NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 226 of Law 6/2023, of 17 March, on Securities Markets and Investment Services, Lar España Real Estate SOCIMI, S.A. ("**Lar España**" or the "**Company**") hereby informs the National Securities Market Commission of the following

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INSIDE INFORMATION

The report issued by the Board of Directors of the Company in connection with the voluntary tender offer for all the shares of Lar España announced by Helios RE, S.A. on 12 July 2024 and authorised by the National Securities Market Commission on 28 November 2024 is attached hereto.

This report is issued in compliance with the provisions of Articles 114.4 of Law 6/2023, of March 17, on Securities Markets and Investment Services and 24 of Royal Decree 1066/2007, of July 27, on the rules governing takeover bids for securities.

Madrid, 3 December 2024

Lar España Real Estate SOCIMI, S.A.

Mr. José Luis del Valle Doblado

Chairman of the Board of Directors

REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE VOLUNTARY TENDER OFFER COMMENCED BY HELIOS RE, S.A.

At its meeting held on 3 December 2024, the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Board of Directors**" and the "**Company**" or "**Lar España**", respectively) has drawn up and approved, by unanimous vote of its members, this report in relation to the voluntary tender offer launched by Helios RE, S.A. ("**Helios**" or the "**Bidder**"), a special purpose vehicle that has been created for the purpose of launching the tender offer, for all of the shares representing the share capital of Lar España (the "**Offer**").

This report is issued in compliance with the provisions of articles 114 of Law 6/2023, of March 17, 2007, on Securities Markets and Investment Services (the "**Securities Market Law**") and 24 of Royal Decree 1066/2007, of July 27, 2007, on the rules governing public offerings of securities (the "**Royal Decree 1066/2007**").

On 3 December 2024, the committee for the monitoring of the Offer, formed within the Board of Directors (the "**Offer Monitoring Committee**"), and comprising all the non-conflicted directors of Lar España, that is, Mr. Jose Luis del Valle Doblado, Mr. Roger Maxwell Cooke, Ms. Isabel Aguilera Navarro and Ms. Leticia Iglesias Herraiz, with Mr. Jose Luis del Valle Doblado acting as Chairman and Ms. Susana Guerrero Trevijano and Mr. Juan Gómez-Acebo acting as Secretary and Vice-Secretary non-members of the Offer Monitoring Committee, respectively, held a meeting to prepare a draft of this report. Subsequently, in anticipation of the subsequent meeting of the Board of Directors of the Company, the draft report was shared with the remaining director of Lar España, Mr. Miguel Pereda Espeso.

The Offer was authorised by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores,* the "**CNMV**") on 28 November 2024. Said authorisation was announced by the CNMV through a notice posted on its website (with registry number 31564). The terms and conditions of the Offer are described in detail in the corresponding explanatory prospectus prepared by the Bidder and reviewed by the CNMV (the "**Prospectus**"). The Prospectus is available to the public in hard-copy form at the offices of the CNMV, the stock exchanges of Barcelona, Bilbao, Madrid and Valencia (the "**Spanish Stock Exchanges**") and at the registered offices of the Bidder and Lar España and in digital form on the websites of the CNMV (www.cnmv.es) and Lar España (https://www.larespana.com/), according to article 22 of Royal Decree 1066/2007.

The Board of Directors highlights the mandatory yet non-binding nature of this report and of the opinions stated herein. Such opinions have been issued in good faith and solely on the basis of the circumstances known as at today, and no account may be taken of circumstances or events, whether foreseeable or otherwise, occurring after said date or otherwise unknown to the members of the Board of Directors.

This report does not constitute an investment or divestment recommendation or advice and it is for each shareholder of Lar España to decide, after consulting with financial and legal advisors if appropriate, whether or not to accept the Offer, having regard to all applicable factors including, among others, their particular circumstances and interests, based on the information contained in the Prospectus and this report, including their respective annexes, which should be read in full.

The aforementioned statements form an essential and inseparable part of this report and should be read in conjunction herewith.

1. MAIN FEATURES OF THE OFFER

The features of the Offer are described in chapters 1 to 3 of the Prospectus, which should be read in full. Without prejudice to the foregoing, some of its main features are summarised below:

1.1 THE BIDDER

The Bidder is Helios RE, S.A., a public limited company of Spanish nationality, with registered office at calle María de Molina 39, 10ª floor, 28006 Madrid, Spain, with tax identification number (N.I.F.) A10751865, and registered in the Commercial Registry of Madrid in Volume 43818, Sheet 31 and Page M-777283.

The Bidder is a special purpose vehicle that has been created for the purpose of launching the Offer and that is owned by the following entities:

(i) 62.5% of the Bidder's share capital is indirectly held by the closed-end real estate fund Hines European Real Estate Partners III SCSp ("**HEREP III**"), a special limited partnership (*société en commandite spéciale*), of Luxembourg nationality, with registered office at 35F, Avenue J. F. Kennedy, Luxembourg L-1855, Grand Duchy of Luxembourg, with LEI code number 254900MZOICTIB2SHP69, and registered in the Commercial Registry of Companies of Luxembourg (*Registre de Commerce et des Sociétés de Luxembourg*) under number B258875.

HEREP III is owned by a number of limited partners who are generally institutional investors and family offices of recognised standing. No end investor (natural or legal person) owns directly or indirectly 25% or more of HEREP III's share capital.

HEREP III holds its shareholding in the Bidder through the following chain of wholly-owned subsidiaries: HEREP III is the sole shareholder of HEREP III Master HoldCo S.à r.l., a limited liability company (*société à responsabilité limitée*) of Luxembourg nationality which, in turn, is the sole shareholder of Hines SC PropCo 37 S.à r.l., a limited liability company (*société à responsabilité limitée*) of Luxembourg nationality, with registered office at 35F Avenue John F. Kennedy L-18855, Luxembourg, Grand Duchy of Luxembourg, and registered in the Commercial Registry of Companies of Luxembourg (*Registre de Commerce et des Société de Luxembourg*) under number B271384, and with Spanish Tax Identification Number (N.I.F.) N0290819B ("**Hines SC**"), which is the direct holder of 62.5% of the share capital of the Bidder mentioned above.

HEREP III is controlled, managed and advised by:

a. the alternative investment fund manager (AIFM) Hines Luxembourg Investment Management S.à r.l. ("**HLIM**"), a limited liability company (*société à responsabilité limitée*) of Luxembourg nationality, with registered office at 35F, Avenue J. F. Kennedy, Luxembourg L-1855, Grand Duchy of Luxembourg and LEI code number 254900SJ749EOTVBJ409, and registered in the Commercial Registry of Companies of Luxembourg *(Registre de Commerce et des Société du Luxembourg*) under number B186667. HLIM is authorised by the Luxembourg financial regulator (*Commission de Surveillance du Secteur Financier*) as an alternative investment fund management company (under number A00000496) and registered in Spain with the CNMV as an AIF management company of the European Economic Area under the official registration number 334. HLIM has delegated its portfolio management functions in respect of HEREP III to Hines Europe Real Estate Investments ("**HEREI**"), an English limited liability company with registered office at 6 Dryden Street, London, United Kingdom, WC2E 9NH and registration number 07331555; together with

b. its general partner Hines HEREP III (GP) S.à r.l. ("**Hines HEREP**"), a limited liability company (*société à responsabilité limitée*) of Luxembourg nationality, with registered office at 35F, Avenue J.F. Kennedy, Luxembourg L-1855, Grand Duchy of Luxembourg, and registered in the Commercial Registry of Companies of Luxembourg (*Registre de Commerce et des Société de Luxembourg*) under number B256608.

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).

(ii) The remaining 37.5% of the Bidder's share capital is directly owned by Grupo Lar Retail Investments, S.L. ("**Grupo Lar Retail**"), a limited liability company of Spanish nationality, with registered office at calle María de Molina 39, 10º floor, 28006 Madrid, Spain, with tax identification number (N.I.F.) B83713792, and registered in the Commercial Registry of Madrid in Volume 19081, Sheet 158 and Page M-333671.

Grupo Lar Retail is an investment vehicle controlled and majority owned by Grupo Lar Inversiones Inmobiliarias, S.A. ("**Grupo Lar**"), a Spanish public limited company, with registered office at calle María de Molina 39, 10º floor, 28006 Madrid, Spain, with tax identification number (N.I.F.) A78107125 and LEI code number 95980022XNGMVGYYUF57, and registered in the Commercial Registry of Madrid in Volume 1548, Sheet 63 and Page M-28441.

