €200 million (equivalent, in this case, to €2.39 per share), on the basis of cash resources of €213,025 thousand available at 30 June 2024, and excluding the amount of operating costs assumed to be the minimum amount necessary for the proper functioning and operations in the course of Lar España's business, and likewise based on the financial information at 30 June 2024. This dividend to be received by the Offeror will be used primarily to repay Tranche C of the Senior Financing Facility, which falls due three months after the Offer settlement date.

This is stipulated in the Senior Financing Facility, which includes a commitment by the Offeror, when possible once the Offeror has acquired control of Lar España, to have Lar España carry out a distribution in favour of its shareholders and to use the funds received from said distribution to repay Tranche C.

Accordingly, the Offeror will promote the obtainment of additional financing by Lar España to reach an LTV (loan to value) of around 60% (as indicated previously in section IV.4 of this Prospectus) and the distribution to shareholders of the cash obtained through such financing, as an additional extraordinary distribution. The Offeror is currently analysing alternatives for Lar España to obtain the said additional financing and the timing will depend on the market situation and the financial conditions available, but the Offeror intends to ensure that Lar España's debt is increased and the additional dividend is paid out as soon as possible, taking account of the fact that the approval of the general shareholders' meeting will be required.

The Offeror will also promote the extraordinary distribution of the cash generated from the sale of assets, as envisaged in the Investment and Shareholders' Agreement.

IV.8 Plans concerning the structure, members and operations of the Target Company's management bodies

The Offeror intends to designate a number of board directors following settlement of the Offer, as indicated below.

According to Lar España's articles of association, the board of directors will comprise a minimum of five and a maximum of 15 members. Lar España's board of directors is currently formed by a total of five directors, of which four are independent and one is a proprietary director.

Following settlement of the Offer, the Offeror will promote the modification of the number of members and the composition of Lar España's board of directors, such that it is formed by seven directors, as follows: (i) two independent directors, complying with Article 529.12 of the Spanish Companies Act, to be appointed at the proposal of the Appointments, Remuneration and Sustainability Committee pursuant to Article 529.10 of

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

the same law, one of whom will hold the office of non-executive chair of the board; and (ii) five proprietary directors appointed at the proposal of the Offeror, four proposed by Hines SC and one by Grupo Lar Retail.

Lar España's articles of association need not therefore be amended to change the number of members of the board of directors.

Hines SC and Grupo Lar Retail deem it advisable to keep the current corporate governance system in place in relation to the chair of Lar España's board of directors, regardless of the fact that it will be controlled by the Offeror following Offer settlement. The Offeror considers it to be positive that an independent director will lead and moderate deliberations and encourage director participation during meetings, safeguarding free decision-making in accordance with the powers provided by Article 529.6.d) of the Spanish Companies Act.

The Offeror also believes that the independence of the independent director that chairs the board will not be conditioned in any way by the office, primarily because he or she will not have executive duties. In this regard, the Offeror is of the opinion that there can be no discrepancies with the other independent board directors that do not chair the board, since, in any event, the Offeror understands that the chair will be best positioned to avoid any kind of constraints on independence, unlike the other independent directors, in view of their board management duties under Article 529.6.a) of the Spanish Companies Act. Moreover, the Spanish Companies Act does not restrict the possibility of an independent director chairing a listed company's board of directors. The Offeror considers that, in accordance with Article 529.7 of the Spanish Companies Act, it may be interpreted that the general rule laid down in the law is that the office of chair of the board of directors may be held by a proprietary director or an independent director, to the extent that the article includes a special rule or safeguard in the event that the chair is an executive director (a qualified majority of two thirds of the members of the board of directors and the need to appoint an independent lead director), such safeguard or restriction not applying in the event that the chair is a proprietary or independent director.

The Offeror also intends to appoint, to the extent legally possible, more than half of the members of Lar España's board committees (Audit and Control Committee and Appointments, Remuneration and Sustainability Committee, which will each be chaired by an independent director).

