



## NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 227 of the Royal Legislative Decree 4/2015, of 23 October, approving the consolidated text of the Securities Market Act, 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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### OTHER RELEVANT INFORMATION

Pursuant to the provisions of Article 529 unvicies of the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2, 2010 ("**LSC**"), the Company reports the following related party transactions entered into between Lar España and its wholly-owned subsidiaries and Gentalia, a 100% subsidiary of Grupo Lar, a significant shareholder of Lar España holding more than 10% share capital and with Board representation, as it is considered that the aggregate value of the transactions entered into with the same counterparty in the last twelve months (as from 3 July 2021) has exceeded 2.5% of the amount of the annual turnover, taking as a reference for these purposes the one reflected in the latest available consolidated accounts of the Company:

- Renewal of the framework agreements with Gentalia for three years, from 1 July 2022 to 30 June 2025: (i) property management and leasing framework agreement (*contrato marco de gestion patrimonial y comercialización*) for shopping centres and retail park; and (ii) shopping centres and retail park on site management framework agreement (*contrato marco de gerencia*), collectively referred to as "the Framework Agreements", the estimation of the total amount of the consideration to be paid for both agreements in the framework of the transaction would be around 12,566,998 euros, of which approximately 5,848,028 euros correspond to on site management fees that are mostly passed on to the tenants, not entailing a cost for the Company, and formalized today.
- Temporary renewal, for three months, of the property management and leasing framework agreement between Gentalia and Lar España and its subsidiaries, for a total approximate amount of 731,160 euros, formalized on 1 April 2022 and expired on 30 June 2022.
- On-site management agreement between Gentalia and Abadía Community of Owners, for 1 year and an approximate total amount of 163,600 euros, formalized on 1 February 2022. These fees are also mostly passed on to the tenants, not entailing a cost for the Company.

The Audit and Control Committee, prior to the approval by the Board of Directors of Lar España of each transaction, has reported favourably on all previous transactions, and its reports are attached as an [appendix](#) to this communication and include the information necessary to assess that the transactions are fair and reasonable from the point of view of the Company and the shareholders who are not related parties.

Madrid, 1 July 2022

Lar España Real Estate SOCIMI, S.A.  
Mr. José Luis del Valle Doblado,  
Chairman of the Board of Directors

## **REPORT ISSUED BY THE AUDIT AND CONTROL COMMITTEE OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A.**

### **I. INTRODUCTION**

Chapter VII Bis of the Title XIV (sections 529 vicies to 529 tervicies) of the revised text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July (“LSC”), contains the provisions applicable to transactions entered into by listed companies with related parties. These provisions have been incorporated to the corporate regulations of Lar España Real Estate SOCIMI, S.A. («Lar España» or the «Company»), in particular, to the Board of Directors Rules and Regulations, and which have been further developed in the Related-Party Transactions Policy approved by the Board of Directors of the Company.

In this regard, section 529 vicies LSC includes the definition of Related-Party Transactions, while section 529 duovicies LSC establishes the competence for the approval of these transactions: in case of Related-Party Transactions whose amount or value is equal to or greater than 10% of the total balance sheet assets, according to the latest annual balance sheet approved by the Company, the competence for the approval will correspond to the General Shareholders’ Meeting. The Board of Directors is the competent body for approving all other Related-Party Transactions, without prejudice to its power of delegation under the terms and circumstances provided by Law.

Additionally, under the terms of section 529 duovicies.3 LSC, the approval of a Related-Party Transaction by the General Meeting or by the Board of Directors is subject to a prior report by the Audit and Control Committee, assessing whether the transaction is fair and reasonable from the Company's point of view and, if applicable, from the point of view of the shareholders other than the related party, and explaining the assumptions on which its assessment is based on and the methods used. The Directors affected by the Related-Party Transaction may not participate in the preparation of the report.

Pursuant to the foregoing, the Audit and Control Committee of the Company issues this report dated 22 June 2022.

## II. TYPE OF RELATED-PARTY TRANSACTION

The purpose of this Report is to analyze the related-party transaction proposed by the asset management team of the Manager of the Company (Grupo Lar), consisting on the renewal of the current framework agreements with Gentalia for 3 years, from 1 July 2022 to 30 June 2025:

- Property management and leasing framework agreement (*contrato marco de gestion patrimonial y comercialización*) for shopping centers (“SC”) and retail park (“RP”); and
- SC and RP on site management framework agreement (*contrato marco de gerencia*).