Grupo Lar acts as the management company of Lar España pursuant to the Investment Management Agreement (the "**IMA**"), originally entered into between the Company and Grupo Lar on 12 February 2014. The IMA was novated on 29 December 2021, effective 1 January 2022 and is in force until 31 December 2026.

The Bidder is controlled by the AIFM (HLIM) and the general partner (Hines HEREP) of the HEREP III fund which, in turn, are jointly controlled by Mr. Jeffrey C. Hines and Ms. Laura E. Hines-Pierce, in accordance with the chain of control described above.

On 22 July 2024, the Bidder requested the application of the special SOCIMI tax regime under the terms set forth in Law 11/2009, of 26 October 2009, which regulates Listed Real Estate Investment Companies (the "**SOCIMI Law**").

1.2 SECURITIES TARGETED BY THE OFFER

The Offer is addressed to the entire share capital of Lar España, represented by 83,692,969 registered shares of 2.00 euros par value each, belonging to the same class and series, fully subscribed and paid up. However, the Offer excludes the 8,496,045 shares of Lar España, representing 10.15% of its share capital, which have been immobilised until the end of the Offer by virtue of the agreement described in more detail in section 4.5.1, 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 and (ii) 30,000 shares, representing 0.04% of the share capital of Lar España, owned by Mr. Miguel Pereda Espeso (the "**Immobilized Shares**").

Therefore, the Offer effectively targets 75,196,924 ordinary shares of Lar España of EUR 2.00 par value each, belonging to the same class and series, representing 89.85% of its share capital.

There are no other securities of the Company other than the shares which are object of the Offer to which it should be addressed, given that Lar España has not issued any pre-emptive subscription rights, non-voting or special shares, bonds or debentures convertible into shares of the Company, exchangeable securities or warrants, or any other similar instrument which could directly or indirectly entitle the acquisition or subscription of shares of Lar España.

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

As stated in the Prospectus, the Offer is made in Spain in accordance with Spanish law and is addressed to all shareholders of Lar España irrespective of their nationality or place of residence. The Offer is not being made in any jurisdiction where it would require the distribution or registration of the Prospectus or additional documentation to the Prospectus.

In the Prospectus, the Bidder cautions shareholders of Lar España who are resident abroad and decide to accept the Offer that they may be subject to legal and regulatory restrictions other than those established by Spanish law. In this regard, it is stated that to all intents and purposes permitted by law, the Bidder 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 the Prospectus.

1.3 TYPE OF OFFER

The Offer is voluntary in accordance with the provisions of article 117 of the Securities Market Law and article 13 of Royal Decree 1066/2007. As stated below, the Offer is not a delisting offer for Lar España's shares.

1.4 CONSIDERATION OF THE OFFER

1.4.1 Amount of the consideration

The Bidder offers a price of EUR 8.30 per share of Lar España, payable in cash (the "**Offer Price**").

The Offer Price represents a premium of approximately (i) 19% over the closing price Lar España's shares on the day prior to the date of the Prior Announcement (EUR 6.99 per share); (ii) 20% of the weighted average price (VWAP) of Lar España's shares in the month prior to the date of publication of the Prior Announcement (EUR 6.93 per share) and (iii) 28% of the weighted average price (VWAP) of Lar España's shares for the six-month period immediately prior to the date of the Prior Announcement, adjusted for the dividend paid of 0.79 euros (i.e. EUR 6.48 per share).

1.4.2 Adjustment of the consideration

The consideration initially proposed to the Company's shareholders as indicated in the announcement of the Bidder's intention to launch the Offer published on July 12, 2024 (the "**Prior Announcement**") was EUR 8.10 in cash per share (the "**Initial Offer Price**").

Subsequently, on 2 October 2024, the Bidder informed the CNMV of the subscription of an agreement with Castellana Properties SOCIMI, S.A. ("**Castellana Properties**"), shareholder owning 24,090,411 shares representing 28.784% of the share capital of the Company, by virtue of which Castellana Properties irrevocably committed to accept the Offer in relation to its entire shareholding at a price of EUR 8.30 per share, which represented an improvement of EUR 0.20 over the Initial Offer Price ("**Castellana Properties Irrevocable Commitment Agreement**"). Consequently, the Bidder agreed to increase the Offer Price to EUR 8.30 per share.

On the same date, the Bidder published the Castellana Properties Irrevocable Undertaking Agreement by disclosing it as a Privileged Information communication (registration number 2402).

1.4.3 Equitable Price

The Bidder states in the Prospectus that the Offer is voluntary and is made pursuant to the provisions of articles 117 of the Securities Market Law and 13 of Royal Decree 1066/2007, and therefore the price is not subject to the rules on the equitable price for mandatory offers. Nevertheless, the Bidder states that it considers that the Offer Price satisfies the requirements to be considered an equitable price in accordance with the rules set forth in articles 110 of the Securities Market Law and 9 of Royal Decree 1066/2007.

With respect to article 9 of Royal Decree 1066/2007, the Bidder reports in the Prospectus that the Offer Price is an equitable price, insofar as (i) it is the highest price paid or agreed by the Bidder or by the persons acting in concert with the Bidder for the purchase of Lar España shares during the 12 months prior to the date of the Prior Announcement and up to the date of the Prospectus, being the price agreed with Castellana Properties by virtue of the irrevocable acceptance commitment described in section I.5.1.7 of the Prospectus; (ii) there is no additional compensation to the agreed price, neither in that irrevocable commitment nor in the other irrevocable commitments of acceptance of the Offer signed by the Bidder; (iii) no deferral of payment has been agreed to on any of these commitments; and (iv) none of the circumstances provided for in article 9 of Royal Decree 1066/2007 that could give rise to the modification of the equitable price are present. In addition, there are no other agreements in force for the transfer of Lar España shares to the Bidder or to persons acting in concert with the Bidder.

The CNMV has also considered that, although it is not necessary as it is a voluntary offer, the price is sufficiently justified in accordance with the fair price rules of articles 110 of the Securities Market Law and 9 of Royal Decree 1066/2007.

1.5 CONDITIONS TO WHICH THE OFFER IS SUBJECT

As stated in the Prospectus, the effectiveness of the Offer is subject to the following conditions:

(i) In accordance with the provisions of article 26.1 of Royal Decree 1066/2007, to the authorisation (or non-opposition as a result of the expiry of the applicable waiting period) of the Offer by the National Commission for Markets and Competition (*Comisión Nacional de los Mercados y la Competencia*).

(ii) In accordance with the provisions of article 13.2.b) of Royal Decree 1066/2007, the acceptance of the Offer for at least shareholders owning 37,598,462 shares of Lar España, which represent approximately 50% of the shares to which the Offer is effectively targeted (i.e. excluding Immobilized Shares). Compliance with this condition will enable the Bidder to reach a minimum holding in Lar España of 44.92% as a result of the settlement of the Offer, which, added to the holding in Lar España represented by the Inmobilized Shares, would give it a minimum holding in Lar España of 55.07% of its share capital.

To the extent that the Offer Price is considered an equitable price for the purposes of the provisions of article 9 of Royal Decree 1066/2007, the Bidder may avail itself for such reason of the exception to the obligation to make a mandatory tender 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 Bidder attains a controlling interest in Lar España as a result of the settlement of the Offer.

(iii) In accordance with the provisions of article 13.2.d) of Royal Decree 1066/2007, the effectiveness of the Offer is also subject to the following conditions:

a. That Lar España, before the end of the Offer acceptance period (i) has not agreed to amend its articles of association to replace or substantially amend the 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 to establish additional requirements to be appointed director of Lar España or limitations on the voting rights of the shareholders, provided that as a result of any such resolution to amend the articles of association it would not be possible for the Bidder, after settlement of the Offer, to approve at a General Shareholders' Meeting the reversal of such amendment with a majority of 50% plus one share of the share capital; and (ii) it has not waived the SOCIMI regime.

b. That Lar España has not agreed, before the end of the Offer acceptance period, to a merger, demerger, liquidation or global transfer of assets and liabilities of the Company or its group.

c. That the net financial debt of Lar España's group on the day before the end of the Offer acceptance period does not exceed the amount of the net financial debt reported by the Company in the Q1 2024 Business Update published 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 general corporate needs of Lar España and its Group which are freely repayable in advance without giving rise to any associated fees or associated cancellation costs (other than those that, if applicable, may correspond to the settlement of the hedging instruments contracted on such debt).

d. That Lar España and its subsidiaries have not made (or agreed to make), prior to the end of the Offer acceptance period:

   i. 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 Prior Announcement (i.e., 12 July 2024) in excess of 5% of the net asset value (EPRA NAV) as of 31 December 2023; or (ii) that do not represent the totality of the assets owned by Lar España and its subsidiaries in the affected shopping center or business park, regardless of the transaction value (even if such value is below 5% of the EPRA NAV as of 31 December 2023); or

   ii. 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 Prior Announcement (i.e., 12 July 2024) in excess of 5% of the net asset value (EPRA NAV) as of 31 December 2023; or (ii) that do not represent the totality of the real estate assets in the acquired shopping center or business park, whatever the transaction value (even if such value is below 5% of the net asset value (EPRA NAV) as of 31 December 2023).