In any case, the Offeror will ensure that Lar España continues to comply with applicable legislation and rules on the composition and functioning of the board of directors and committees of listed companies laid down in the Spanish Companies Act and other applicable legislation. The members of the board of directors will be reputable professionals with experience in sector companies and financial, audit and governance competencies, among others.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

As regards fulfilment of the CNMV's recommendations on corporate governance in listed companies, as a result of the changes that the Offeror will promote on Lar España's board of directors, it will comprise two independent directors and five proprietary directors designated at the Offeror's proposal. This change will comply with recommendation 21 of the Code of Good Government in Listed Companies, which states that, as a result of takeover Offers, mergers or other similar corporate operations entailing changes to a company's capital structure, as will be the case of Lar España following Offer settlement, the removal of independent directors may be proposed when the structural changes to the board of directors are triggered by the criterion of proportionality between shareholder participation and board representation (in this case, the proportionality criterion will be met in the event that the free float is below 29.5% of Lar España's share capital following Offer settlement).

For the reason stated in the immediately preceding paragraph, following settlement of the Offer Lar España will not follow recommendation 17 of the Code of Good Governance in Listed Companies, which establishes that, when the company is not highly capitalised or when, though highly capitalised, it has one or more shareholders acting in concert that control over 30% of share capital, the number of independent directors must represent at least one third of the total, regardless of whether or not Lar España's share capital not held by the Offeror is above 28.5%.

If the free float is below 28.5% of Lar España's share capital following settlement of the Offer, the proportion of proprietary and independent directors will be partially aligned with principle 11 of the Code of Good Governance, whereby, according to the principle of proportionality between shareholder participation and board representation, the ratio of proprietary and independent directors must reflect the proportion of capital represented on the board of directors by the proprietary directors with respect to the rest of the share capital. However, a part of this principle will not be met, as it requires independent directors to account for at least one half of the directors, in general.

In the event that the free float is above 28.5% of Lar España's share capital following settlement of the Offer, recommendations 16 (because the percentage of proprietary directors in relation to the total number of non-executive directors will be higher than the company's capital represented by those shareholders in relation to the rest of the share capital) and recommendation 21 (for the reasons explained previously) will not be met.

Any transaction with related parties (if applicable) will be subject to the applicable provisions of the Spanish Companies Act and must be carried out at arm's length and following best practices.

IV.9 Plans in connection with amendments to the articles of association articles of association of the Target Company and its group

The Offeror plans to have Lar España's articles of association amended to adjust its corporate purpose, without affecting SOCIMI status or the application of the special SOCIMI tax scheme. This adaptation will be carried out by amending Article 2 of the

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

articles of association following Offer settlement, which will then be worded as follows (the changes to be made are highlighted):

“Article 2.- Corporate purpose

1. The Company’s corporate purpose are as follows:

- a) The acquisition ~~and development~~ of urban real estate properties having residential, commercial or mixed uses, for leasing thereof.
- b) Holding interests in the capital of other SOCIMIs or in other entities that are nonresidents, have the same corporate purpose and are subject to a similar framework as that established for SOCIMIs in relation to compulsory policies on the sharing of profits, whether by law or as per the articles of association.
- c) Holding interests in the capital of other resident or non-resident entities in Spain whose main company purpose if the acquisition of urban real estate properties for lease, which are subject to the same framework as that established for SOCIMIs in relation to compulsory policies on the sharing of profits, whether by law or as per their articles of association and meet the investment requirements set forth in Article 3 of the SOCIMI Act.
- ~~d) Holding shares or share units in Real Estate Investment Trusts regulated under Law 35/2003, of 4 November, on Collective Investment Schemes, or any rule that may replace it in the future.~~
- d)e) In addition to the business derived from the main company purpose, SOCIMIs may engage in other complementary activities, defined as ant that, as a whole, provide revenues representing less than 205 percent of the company’s revenue in each fiscal period, or any that can be considered complementary in accordance with the applicable law at any time.

2. Any activities for which the Law sets forth requirements that are not met by the Company are excluded.

3. The activities composing the company purpose can be conducted fully or partially in an indirect manner, by holding interest in other companies with the same or analogous purpose.

The Offeror also plans to have the other companies of the Lar España Group amend their corporate purposes in a consistent manner so as to remove references to development activities and to specify that their purpose relates to urban properties having residential, commercial or mixed uses. As an example, the following changes will be made to the articles of association of LE Retail Abadía S.L.U.:

“ARTICLE 2.- Corporate purpose.- The Company’s corporate purpose is the acquisition ~~and development~~ of urban real estate properties having residential, commercial or mixed uses, for leasing thereof.

~~-Any activities for which the Law sets forth requirements that are not met by the Company are excluded.~~

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

-The Company's National Business Activity Code (CNAE) is therefore 6820."