These agreements together “**the Framework Agreements**”.

This analysis and report is based on the considerations and conclusions presented by the different units of the Company to this Committee as established in the following documents, kept in the company’s Secretariat and attached to the A&CC minutes of this date.

- (i) The proposal and justification of the transaction made by the proposing unit (the asset management team of the Manager of the Company -Grupo Lar-), together with its annexes and supporting documentation, dated 17 June 2022;
- (ii) The analysis, conclusions and recommendations issued by the Task Force, composed by the Legal Director of the Company together with the Corporate Director and CFO of the Company, that have analyzed the legal aspects of the proposed transaction together with the financial terms and market implications, including the legal, financial and market opinion, dated 18 June 2022;
- (iii) The certificate issued by the Internal Audit Director on the procedures followed by the above referred units, including the internal audit opinion, dated 18 June 2022; and
- (iv) The external expert report issued by PwC on 17 June 2022 on the analysis of the scope and fees of Gentalia services in the commercial real estate management market.

### **III. IDENTITY OF THE RELATED-PARTY**

The renewal of the Framework Agreements will be carried out between

- (i) Lar España and its fully owned subsidiaries; and
- (ii) Gentalia, a 100% subsidiary of Grupo Lar, a significant shareholder of Lar España holding more than 10% share capital and with Board representation.

As it qualifies as a related-party transaction according to the Law, that not reach the threshold established for its approval by the GSM to be necessary (value or amount equal to or greater than 10% of the total balance sheet assets, according to the latest annual balance sheet approved by the Company- i.e, transactions over €179,768 K -), it must be approved by the Board of Directors, with the favorable report of this Committee.

### **IV. DATE AND AMOUNT OR VALUE OF CONSIDERATION**

According to the information provided, as referred above, although the proposed transaction is a multi-year contract and has variable components, according to the Manager's best estimation, as confirmed by the Task Force, the total amount of the consideration to be paid in the framework of the transaction would be around 12,566,998 €. The duration of the contract would be three years, from 1 July 2022 to 30 June 2025.

There are 2 other transactions carried out with the same counterparty as from the entry into force of the new related party legal regime to be aggregated for these purposes:

- On-site management agreement between Gentalia and Abadía Community of Owners, for an approximate total amount of 163,600€;
- Temporary renewal, for 3 months, of the property management and leasing framework agreement between Gentalia and Lar España and its subsidiaries, for a total approximate amount of 731,160€.

In this regard, the total aggregated amount of the agreements executed with Gentalia in the last 12 months would be 894,760€. This amount plus the estimated consideration of the proposed transaction would be 13,461,758€.

The financial conditions of the proposed transaction (i) are the same conditions of the Framework Agreements currently in force with some downward adjustments, thus improving the economic conditions of the service with respect to those currently in force;

and (ii) have been reviewed by PwC, as external independent expert, confirming that Gentalia services and fees are within market standards.

Furthermore, as reported by the Manager of the Company and confirmed by the Task Force, the work and performance of Gentalia during the previous years has proved their expertise making excellent teamwork with the asset management team of Grupo Lar. Teams are consolidated, aligned, and working fluidly and have achieved excellent results together; and according to assets managers, they consider that is key for the sake of consistency in front of the operators, to go ahead with management strategies already defined and in place in the whole portfolio.

## **V. VALUATION OF THE RELATED-PARTY TRANSACTION**

Having reviewed the above information and based on

- (i) the proposal received by the asset management team of Manager of the Company, that contain the assumptions on which the evaluation is based and the methods used for it.
- (ii) the independent expert report of PwC on “Gentalia: Positioning in the commercial real estate management market”, concluding that the services and prices offered by Gentalia are in line with other market leaders;
- (iii) the minutes issued by the Task force, composed by the legal Director and the Corporate director and CFO of the Company, including
  - a. the legal favorable opinion concluding that (i) the proposed transaction is a related-party transaction, (ii) that the BoD of the Company is the competent body for approving it; (iii) that there are 2 transactions to aggregate with the same counterparty in the last twelve months, summing up an amount of 13,461,758€, that represents more than 2.5% of the annual amount of the annual turnover and thus it is subject to publication; and (iv) that, based on the above and having considered the (a) the Manager’s proposal, (b) the financial and market report and conclusions under section 3.2 below, and (c) the PwC report that concludes that services and prices offered by Gentalia are in line with other market leaders; considers that all the legal requirements and

internal procedures for approval of this transaction have been complied and followed and