1.6 ACCEPTANCE PERIOD

The acceptance period for the Offer is 15 calendar days as from the trading day following the date of publication of the first announcement of the Offer by the Bidder once the CNMV has approved the Offer, on the terms established in article 22 of Royal Decree 1066/2007.

As a result, as notified by the CNMV in its announcement released on 29 November 2024, the period started on 2 December 2024 and will end at 23:59 hours (C.E.T.) on 16 December 2024, unless it is extended in accordance with the provisions of article 23 of Royal Decree 1066/2007.

1.7 GUARANTEES AND FINANCING OF THE OFFER

1.7.1 Guarantees of the Offer

In accordance with articles 15.1 and 15.2 of Royal Decree 1066/2007 and in order to guarantee compliance with the obligations arising from the Offer, the Bidder has submitted to the CNMV in due time and form the documentation accrediting the constitution of a bank guarantee for an aggregate amount of EUR 624.134.469,20, which covers the entire consideration payable to the shareholders of Lar España in the event that the Offer is accepted by all the addressees of the Offer (the "**Bank Guarantee**").

Initially, the Bidder submitted a bank guarantee issued by Banco Santander, S.A. to the CNMV for an amount of EUR 609,095,084.40, which guaranteed the totality of the payment of the initial consideration of the Offer, taking into account that the Initial Offer Price was EUR 8.10 per share. However, the Bidder replaced the initial bank guarantee by the Bank Guarantee as a consequence of the improvement of the consideration by EUR 0.20 per share, up to EUR 8.30 per share.

1.7.2 Financing of the Offer

The Bidder states in the Prospectus that it will fund the Offer through a combination of:

(i) cash contributions received from the Bidder's shareholders for a total amount of up to EUR 299,590,717.20, as follows:

  a. Hines SC will contribute in cash an amount of up to EUR 272,559,077.20 (of which, the amount of EUR 75,000,000 corresponds to the amount of the Hines SC Loan, as defined below); and

  b. Grupo Lar Retail will contribute in cash an amount of up to EUR 27,031,640;

(ii) intra-group bridge financing, in an amount of up to EUR 139,000,000 to be provided by Hines SC, unless Tranche B of the Bidder Financing Agreement (as such terms are defined below) was entered into prior to settlement of the Offer; and

(iii) syndicated bank financing derived from the Bidder Financing Agreement:

  a. in an amount of up to EUR 139,000,000 ("**Tranche B**"), in the event that Tranche B is entered into with any financial institution prior to the settlement of the Offer; and

  b. in an amount of up to EUR 214,000,000,000 ("**Tranche C**");

in each case, as detailed below:

(A) Bidder Contributions

Specifically, the contributions of the Bidder's shareholders shall be instrumented through:

(i) **Share capital**: subscription of share capital with share premium in a proportion of 5%/95% nominal/issue premium, except for the initial contribution to shareholders' equity for a total amount of EUR 2,009,962.62 (EUR 1,256,226.64 from Hines SC and EUR 753,735.98 from Grupo Lar Retail), which will be instrumented through contributions to account 118.

The amounts committed in cash by each of the Bidder's shareholders under the Investment and Shareholders' Agreement (as this term is defined in section 4.5.1 are as follows: (i) Hines SC EUR 197,559,077.20, and (ii) Grupo Lar Retail, EUR 27,031,640.

With respect to this amount of EUR 27,031,640 that Grupo Lar Retail has committed to contribute as a maximum amount in cash, Grupo Lar Retail is entitled to request that Hines SC fund it up to EUR 7,500,000 of the last tranche of such amount pursuant to such maximum contribution commitment (i.e. if Grupo Lar Retail had made cash contributions of at least EUR 19,531,640, Grupo Lar Retail will be entitled to receive financing from Hines SC for the remaining EUR 7,500,000 committed), through the issuance by the Bidder of a convertible instrument for the same amount (EUR 7,500,000).

(ii) **Shareholder Loan Preferred to Equity**: on 11 July 2024, Hines SC, as lender, entered into a senior loan with the Bidder, as borrower, in the amount of EUR 75,000,000 (the "**Hines SC Loan**").

Pursuant to clause 5 of the Hines SC Loan, until the amounts due to Hines SC under the Hines SC Loan have been repaid in full, the Bidder may not distribute to its shareholders dividends in excess of the minimum dividend required under the applicable regulations given its status as a SOCIMI.

In addition, the Bidder must repay the outstanding amount of the Hines SC Loan with available cash, once the coupons and the aforementioned minimum dividend required under SOCIMI Law have been paid.

(B) Intragroup bridge financing

Hines SC has committed to provide the Bidder with intra-group bridge financing of up to EUR 139,000,000 by entering into an Acquisition Bridge Facility Agreement (the "**Bridge Loan**").

The amount of the Bridge Facility will be applied to finance the Offer consideration (unless Tranche B of the Bidder Financing Agreement is committed prior to the settlement date of the Offer).

The Bidder states in the Prospectus that it is currently negotiating the subscription of Tranche B of the Bidder Financing Agreement with the lenders and intends to reach an agreement with the lenders that such Tranche B will be committed prior to settlement of the Offer, in which case its amount will be used to partially finance the Offer Price instead of drawing down the Bridge Loan.

(C) Bank Financing

In accordance with the provisions of the Prospectus, the bank financing described below will be used to pay the portion of the Offer consideration that is not satisfied with the shareholder contributions described above, as well as to pay expenses and fees incurred in connection with the Offer.

On 11 July 2024, the Bidder, as borrower, Morgan Stanley Principal Funding, Inc. and Banco Santander, S.A., as coordinating entities and lenders and Banco Santander, S.A., as agent and collateral agent, entered into a senior financing agreement for an original amount of EUR 865,000,000 (extendable up to an amount of 1,004,000,000 if Tranche B is finally committed as indicated above) (the "**Bidder Financing**

Agreement"), of which only Tranche C, in the amount of EUR 214,000,000 (and, if applicable, Tranche B in the amount of EUR 139,000,000) would be used to finance the Offer and the associated costs (the "**Acquisition Debt**").

As indicated in the Prospectus, in the event that Tranche B is not subscribed prior to the settlement of the Offer (and it is therefore necessary to have the Bridge Loan available to finance the payment of the Offer consideration), the Bidder intends to subscribe it as soon as possible after the settlement of the Offer (in which case the amounts derived from Tranche B will be used to refinance the Bridge Loan).

2. PURPOSE OF THE OFFER AND THE BIDDER'S STRATEGIC PLANS AND INTENTIONS REGARDING LAR ESPAÑA

A full description of the purpose of the Offer and of the Bidder's strategic plans and intentions regarding Lar España is included in chapter 4 of the Prospectus, which should be read in full. Without prejudice to the foregoing, some of these matters are summarised below.

2.1 PURPOSE OF THE OFFER

As the Bidder has stated in the Prospectus, the objective of the Offer is to acquire control of Lar España, through the Offer, in order to operate, through this company, in the investment and management market of shopping centers and retail parks in Spain.

2.2 STRATEGIC PLANS AND INTENTIONS OF THE BIDDER REGARDING FUTURE ACTIVITIES OF LAR ESPAÑA AND ITS GROUP

According to the information provided in the Prospectus, the Bidder's plan is to maintain Lar España's current strategy of owning representative assets in its respective areas of influence, with a diversified portfolio combining shopping centers and retail parks adapted to the current demand paradigms. The Bidder states in the Prospectus that it has no plans to substantially change the nature of the activities currently carried out by Lar España.

Specifically, the Prospectus indicates that the Bidder intends to seek to strengthen mainly three areas in relation to Lar España: (i) the international commercial offer and new commercial formats; (ii) the development of a technological plan aimed at increasing retailers' sales; and (iii) a reinforced ESG strategy, setting more ambitious objectives in terms of certifications and control of emissions, energy and water consumption thanks to the investment in capex for the modernisation of facilities.

The Bidder has no plans to change the location of the offices currently occupied by Lar España.