Otherwise, the Offeror does not intend to promote any changes to the articles of association of Lar España or of the other companies of its group.

IV.10 Offeror's initiatives with respect to the listing of the Target Company's shares

The Offeror intends that Lar España's shares will continue to be traded on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, there being no plans to promote or propose delisting.

The purpose of the Offer does not include the delisting of Lar España's shares.

However, in the event that the thresholds provided by Article 47 of Royal Decree 1066/2007 are reached, the Offeror will exercise the right of forced sale of the remaining shares of Lar España (squeeze-out) at the Offer Price. The forced sale transaction resulting from the exercise of the aforementioned right will entail the delisting of the shares of Lar España, in accordance with Articles 47 and 48 of Royal Decree 1066/2007 and related provisions. Such delisting will have effect on the settlement date of the forced sale transaction. In that case, the Offeror will promote the application for the admission to listing of Lar España's shares on a multinational trading system in Spain, for the purposes of maintaining the SOCIMI regime.

If, as a result of the Offer, the frequency of market trading and liquidity of Lar España's shares are insufficient, the Offeror will analyse the situation and, within six months as from Offer settlement, make reasonable decisions in the circumstances to keep the shares on the market.

IV.11 Intentions concerning the transfer of shares of the Target Company

Immediately after Offer settlement, the Immobilized Shares will be contributed to the Offeror as described in section I.5.

The Offeror has no intention of transferring shares of Lar España following Offer settlement and has not reached and is not negotiating any agreement to such effect.

IV.12 Information in this chapter concerning the Offeror and its group

The Offeror is a special-purpose vehicle without prior activity that was acquired by Hines SC and Grupo Lar Retail on 5 July 2024 in order to make the Offer. The Offeror has opted for the special SOCIMI regime and has plans to list its shares on a multilateral trading system as soon as possible following settlement of the Offer and, in any event, within six months as from Offer settlement, in accordance with the Investment and Shareholders' Agreement. Although the Investment and Shareholders' Agreement

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

expressly mentions Portfolio Exchange as an example of a multilateral trading system in which the parties could have the Offeror's shares listed, the Offeror's shareholders are considering the possibility of listing the Offeror's shares in a different multilateral trading system, such as BME Scaleup.

The Offeror has not engaged in any activity since incorporation, with the exception of: (i) adoption of the necessary resolutions to approve the issuance of the Offer and the acquisition of the shares of Lar España, and Offer-related activities (including the obtainment of external financing for such purposes); (ii) signing of the Offer-related agreements described in section I.5; (iii) signing of documents relating to the Offer financing, as established in section II.4.2; and (iv) all other activities and actions related to the Offer.

Offer settlement will entail, besides the contribution of the Immobilized Shares by Grupo Lar Retail to the Offeror, the implementation of the provisions of the Investment and Shareholders' Agreement described in section I.5.1.1.

As regards the information in this Chapter IV relating to the Offeror and its group, as a result of Offer settlement the Offeror will be Lar España's controlling shareholder and the entity responsible for leading the strategic management of Lar España and its subsidiaries. The Offeror will be administered by the Board of Directors, the composition and functioning of which is described in section I.5 of this Prospectus. In addition, and as indicated in the Investment and Shareholders' Agreement, the adoption by the Offeror's general shareholders' meeting of resolutions on certain matters is subject to quorums and qualified majorities.

For its SOCIMI activity, following Offer settlement the Offeror will enter into an asset management agreement with a Grupo Lar subsidiary, i.e. the Asset Manager, to which the Offeror will pay the fees envisaged in section I.5.1.3 of this Prospectus.

The Offeror's only activity following Offer settlement will be carried out through Lar España and its group companies, so the Offeror will not compete with Lar España in relation to the type of real estate assets on which Lar España is focused, and the Offeror will not engage in any activity as a SOCIMI, other than that which is performed through Lar España and its group companies.

As regards the distribution policy, while there are amounts pending repayment under the Hines SC Loan, the Offeror's board of directors will endeavour to distribute to the shareholders only the mandatory amount of dividends stipulated in Article 6 of Law 11/2009, within the first six months of each financial year-end and during the financial year (in the form of interim or extraordinary dividends), which may only be paid out once the 3% Coupon on the Hines SC Loan has been paid. Once the amounts pending under the Hines SC Loan have been fully paid, the Offeror's board of directors will endeavour to distribute all distributable net cash flows, taking account of the established leverage and cash policy.