- b. the financial and market favorable opinion stating that (i) the financial conditions of the proposed transaction are those included in the Gentalia and Manager's proposal; (ii) that the Manager's team together with the Financial team of Lar España have prepared and reviewed the estimation of the fees that will accrue in the next 3 years in accordance to the Company's BP for 2022-2026; (iii) that the total aggregated amount of the agreements executed with Gentalia in the last 12 months would be 894,760€ and the total amount of agreements entered with Gentalia in the las 12 months, including the proposed transaction, would be 13,461,758€; (iv) that the Gentalia proposal and current fees have been reviewed by PWC, as independent expert, confirming that Gentalia services and fees are within market standards; (v) that Gentalia is a well known property manager in the Spanish market, with huge experience and know-how and a very good professional team, being the main manager of SC and RP in Spain with an excellent list of contacts. Up to date, work and performance of Gentalia has proven excellent and teams are consolidated, aligned, and working fluidly with very good results, also facilitating consistency in front of the operators; and (v) concluding that, taking into consideration the above analysis and precedents together with PWC report, the proposed transaction would not imply for Gentalia/ Grupo Lar more favorable economic or other conditions than those that would be recognized to a third party in substantially equivalent circumstances, nor does it benefit from conditions that may imply a favorable treatment to them due to their condition, considering as well that the proposed related-party transaction is going to be entered into in accordance with the social interest of the Company and under market conditions, not harming the interest of other shareholders; and
- (iv) having received the certificate issued by the Internal Audit Director, also with a favorable opinion concluding that the necessary analysis and assessment procedures of the potential Related-Party Transaction have been complied in accordance with

the law and the internal related party transactions protocol, there are no areas of concern and seems reasonable,

the Audit and Control Committee of the Company considers that with respect to the proposed Related-Party Transaction, Gentalia (100% subsidiary of Grupo Lar) does not enjoy more favorable economic or other conditions than those that would be recognized to a third party in substantially equivalent circumstances, nor does it benefit from conditions that may imply a favorable treatment to it due to its condition. The Committee also considers that the proposed Related-Party Transaction is fair and reasonable from the point of view of the Company, does not harm other shareholders interest and it is going to be entered into in accordance with the social interest of the Company, under market conditions, with transparency and fairness and subject to the applicable laws and internal corporate regulations and policies.

Therefore, the Audit and Control Committee of Lar España reports favorably on the approval of the above referred Related-Party Transaction by the Board of Directors.

## **VI. DISCLOSURE OBLIGATIONS**

Without prejudice to the rules on public disclosure of inside information set forth in Section 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council, in accordance with the provisions of section 529 unvicies LSC, the Company must publicly disclose in an easily accessible part of its website, at the latest, at the time the Related-Party Transaction is entered into, the Related-Party Transactions carried out by the Company or its Group companies that reach or exceed: (a) 5% of the total assets, or (b) 2.5% of the total annual turnover. The announcement will also be notified to the Spanish Securities Market Commission and must be accompanied by the report prepared by the Audit and Control Committee.

Likewise, the Related-Party Transactions entered into with the same counterparty in the last twelve months shall be aggregated to determine the total value for the purposes of the preceding paragraph.

In this regard, taking into account the estimated consideration of the transaction (12,566,998 €) together with the 2 transactions with the same counterparty in the last twelve months that need to be aggregated (894,760 €), the total amount to be considered for disclosure obligations purposes is 13,461,758€; this amount represents less than 5%

of the total asset items (89,884k€) but more than 2.5% of the annual amount of the annual turnover (1.978k€), and thus **it is subject to publication under the terms referred to above.**

This transaction has also been recorded by the Company for the purposes of calculating any potential aggregation with other transactions that may be carried out with the same counterparty in the next twelve months.

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Madrid, 22 June 2022

Audit & Control Committee



**REPORT ISSUED BY THE AUDIT AND CONTROL COMMITTEE OF LAR  
ESPAÑA REAL ESTATE SOCIMI, S.A. REGARDING THE  
EXTRAORDINARY RENEWAL OF THE PROPERTY MANAGEMENT  
CONTRACT SIGNED WITH GENTALIA 2006, S.L.**

**I. INTRODUCTION**

Chapter VII Bis of the Title XIV (sections 529 vicies to 529 tervicies) of the revised text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July (“LSC”), contains the provisions applicable to transactions entered into by listed companies with related parties. These provisions have been incorporated to the corporate regulations of Lar España Real Estate SOCIMI, S.A. («Lar España» or the «Company»), in particular, to the Board of Directors Rules and Regulations, and which have been further developed in the Related-Party Transactions Policy approved by the Board of Directors of the Company.