In terms of marketing, the Bidder states in the Prospectus that it intends to continue to have a solid and diversified tenant base, with the presence of major national and international brands to achieve in each asset a large percentage of leading global firms and an optimal mix of retail, leisure and restaurant offerings, essential to attract and retain different types of users.

As for the management of Lar España's shopping centers and retail parks, the Prospectus stated that the Bidder intends that the Company will continue to be managed by Grupo Lar under a new investment management agreement to be entered into after the settlement of the Offer between a wholly-owned subsidiary of Grupo Lar named Grupo Lar Management Services Iberia, S.L.U. (the "**Asset Manager**") and the Company (the "**New IMA**"), leaving the IMA in force without effect. Where applicable, the New IMA will provide for the following principal terms:

(a) **Base fee**: the monthly base fee shall be calculated by reference to an annual amount equal to 0.42% of the gross asset value of the Company and its subsidiaries (**GAV**), with the following minimum amounts (i) EUR 2,000,000 annually, if the gross asset value is EUR 300,000,000 or more, and (ii) EUR 800,000 annually, if the gross asset value is less than EUR 300,000,000.

According to the Prospectus and based on GAV's published data as of 30 June 2024 of EUR 1,304,000,000, which corresponds to an EPRA NTA of EUR 855,000,000,000, resulting in an EPRA NTA per share of EUR 10.22, corresponds to a base commission of EUR 5,480,000. This method of calculating the base fee differs from that provided for in the existing IMA, which consists of a percentage of 0.62% of the Net Asset Value (NAV).

(b) **Performance fee**: the performance fee will be based on the internal rate of return (IRR) of the cash flows of the Company's shareholders as a whole from the settlement of the Offer until the earlier of: the resolution of the New IMA, a change of control of the Company or the date on which the Company distributes the income obtained from the transfer of its interest in the last of its properties. The amount of the performance fee will be (i) if IRR is greater than 10%, 1.5% on all excess returns of this 10%; (ii) if IRR is greater than 15%, 2% is added[1] on all excess returns of this 15%; and (iii) if IRR is greater than 20%, 3% is added[1] on all excess returns of this 20%.

(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 IMA that it agrees with the Company in good faith and under market conditions, although the Bidder states in the Prospectus that this fee is not expected to accrue at this date.

(d) **Duration**: The New IMA will remain in force until 31 March 2030, with a maximum of 10 consecutive one-year extensions (i.e. until 31 March 2040), at the request of either party. If not terminated by 31 March 2040, the New IMA will be automatically renewed for annual periods, unless either party objects to further extensions.

The IMA in force as of today shall be terminated and the Bidder declares that Grupo Lar shall be entitled to receive compensation for a total amount of EUR 8,300,000. The Bidder states that this is an amount not exceeding the sum of (i) the settlement of the performance fee corresponding to 2024 in accordance with the IMA, and (ii) the compensation that the Bidder considers fair to be received by the manager as a consequence of the replacement of the existing IMA by the New IMA.

Additionally, according to the information provided in the Prospectus, the Bidder's shareholders have agreed that a subsidiary of Hines SC will provide the Company with certain 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 asset value (GAV), with a minimum of (i) EUR 300,000 annually, if the gross asset value (GAV) is equal to or greater than EUR 300,000,000, and (ii) EUR 120,000 annually, if the gross asset value (GAV) is less than EUR 300,000,000.

In addition to the subscription of the New IMA mentioned above, the Investment and Shareholders Agreement described in section 4.5.1 provides for the subscription by the Bidder of an asset management agreement with the Asset Manager that will become effective upon settlement of the Offer. According to the information in the Prospectus, the services provided for in such asset management contract include, among others, the strategic direction of the Bidder and advice to its Board of Directors on risk management, reporting to the Bidder's Board of Directors of any event that may affect the value of the Bidder, preparation and proposal to the Bidder's Board of Directors of the Bidder's business plan, reporting

[1] According to the interpretation of section I.5.1.2.(A)(ii)(b) of the Prospectus confirmed by the Bidder.

to the Bidder's Board of Directors of the financial statements, cash flow forecasts and any information necessary for decision-making, advice on investment and divestment.

For the provision of these services, the Asset Manager will charge a base fee of EUR 1,000 per month and shall be entitled to receive a performance fee based on the IRR obtained by all the shareholders of the Bidder from the settlement of the Offer until the final date of their investment in the Bidder.

The amount of the performance fee shall be (after deducting any performance fee payable by Lar España to the Asset Manager in the percentage corresponding to the Bidder according to its participation in Lar España): (i) if the IRR is greater than 10%, 5% on all amounts distributed in excess of this 10%; (ii) if the IRR is greater than 15%, 6% is added[2] on all amounts distributed in excess of this 15%; and (iii) if the IRR is greater than 20%, 7.5% is added[2] on all amounts distributed in excess of this 20%.

2.3 STRATEGIC PLANS AND INTENTIONS WITH RESPECT TO THE PERSONNEL AND EXECUTIVES OF LAR ESPAÑA AND ITS GROUP

As of the date of this report, Lar España has four employees (the Corporate and Financial Director, the Legal Director, the Investor Relations and Corporate Communications Director and the Internal Audit Director).

As stated in the Prospectus, the Bidder's plan is that Lar España will continue to be externally managed by Grupo Lar, and the intention of Hines SC and Grupo Lar Retail is to maintain the current employees of Lar España, with no plans by the Bidder to modify their conditions.

2.4 PLANS FOR THE USE OR DISPOSAL OF LAR ESPAÑA'S ASSETS; ANTICIPATED CHANGES IN ITS NET FINANCIAL DEBT

2.4.1 Plans for the use or disposal of Lar España or its group's assets

As stated in the Prospectus, the Bidder's intention is to carry out a strategic evaluation of the portfolio that will allow it to define the optimal state of maturity of the different assets. In line with Lar España's current asset rotation policy, when the time comes, the Bidder will evaluate possible divestments of assets that have reached maturity and stabilisation, in order to maximise the portfolio's yield and focus on other assets with greater revaluation and growth potential.

2.4.2 Anticipated changes in Lar España's net financial debt

Regarding Lar España's net financial indebtedness, the Bidder has indicated in the Prospectus that it will promote the optimisation of Lar España's capital structure and the increase of the leverage to levels of around 60% Loan-To-Value (LTV) ─above the current levels of 30-35% and the current target policy of 40-45%─ by distributing to its shareholders the excess cash available (excluding the minimum amount deemed necessary for the proper functioning and operation of Lar España's business). Specifically, the Bidder has indicated that the distribution of equity in favour of its shareholders could reasonably amount to around EUR 200,000,000.

In relation to existing indebtedness, the Company's debt consists mainly of two unsecured senior green bonds admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange maturing on 22 July 2026 and 3 November 2028 subject to an interest rate of 1.75% and 1.843% respectively (the "**Bonds**") and a financing facility with the European Investment Bank (the "**EIB**"). The aggregate outstanding amount is around EUR 650,000,000.

[2] According to the interpretation of section I.5.1.3. of the Prospectus confirmed by the Bidder.

The authorisation of the Offer by the CNMV has triggered the change of control clause included in the terms and conditions of the Bonds, granting bondholders the right to receive 101% of the nominal amount plus accrued and unpaid interest on the Bonds, irrespective of the outcome of the Offer. Consequently, on 29 November 2024, the Company has published a communication addressed to the Bond holders informing them of the activation of the change of control clause included in the terms and conditions of the Bonds, all in accordance with the provisions thereof.

In addition, in the event of a successful Offer, the change of control clause included in the terms and conditions of the financing entered into with the EIB would also be triggered, which would also entitle the EIB to cancel the undrawn portion of the financing facility and require early repayment of the amount outstanding (defined as the sum of the amounts disbursed by the EIB, which have not been reimbursed by the Company under the EIB financing agreement), together with accrued interest and any other amounts due under the financing facility with the EIB. Additionally, in the event that the Company informs the EIB that a change of control is imminent or the EIB has reasonable grounds to believe that a change of control is imminent, the EIB may request the Company to commence negotiations within 30 days.

In the context of the publication of the Prior Announcement of the Offer, and prior to its authorisation by the CNMV, the Bidder informed the Board of Directors of the Company that it had entered into the Bidder's Financing Agreement to cover both the acquisition cost of the Offer itself and the refinancing of Lar España's debt, taking into account the potential triggering of the change of control clauses described above.

Furthermore, the Bidder confirmed to the Board of Directors of the Company that, in order not to compromise the financial viability of Lar España, the Bidder's Financing Agreement would provide for its potential assumption by Lar España, even in the event that, once authorised by the CNMV, the Offer resulted in a negative outcome and therefore the takeover by the Bidder did not materialise, unless this is due to the success of a competing offer that was also authorised by the CNMV.