Besides the foregoing and the assumption of financial debt, the contribution of shareholders' funds and financing by the Offeror's shareholders and the giving of guarantees for the Offer financing, neither the Offeror nor any of the companies forming part of its management and control structure described in section I.4.1.4 of this

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Prospectus are expected to be affected by the Offer, as regards the information contained in the preceding sections of this chapter.

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Chapter V

V.1 Authorizations with regards to antitrust

The economic concentration resulting from the Offer will require authorisation by the Spanish National Markets and Competition Commission (CNMC) under Competition Law 15/2007 of 3 July.

The CNMC has authorised the economic concentration resulting from the Offer of 7 August 2024 subject to no conditions or commitments. A copy of the documentation attesting to such authorisation is attached as **Appendix 35**.

V.2 Authorization of foreign investments

The share purchase that is the purpose of this Offer is not a transaction subject to the authorisation of direct foreign investments under Article 7.(ii) of Law 19/2003 of 4 July on the legal regime governing the movement of capital and foreign economic transactions, and on certain measures to prevent money laundering, or under the single transitional provision of Royal Decree-Law 34/2020 of 17 November on urgent measures to support business solvency and the energy sector, and on tax matters, to the extent that (i) Lar España's activity is not included among the activities listed in Article 7.(ii).2 of Law 19/2003, and its acquisition by means of this transaction does not affect public policy, public safety or public health; and (ii) neither the Offeror nor its shareholders, nor any of their managing entities, are in the circumstances envisaged in Article 7.(ii).3 of Law 19/2003.

V.3 Locations at which this Prospectus may be consulted and the documents accompanying this Prospectus

This Prospectus, together with its appendices, will be available on the websites of the CNMV (www.cnmv.es) and Lar España (www.larespana.com), as well as on the website enabled by the Offeror for such purposes (<https://transactions.sodali.com/lar-espana/esp>), as from the day following publication of the first of the announcements provided by Article 22.1 of Royal Decree 1066/2007.

Furthermore, pursuant to Article 22.3 of Royal Decree 1066/2007, the Prospectus and the accompanying documents will be available to interested parties as from the day following publication of the first of the announcements referred to in Article 22.1 of Royal Decree 1066/2007, at the following addresses:

Entity	Address
Stock Exchange Governing Companies	
Sociedad Rectora de la Bolsa de Valores de Madrid	Plaza de la Lealtad, 1, Madrid
Sociedad Rectora de la Bolsa de Valores de	Passeig de Gràcia, 19, Barcelona

This is an unofficial English translation of the offer prospectus' official version in Spanish. The National Securities Market Commission (Comisión Nacional del Mercado de Valores) did not review this version. In the event of any discrepancies between this document and the corresponding Spanish version, the Spanish version shall prevail.

Barcelona	
Sociedad Rectora de la Bolsa de Valores de Bilbao	Calle José María Olabarri, 1, Bilbao
Sociedad Rectora de la Bolsa de Valores de Valencia	Calle del Pintor Sorolla, 23, Valencia
Spanish National Securities Market Commission (CNMV)	
CNMV Madrid	Calle Edison, 4, Madrid
CNMV Barcelona	Carrer de Bolívia, 56, Barcelona
The Offeror	Calle de María de Molina, 39, planta 10, Madrid
Target Company	Calle de María de Molina, 39, planta 10, Madrid

V.4 Territorial restriction

The Offer is issued exclusively to Lar España's shareholders on the terms set forth in this Prospectus, the Prospectus or its contents not constituting an extension of the Offer to any other jurisdiction where the Offer could infringe applicable legislation or where the Offer would require the distribution or registration of documents in addition to this Prospectus.

Lar España's shareholders residing outside Spain that decide to participate in the Offer are advised that the Offer may be subject to legal and regulatory restrictions other than those laid down in Spanish law. For all purposes permitted by law, the Offeror has not confirmed compliance with and does not intend to take any action to comply with, any laws relating to the verification, enforceability and implications of the Offer, except as provided in this Prospectus.

This Prospectus has been initialled on all pages and has been signed on 22 November 2024.

Signed representing Helios RE, S.A.

Vanesa Gelado Crespo
Position: Board Director

María Isabel Plaza Hernández
Position: Board Director