According to the information provided subsequently in the Prospectus, the Bidder has confirmed that the Bidder's Financing Agreement contemplates the refinancing of the existing debt following the activation of the aforementioned change of control clauses, as detailed in section 1.7.2 of this report. Therefore, the Bidder's Financing Agreement includes a loan tranche in the amount of EUR 651,000,000 (the "**Tranche A**") that the Bidder expects to use to repay all amounts outstanding under the Existing Financial Indebtedness after the settlement date of the Offer.

For such purposes, the Bidder's Financing Agreement provides that both the Bidder and Lar España may dispose of Tranche A (upon accession as additional borrower in the case of Lar España) in order to refinance the Existing Financial Indebtedness. In addition, the terms of the Bidder's Financing Agreement provide that Lar España may also assume Tranche A (by joining the agreement as borrower) to refinance the Bonds, by exercising the put right derived from the Tender Offer Triggering Event linked to the authorisation of the Offer by the CNMV, in the event that the Offer made by the Bidder, despite having been authorised by the CNMV, is not settled by the Bidder (for any reason other than that a competing offer authorised by the CNMV is settled).

2.5 PLANS RELATING TO THE ISSUANCE OF SECURITIES OF ANY KIND

According to the Prospectus, the Bidder has no plan or intention for Lar España to issue any securities.

2.6 CORPORATE RESTRUCTURING OF ANY KIND

As stated in the Prospectus, the Bidder has not identified the need to carry out any corporate restructuring and does not intend to promote any such restructuring affecting Lar España and its subsidiaries. In particular, the Bidder does not intend to promote the merger of Lar España and the Bidder.

However, the Bidder indicates in the Prospectus that it will carry out a review of the corporate structure of Lar España and its subsidiaries after the settlement of the Offer in order to analyse the advisability of carrying out restructuring aimed at simplifying and optimising the group.

2.7 DIVIDEND POLICY AND LAR ESPAÑA'S SHAREHOLDER REMUNERATION

As stated in the Prospectus, after the settlement of the Offer, the Bidder, in its capacity as controlling shareholder of Lar España, will ensure compliance with the legal regime provided for in SOCIMI Law, without prejudice to the non-distribution of the amounts necessary to meet the expected capex, the maintenance of a minimum operating cash flow and compliance with the corresponding obligations to the financing entities.

Likewise, the Bidder will promote the distribution by Lar España as a dividend of the maximum amount legally permitted, before the end of each fiscal year. Likewise, the Board of Directors of the subsidiaries of Lar España will seek to distribute dividends to Lar España on the same terms as the Bidder will promote the distribution of dividends by Lar España to its shareholders, in accordance with the provisions of the Investment and Shareholders' Agreement.

2.8 PLANS CONCERNING THE ADMINISTRATIVE, MANAGEMENT AND CONTROL BODIES OF LAR ESPAÑA

In accordance with Lar España's articles of association, the Board of Directors shall be composed of a minimum of five and a maximum of fifteen members. As of today, the Board of Directors of Lar España is composed of a total of five directors, of which four are independent and one is proprietary.

According to the Prospectus, the Bidder will promote changes in the number of members and the composition of the Board of Directors so that it will be composed of seven members as follows: (i) two independent directors who will comply with the provisions of article 529 duodecies of the Capital Companies Law, and who will be appointed at the proposal of the Nomination, Remuneration and Sustainability Committee, one of whom will be the non-executive chairman of the Board of Directors; and (ii) five proprietary directors appointed at the proposal of the Bidder, four of whom will be proposed by Hines SC and one by Grupo Lar Retail.

The proposed change will not require amending Lar España's articles of association to specify the number of members of the Board of Directors.

The Bidder states in the Prospectus that it considers that the independence of the independent director occupying the position of chairman of the board will not be conditioned in any way by reason of his position, mainly because the chairman will not be entrusted with executive functions.

Likewise, the Bidder has stated its intention to appoint, as far as legally possible, more than half of the members of the committees of the Board of Directors of Lar España (the Audit and Control Committee and the Nomination, Remuneration and Sustainability Committee, each of which will be chaired by an independent director).

With regard to the recommendations of the Good Governance Code of listed companies published by the CNMV (the "**GGC**"), the amendments to be promoted by the Bidder regarding the composition of the

Board of Directors (which would be composed of two independent directors and five proprietary directors) will have the following implications:

(i) In the event that the free float is less than 28.5% of the share capital of Lar España after the settlement of the Offer, the change will comply with the proportionality criterion set forth in recommendation 21 of the GGC, which provides that as a result of takeover bids, mergers or other similar corporate transactions involving a change in the capital structure of a company, as will be the case of Lar España after the settlement of the Offer, the separation of independent directors may be proposed when such changes in the capital structure of Lar España after the settlement of the Offer, the separation of independent directors may be proposed when such changes in the structure of the Board of Directors are propitiated by the criterion of proportionality between shareholding and representation on the Board of Directors. In this case, the proportionality criterion will be met in the event that the free float is less than 28.5% of the share capital of Lar España after the settlement of the Offer.

(ii) In accordance with the amendments proposed by the Bidder, after the settlement of the Offer, Lar España will not follow recommendation 17 of the GGC, which establishes that, when the company is not a large cap company or when, even if it is a large cap company, it has a shareholder, or several shareholders acting in concert, that control more than 30% of the share capital, the number of independent directors should represent at least one third of the total number of directors, regardless of whether or not the share capital of Lar España that is not held by the Bidder exceeds 28.5%.

(iii) If the free float were less than 28.5% of the share capital of Lar España after the settlement of the Offer, such ratio between proprietary and independent directors would be partially consistent with principle 11 of the GGC, according to which, in accordance with the principle of proportionality between shareholding and representation on the Board of Directors, the ratio between proprietary directors and independent directors must reflect the ratio between the percentage of capital represented on the Board of Directors by proprietary directors and the rest of the capital. However, the part of this principle that requires independent directors to represent, in general, at least half of the directors would not be complied with.

(iv) However, in the event that the free float were to exceed 28.5% of the share capital of Lar España after the settlement of the Offer, the recommendations (because the percentage of proprietary directors over the total number of non-executive directors will be greater than the proportion between the capital of the company represented by such directors and the rest of the capital) and 21 of the GGC (for the reasons explained above) would not be followed.

2.9 PROVISIONS RELATING TO THE ARTICLES OF ASSOCIATION OF LAR ESPAÑA

As stated in the Prospectus, the Bidder intends to promote the amendment of Lar España's articles of association to adapt its corporate purpose, without this amendment affecting its consideration as a SOCIMI or the application of the special tax regime for SOCIMIs. This adaptation will be carried out by means of the amendment of article 2 of its articles of association after the settlement of the Offer, which will have the following wording (the amendments that are intended to be incorporated are highlighted):

"***Article 2.- Corporate purpose***

The corporate purpose of the Company is:

a) The acquisition ~~and promotion~~ of urban real estate for residential, commercial or mixed use, for lease.

b) The holding of shares in the capital of other SOCIMIs or in the capital of other entities not resident in Spanish territory that have the same corporate purpose as the former and that are subject to a regime similar to that established for SOCIMIs in terms of the mandatory legal or statutory profit distribution policy.

c) The holding of shares in the capital of other entities, whether resident or not in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for lease and which are subject to the same regime established for SOCIMIs with respect to the mandatory legal or statutory policy of profit distribution and which meet the investment requirements referred to in Article 3 of the SOCIMIs Law.

~~*d) The holding of shares or units of Collective Real Estate Investment Institutions regulated by Law 35/2003, of 4 November 2003, on Collective Investment Institutions, or the regulation that replaces it in the future.*~~

d) ~~e)~~Together with the economic activity derived from the main corporate purpose, SOCIMIs may carry out other ancillary activities, being understood as such those whose income as a whole represents less than ~~20~~5% of the income of the company in each tax period or those that may be considered ancillary in accordance with the law applicable at any given time.

2. Excluded are all those activities for the exercise of which the Law demands requirements that cannot be fulfilled by the Company.

3. The activities included in the corporate purpose may be carried out totally or partially indirectly, through participation in other companies with an identical or similar purpose."

Likewise, the Bidder intends to encourage the remaining companies of the Lar España Group to consistently modify their corporate objects to eliminate the references to development activities and to specify that their activity will be carried out in respect of urban real estate for residential, commercial or mixed use.

2.10 INTENTIONS REGARDING THE DELISTING OF THE SHARES OF LAR ESPAÑA

According to the Prospectus, the Bidder intends that the shares of Lar España continue to be listed on the Spanish Stock Exchanges, and the Offer is not intended to result in the delisting of the Company's shares.

Notwithstanding the foregoing, as stated in the Prospectus, in the event that the thresholds provided in article 47 of Royal Decree 1066/2007 are met, the Bidder shall exercise the right to demand the squeeze-out of the remaining shares of the Company at the Offer Price. The execution of the squeeze-out operation by virtue of the exercise of the aforementioned right shall give rise, pursuant to articles 47 and 48 of Royal Decree 1066/2007 and concordant provisions, to the exclusion from trading of the Company's shares from the Spanish Stock Exchanges. Such delisting shall take effect on the date on which the squeeze out transaction is settled. In such event, the Bidder will promote the application for admission to trading of the shares of Lar España in a multilateral trading system in Spain for the purposes of maintaining the SOCIMI regime.

3. ACTIONS TAKEN BY LAR ESPAÑA IN THE CONTEXT OF THE OFFER

3.1 ACTIONS BEFORE THE PRIOR ANNOUNCEMENT

The Board of Directors of Lar España first became aware of the Offer on 10 July 2024 as a result of the communication by the Bidder of his intention to publish the Prior Announcement.

3.2 ACTIONS AFTER THE PRIOR ANNOUNCEMENT

Following the publication of the Prior Announcement, the Board of Directors and Lar España's management team have diligently observed the applicable regulation regarding tender offers. In particular, the directors have at all times complied with the general duty to defend the interest of Lar España and its shareholders, as well as with the regime established in article 114 of the Securities Market Law and article 28 of Royal Decree 1066/2007 in respect of the corporate actions permissible to the Board of Directors and management team of the target company of a tender offer during the pendency of the offer.

The directors have also strictly observed their general duties of care and loyalty, including but not limited to, their duties to devote all appropriate dedication to the assessment of the Offer, to demand the information necessary to comply with their obligations, to obtain external advice, to seek to maximise the return to the Company's shareholders, to uphold confidentiality and to avoid incurring in conflicts of interest situations, as stated in this section 3 and in section 7 below.

Likewise, in order to avoid possible conflict of interest situations, the Company required Grupo Lar to: (i) limit the exercise of its powers in the Company only to those inherent to the ordinary management of the Company's assets; and (ii) any matter that transcended such daily management or had a greater relevance was assumed directly by the Company's officers, who were granted specific powers for such purposes.

The following actions carried out by the Board of Directors and management team of Lar España are of particular importance:

(i) At its meeting held on 16 July 2024, following the release of the Prior Announcement by the Bidder, the Board of Directors resolved by unanimous vote of its members to create the Offer Monitoring Committee, an internal monitoring committee responsible for overseeing the process from the perspective of the corporate interest of the Company and of the shareholders different from the Bidder. It was resolved that the Offer Monitoring Committee would be formed by all the non-conflicted directors, that is, Mr. Jose Luis del Valle Doblado, Mr. Roger Maxwell Cooke, Ms. Isabel Aguilera Navarro and Ms. Leticia Iglesias Herraiz, with Mr. Jose Luis del Valle Doblado acting as Chairman and Ms. Susana Guerrero Trevijano and Mr. Juan Gómez-Acebo acting as Secretary and Vice-Secretary non-members of the Offer Monitoring Committee, respectively.

    With the assistance of the legal and financial advisors selected by the Offer Monitoring Committee (as further described below), the Offer Monitoring Committee has monitored on an ongoing basis the Offer process and its implications for the Company's shareholders, employees and other stakeholders. The Offer Monitoring Committee has invited the external advisors to its meetings in order to receive updated information on the development of the Offer and gather advice in respect of various aspects regarding thereto.

    The Offer Monitoring Committee has produced the draft of this report submitted to the Board of Directors for final approval and shared with the Board of Directors its observations with respect to the Offer as well as the external advice received in respect thereto.

(ii) At its first meeting dated 16 July 2024, the Offer Monitoring Committe resolved by unanimous vote of its members to appoint the financial advisors of J.P. Morgan SE ("**J.P. Morgan**") and Lazard Asesores Financieros, S.A. ("**Lazard**") as financial advisors in connection with the Offer and the legal advisor of Uría Menéndez Abogados, S.L.P. ("**Uría Menéndez**") as legal advisor to the Board of Directors and the Offer Monitoring Committee itself in relation to the Offer.

(iii) Prior to the authorisation of the Offer by the CNMV, the Offer Monitoring Committee assessed the potential impact of such authorisation on the Company's financial position, particularly concerning the triggering of the change of control clauses included in the terms and conditions of the Bonds and, in the event of a successful Offer, on the financing entered into with the EIB.

Taking into account the existence of the Bidder's Financing Agreement described in sections 1.7.2 and 2.4, and on the basis on the information available at that time, the Offer Monitoring Committee identified two scenarios which could require the intervention of the Company's Board of Directors:

(a) The Bidder's Financing Agreement would not be entered into in the event that the Offer had a negative outcome due to the success of a potential competing offer.

(b) The Company could benefit from the Bidder's Financing Agreement if the Offer resulted in a negative outcome due to the lack of verification of its conditions. However, it would be subject to terms and conditions that the Board of Directors was unaware of before the publication of the Prospectus.

In view of the above, at the proposal of the Offer Monitoring Committee, and following the approval of the Company's Board of Directors, on 18 September 2024, a financing agreement was entered into with J.P. Morgan for an amount of up to EUR 650,000,000, intended to address the potential need to refinance existing debt (the "**Company's Financing Agreement**"). The Company's Financing Agreement was proposed as an alternative and independent agreement to the Bidder's Financing Agreement, and it was stipulated that the Company would only have access to funds under this agreement if the outcome of the Offer was negative and the Company was not entitled to receive financing pursuant to the Bidder's Financing Agreement as indicated above, or if, having the option to receive financing pursuant to the Bidder's Financing Agreement, it chose not to do so because it considered the terms of the Company's Financing Agreement to be more advantageous for the Company and its shareholders.

The Company reported on the Company's Financing Agreement through an inside information notice dated 18 September 2024 (registration number 2385).

Subsequently, after analysing the information published by the Bidder by virtue of the inside information communication sent to the CNMV on 2 October 2024 with respect to the Irrevocable Undertaking Agreement with Castellana Properties, the Company stopped and suspended the announced process of negotiation of the necessary documentation for the definitive formalisation of the Bidder's Financing Agreement, as it considered that the arguments that made it advisable to formalise the Bidder's Financing Agreement had lapsed.

(iv) As part of the analysis of the Offer, the Offer Monitoring Committee has evaluated different opportunities to generate value for the shareholders as alternatives to the Offer itself. Following the instructions of the Offer Monitoring Committee, the Company's financial advisors contacted potential strategic and financial investors, but none of them presented an attractive offer for the Company.

As of the date of this report, no competing offers for the shares of Lar España have been announced. It should be noted that the deadline for the submission of competing offers is still open and will expire on 11 December 2024.

(v) In addition, as part of the analysis of alternatives for generating shareholder value, the Monitoring Committee also evaluated the feasibility of an orderly sale of the Company's assets with the advice of an independent consultant expert in the real estate sector.

(vi) Finally, the Board of Directors has ensured strict compliance with the Bidder's obligations in relation with the publication of the Prospectus on its website, as well as with the obligations to provide information to the employees and all the companies of its group, including delivering the Prior Announcement and the Prospectus hereto.

3.3 ADVICE RECEIVED BY THE BOARD OF DIRECTORS

As already stated in section 3.2 above, the Board of Directors, through the Offer Monitoring Committee, has had Uría Menéndez as legal counsel and J.P. Morgan and Lazard as financial advisors in relation to the Offer.

In connection with the consideration offered by the Bidder, the Company has engaged J.P. Morgan and Lazard to provide a fairness opinion, the contents of which are summarised below.

4. AGREEMENTS BETWEEN LAR ESPAÑA AND THE BIDDER, ITS DIRECTORS OR SHAREHOLDERS, OR BETWEEN ANY OF THE FOREGOING AND THE DIRECTORS OF LAR ESPAÑA

4.1 AGREEMENTS BETWEEN LAR ESPAÑA AND THE BIDDER

As of the date of this report there are no agreements between Lar España and the Bidder in connection with the Offer.

4.2 AGREEMENTS BETWEEN LAR ESPAÑA AND THE DIRECTORS OF THE BIDDER

As at the date of this report, there are no agreements in place between Lar España and the directors of the Bidder relating to the Offer.

4.3 AGREEMENTS BETWEEN LAR ESPAÑA AND THE SHAREHOLDERS OF THE BIDDER

As indicated above, Grupo Lar —one of the Bidder's indirect shareholders— is Lar España's investment manager, by virtue the IMA which was originally entered into on 12 February 2014. Pursuant to the last amendment effective from 1 January 2022, the IMA has a term of five years, until 31 December 2026.

4.4 AGREEMENTS BETWEEN THE DIRECTORS OF LAR ESPAÑA AND THE BIDDER, ITS DIRECTORS OR ITS SHAREHOLDERS

Mr. Miguel Pereda Espeso, executive chairman of Grupo Lar, is a proprietary director (representing Grupo Lar) and vice-chairman of the Board of Directors of Lar España.

4.5 AGREEMENTS BETWEEN THE SHAREHOLDERS OF LAR ESPAÑA AND THE BIDDER, ITS DIRECTORS OR ITS SHAREHOLDERS

4.5.1 Agreements included in the Prior Announcement

According to the information included in the Prior Announcement, two of Lar España's shareholders, Mr. Miguel Pereda Espeso and Grupo Lar, together with Hines SC and Grupo Lar Retail, entered into an investment and shareholders' agreement dated 11 July 2024 pursuant to which the Bidder will make the Offer, setting out the terms of its investment in the Offer, as well as the terms of their investment in the Bidder and their future relation as shareholders of the Bidder and, indirectly, of the Lar España following settlement of the Offer (the "**Bidder's Investment and Shareholders' Agreement**").

In addition to the Bidder's Investment and Shareholder's Agreement, the aforementioned parties to the Investment and Shareholder's Agreement entered into an irrevocable undertaking agreement by virtue of which both Grupo Lar and Mr. Miguel Pereda Espeso committed not to accept the Offer with their respective shares and, instead, contribute them to the Grupo Lar Retail in exchange for the assumption of shares in Grupo Lar Retail. In turn, Grupo Lar Retail has undertaken to immediately contribute the shares in Lar España to the Bidder in exchange for the assumption of shares in the Bidder. Both contributions will be made immediately upon the settlement of the Offer and at a value per share equal to the Offer Price (the "**Irrevocable Undertaking Agreement of the Bidder Shareholders**").

As mentioned in the Prior Announcement, Eurosazor Activos, S.L. ("**Eurosazor**"), a shareholder of the Company holding 563,265 ordinary shares of Lar España, representing 0.67% of its share capital, Grupo Lar Retail and the Bidder entered into a reinvestment commitment by virtue of which Eurosazor irrevocably undertook to accept the Offer with the Eurosazor shares and to reinvest in Grupo Lar Retail the earnings obtained from the sale of the Eurosazor shares in the Offer, simultaneously and *pari passu* with the contribution by Grupo Lar and Mr. Miguel Pereda Espeso to Grupo Lar Retail, in exchange for the assumption of newly issued shares in Grupo Lar Retail.

Finally, the Prior Announcement states that the Bidder entered into an irrevocable commitment to accept the Offer with Brandes Investment Partners, L.P. ("**Brandes**"), a U.S. registered investment advisor that provides discretionary investment advisory services to individuals and institutional investors (the "**Brandes Clients**") to buy and sell shares on behalf of Brandes' Clients and to exercise the voting rights attached to a portion of the shares. The Brandes are the beneficial holders of 9,039,045 shares of the Company, representing 10.80% of its share capital (the "**Brandes Shares**"). Brandes has entered into this irrevocable commitment in its capacity as investment adviser to the Brandes' Clients who are the beneficial owners of the Brandes Shares.

4.5.2 Agreements subsequent to the Prior Announcement

On 2 October 2024, as a result of the approval of the Offer consideration enhancement agreements by the general meeting of shareholders and the Board of Directors of the Bidder, the parties to the Investment and Shareholders Agreement entered into an addendum to the Investment and Shareholders Agreement to reflect (i) the new amount of the Offer Price of EUR 8.30 per share, following the increase in the consideration described in section 1.4.2, and (ii) the contribution commitments assumed by the Bidder's shareholders to cover the total amount of the Offer consideration after such increase.

Also, on 2 October 2024, the Bidder notified the CNMV the Castellana Properties Irrevocable Undertaking Agreement, by virtue of which Castellana Properties has undertaken, among others: (i) to accept the Offer in respect of all of its shares in the Company (the "**Castellana Shares**") for the Offer Price; (ii) not to accept any third party offer in respect of the Castellana Shares, even if the consideration for such competing offer is greater than the Offer Price, whether in cash, shares or a combination of both, unless the Offer is withdrawn or not authorised by the CNMV; (iii) to exercise the voting rights attached to the Castellana Shares against any agreement of the shareholders of the Company that would result in the non-compliance with any condition of the Offer or that would impede or frustrate the Offer; (iv) not to use the Castellana Shares to vote in favour of any resolution of the shareholders of the Company to issue securities, raise corporate financing, approve any M&A or corporate restructuring transaction, amend the articles of association or approve any transaction requiring shareholder approval and (v) not to deal in the Castellana Shares pending the divestiture of the Castellana Shares under the Offer.

Consequently, and in accordance with what is set forth in this section 4.5, the percentage of capital owned by the shareholders of Lar España that have subscribed the irrevocable and reinvestment commitments indicated above, added to the percentage represented by the Immobilized Shares, represents a total of 50.4% of the share capital of Lar España.

5. SECURITIES OF THE BIDDER HELD DIRECTLY OR INDIRECTLY BY LAR ESPAÑA, PERSONS WITH WHOM IT IS ACTING IN CONCERT OR ITS DIRECTORS

5.1 SECURITIES OF THE BIDDER HELD BY LAR ESPAÑA OR PERSONS WITH WHOM IT IS ACTING IN CONCERT

As at the date of this report, Lar España does not hold, directly or indirectly or in concert with third parties, securities of the Bidder, or securities or instruments conferring a right to acquire or subscribe for said securities.

5.2 SECURITIES OF THE BIDDER HELD OR REPRESENTED BY THE DIRECTORS OF LAR ESPAÑA

As of the date of this report, Grupo Lar, a company represented on the Board of Directors of the Company by Mr. Miguel Pereda Espeso, holds 22,500 shares of the Bidder, representing 37.5% of its share capital, through its subsidiary Grupo Lar Retail.

6. SECURITIES OF LAR ESPAÑA DIRECTLY OR INDIRECTLY HELD OR REPRESENTED BY MEMBERS OF THE BOARD OF DIRECTORS

As at the date of this report, the following members of the Board of Directors directly or indirectly hold shares of Lar España:

Director	Position	Category	Number of shares	% of share capital
Mr. José Luis del Valle Doblado	Director and Chairman	Independent	147,425 (100,000 directly and 47,425 through Eugemor, SICAV, S.A.)	0.176%
Mr. Roger M. Cooke	Director and Chairman of the Appointments and Remunerations Committee	Independent	2,500	0.003%
Mr. Miguel Pereda Espeso	Director and Vice-Chairman	Proprietary	30,000	0.04%
Ms. Isabel Aguilera	Director and Chairman of the Audit and Control Committee	Independent	2,620	0.003%

Likewise, Grupo Lar, represented on the Board of Directors by Mr. Miguel Pereda Espeso, owns 8,466,045 shares representing 10.12% of the share capital of Lar España.

7. CONFLICTS OF INTEREST OF THE DIRECTORS OF LAR ESPAÑA AND EXPLANATION OF THEIR NATURE

Proprietary director Mr. Miguel Pereda Espeso is in a situation of conflict of interest in connection with the Offer, as a result of his appointment as director of Grupo Lar at the proposal of Grupo Lar, the subscription of the Bidder's Investment and Shareholders Agreement and the Irrevocable Undertaking Agreement, as well as his stake in Grupo Lar and his role as the chairman of its Board of Directors.

None of the other directors of Lar España have stated that they are in a situation of conflict of interest with respect to the Offer, without prejudice to their intention to tender or not their shares of the Company in the Offer.

8. OPINION AND CONSIDERATIONS OF THE BOARD OF DIRECTORS REGARDING THE OFFER

8.1 GENERAL REMARKS

As a preliminary consideration, the Board of Directors of Lar España notes that the Offer is not part of any strategic initiative of the Company, and it has not been requested or otherwise sought in any way by the Board of Directors.

However, the Board of Directors considers that receiving an offer demonstrates the interest generated by the Company for third parties that endorse its business and strategic orientation and that, in any case, the decision whether or not to accept the Offer rests with each shareholder.

Without prejudice to other considerations, the members of the Board of Directors have a positive assessment of the following aspects of the Offer:

(i) The Offer is aimed at all the shares comprising the share capital of Lar España, excluding the Immobilized Shares already owned by Mr. Miguel Pereda Espeso and Grupo Lar.

(ii) The Offer has been accepted through irrevocable commitments entered into by the Bidder with Eurosazor, Brandes and Castellana Properties, as indicated in sections 4.5.1 and 4.5.2 of this report, which together with the percentage of the Company's capital represented by the Immobilized Shares implies that the Offer has the support of shareholders holding 50.4% of the share capital of Lar España.

Therefore, the Bidder may develop all the plans and intentions with respect to Lar España indicated in section IV of the Prospectus.

(iii) The CNMV considers that the Offer Price is an equitable price as it is sufficiently justified for the purposes of articles 9 and 10 of Royal Decree 1066/2007.

(iv) The offer price shall be paid in full in cash.

(v) The price corresponds to the highest price paid or agreed by the Bidder or the persons acting in concert with the Bidder for the shares of Lar España during the 12 months prior to the date of the announcement, as this is the price agreed with Castellana Properties by virtue of the irrevocable acceptance commitment described in section 1.4.2 of this report; and represents a premium of 19% of the closing price of the Company's share on the day prior to the date of publication of the Prior Announcement.

8.2 STRATEGIC AND INDUSTRIAL CONSIDERATIONS

In accordance with the information provided in the Prospectus, the Board of Directors ought to make a positive assessment of the Bidder's strategic plans, since they represent a reinforcement and reaffirmation and enhancement of Lar España's current strategy:

(i) According to the Prospectus, the Bidder's plan is to maintain Lar España's current strategy of owning representative assets in its respective areas of influence, with a diversified portfolio combining shopping centers and retail parks adapted to current demand paradigms, and with the objective of maximizing its operating profitability.

(ii) Likewise, the Bidder indicates that it intends to implement an investment plan in all the smaller assets, given the good condition of Lar España's assets, which, in any case, will be essentially aligned with Lar España's current commercial objective and strategic positioning.

(iii) The Offer is not a delisting offer and the Bidder has no intention to promote the delisting of the shares of Lar España following completion of the Offer.

Notwithstanding the foregoing, according to the information contained in the Prospectus, it should be noted that in the event that the thresholds established in article 47 of Royal Decree 1066/2007 are reached, the Bidder will exercise the squeeze-out right on the remaining shares of Lar España at the Offer Price. The execution of the squeeze-out resulting from the exercise of the aforementioned right would 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 from the Spanish Stock Exchanges. Such exclusion would take effect on the date of settlement of the squeeze-out. In such case, the Bidder would promote the application for the admission to listing of Lar España's shares in a multilateral trading system in Spain for the purposes of maintaining the SOCIMI regime.

The Board of Directors also notes that the replacement of the existing IMA by the New IMA entails a change in the method of calculating the fees to be received by the Asset Manager which, according to the illustrative examples set out in the Prospectus, could result in an increase in the fees to be borne by the Company in addition to an indemnity for the early termination of the existing IMA. In addition, the New IMA also provides for the possibility for the Asset Manager to receive a variable fee for services additional to those provided for in the New IMA, although at this date the Bidder states that this fee is not expected to accrue. In addition, the strategic plans described by the Bidder in the Prospectus contemplate an increase in both the cost of debt and the financial leverage of Lar España to levels of around 60% Loan-To-Value (LTV) (above the current levels of 30-35% and the current target policy of 40-45%).

Likewise, the Board of Directors places on record that the Bidder has expressed its willingness to submit for the approval of the general meeting of shareholders of the Company after the settlement of the Offer, if appropriate, the distribution of a dividend which it estimates could reasonably amount to an aggregate amount of around 200,000,000 euros (equivalent, in such case, to 2.39 euros per share). The Bidder's objective is to use the amount received by virtue of this dividend to meet the financing commitments undertaken for the payment of the consideration for the Offer.

Finally, the board of directors of Lar España considers that, as a result of the potential settlement of the Offer and the acquisition of a relevant controlling interest by the Bidder, in the event that the thresholds for the exercise by the Bidder of its squeeze-out right were not met, there could be a significant reduction in the number of shareholders of the Company, which would negatively affect the liquidity and trading volume of its shares in the market.

8.3 CONSIDERATIONS IN RELATION TO THE OFFER PRICE

In relation to the Offer Price of EUR 8.30 per Lar España share payable in cash, it should be noted that the Company's financial advisors, JP Morgan and Lazard, have issued fairness opinions exclusively to the Board of Directors of Lar España which conclude that the price of the Offer is, from a strictly financial point of view, fair for the shareholders of Lar España.

In addition, as stated above, the Board of Directors considers that, in relation to the Offer Price, it should be noted that:

(i) This corresponds to the highest price paid or agreed by the Bidder or the persons acting in concert with the Bidder for the shares of Lar España during the 12 months prior to the date of the announcement, being the price agreed with Castellana Properties by virtue of the irrevocable acceptance commitment described in section 1.4.2 of this report;

(ii) Represents a premium of 19% of the closing price of the Company's shares on the day prior to the date of publication of the Prior Announcement.

(iii) As explained above, it has been supported by the acceptance expressed by shareholders owning 50.4% of the share capital of Lar España by virtue of the irrevocable commitments described in sections 4.5.1 and 4.5.2 of this report; and

(iv) The CNMV considers that this is an fair price as it is sufficiently justified for the purposes of articles 9 and 10 of Royal Decree 1066/2007.

The above notwithstanding, the Board of Directors also wishes to place on record that in the current market context, with the Company's current strategy and taking into account the quality of the assets, it is considered that the remuneration offered does not exhaust the intrinsic value of the shares of Lar España.

8.4 OPINION OF THE BOARD OF DIRECTORS

On the basis of the observations included in this report as well as the information included in the Prospectus, and taking into account the terms and characteristics of the Offer and its impact on the Company's interests and the fact that the Bidder has irrevocable and reinvestment commitments which — added to the Immobilized Shares — represent a total of 50.4% of Lar España's share capital, the Board of Directors issues an opinion in favour of accepting the Offer.

This opinion has been adopted with the unanimous vote of the independent directors, i.e. Mr. José Luis del Valle Doblado, Mr. Roger Maxwell Cooke, Ms. Isabel Aguilera Navarro and Ms. Leticia Iglesias Herraiz.

The remaining director, Mr. Miguel Pereda Espeso, supported the decision adopted by the independent directors to form the joint opinion of the Board of Directors.

In any event, it is for each Lar España shareholder to decide whether or not to accept the Offer, in view of factors including his or her particular circumstances and interests.

8.5 INDIVIDUAL OPINION OF THE DIRECTORS

This report was approved unanimously by the attendees, and no member of the Board of Directors made an individual statement disagreeing with that adopted collectively by the Board of Directors.

9. TREASURY SHARES

Lar España holds 58,130 treasury shares representing 0.07% of its share capital as at the date of this report. Accordingly, the Board of Directors expresses its unanimous decision to accept the Offer with the treasury shares, in line with the opinion expressed by the Board of Directors in relation thereto.

However, the Board reserves the right to review their intention if there is a change in circumstances with respect to those existing on the date of this report and, in particular, depending on the assessment that they may make, if applicable, of the terms and conditions of other competing offers or improvements that may be authorised by the CNMV.

The Board of Directors' decision to tender the treasury shares in the Offer has been adopted following the report issued by the Audit and Control Committee, as required under paragraph 3 of article 529 *duovicies* of the Spanish Companies Law.

10. INTENTION OF THE DIRECTORS OF LAR ESPAÑA REGARDING ACCEPTANCE OF THE OFFER

The directors of Lar España who directly or indirectly hold shares of the Company as this date are those indicated in section 6.

The directors of Lar España who directly or indirectly hold shares of the Company at this time have stated that their current intention is to accept the Offer.

The proprietary director appointed at the proposal of Grupo Lar states that, as set out in the Prospectus, the shares held by Grupo Lar and Mr. Miguel Pereda Espeso have been blocked and, consequently, the Offer does not target such shares.

11. INFORMATION TO EMPLOYEES

As described in section 3.2 above, Lar España has complied with its obligations to provide information to employees established in article 25 of Royal Decree 1066/2007. In particular, on 12 July 2024, the employees of all of the group companies were informed of the announcement of the Offer and were sent the Prior Announcement published by the Bidder. On 28 November 2024, the Prospectus was also made available to all of them.

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In Madrid, on 3 December 2024