In this regard, section 529 vicies LSC includes the definition of Related-Party Transactions, while section 529 duovicies LSC establishes the competence for the approval of these transactions: in case of Related-Party Transactions whose amount or value is equal to or greater than 10% of the total balance sheet assets, according to the latest annual balance sheet approved by the Company, the competence for the approval will correspond to the General Shareholders’ Meeting. The Board of Directors is the competent body for approving all other Related-Party Transactions, without prejudice to its power of delegation under the terms and circumstances provided by Law.

Additionally, under the terms of section 529 duovicies.3 LSC, the approval of a Related-Party Transaction by the General Meeting or by the Board of Directors is subject to a prior report by the Audit and Control Committee, assessing whether the transaction is fair and reasonable from the Company's point of view and, if applicable, from the point of view of the shareholders other than the related party, and explaining the assumptions on which its assessment is based on and the methods used. The Directors affected by the Related-Party Transaction may not participate in the preparation of the report.

Pursuant to the foregoing, the Audit and Control Committee of the Company issues this report dated 22 March 2022.

**II. TYPE OF RELATED-PARTY TRANSACTION**

The transaction consists on the signing of an extension agreement for the extension of a service lease contract, specifically, a framework contract of property management leasing.

### **III. IDENTITY OF THE RELATED-PARTY**

The lessee is Gentalia 2006, S.L. ("**Gentalia**"), a company wholly owned by Grupo Lar Inversiones Inmobiliarias, S.A. ("**Grupo Lar**"), shareholder owning 11.4% of the share capital of Lar España, which is also represented on the Board of Directors by Mr. Miguel Pereda, and which, consequently, must be considered a related party to the latter on the basis of the provisions of article 529 vicies LSC.

The lessor is Lar España.

It is hereby stated that none of the members of the Committee is related to Gentalia or Grupo Lar and, consequently, that there are no limitations regarding the participation and preparation of this report.

### **IV. DATE AND AMOUNT OR VALUE OF CONSIDERATION**

The expected date of the transaction is March 31, 2022.

The amount of the contractual extension agreement is €731,160. However, in accordance with the provisions of article 529 tervicies LSC, for the purpose of determining the total value of the consideration, related party transactions entered into with the same counterparty in the last twelve months must be considered. In this regard, a community of owners related to Lar España entered into a management contract with Gentalia for an annual value of €163,600, which should be added to the amount of the contractual extension agreement as indicated above.

Consequently, the aggregate value of both operations is €894,760. In this regard, being an amount lower than 10% of the total asset items according to the last annual balance sheet approved by the Company, the Board of Directors of Lar España is responsible for the approval thereof, and its approval may not be delegated in accordance with the provisions of Article 529 duovicies LSC.

### **V. VALUATION OF THE RELATED-PARTY TRANSACTION**

The framework contract for property management and leasing "Property Management" (the "**Contract**") was signed between Lar España and Gentalia on July 9, 2014 for an initial term of three years, with the possibility of the parties extending its term by express written agreement for consecutive periods of one year each. When the contract expired on March 31, 2017, it was subject to several novatory addenda for annual periods, the last of which was signed on March 22, 2021, which provided for the extension of the contract until March 31, 2022. In this regard, prior to the approval of the renewal, the internal auditor carried out a complete analysis of the conditions of the Contract, which was presented to the Audit and Control Committee, and which concluded that these were market conditions.

The Company is currently reviewing its property management system, within the framework of the strategic review being carried out by the Board, which is expected to be completed around June/July 2022, making it necessary to arbitrate an extraordinary mechanism for the property management of the properties currently managed by Gentalia for the next three months, in relation to which the renewal of the Contract signed with Gentalia is considered appropriate and convenient.

For the purposes of assessing the terms of the new novatory addendum to the Contract for an extraordinary period of three months, the Audit and Control Committee, after analyzing the content of the same, considers that, as the content of the clauses of the Contract that were already subject to analysis in 2021 prior to the approval of the annual novatory addendum signed on March 22, 2021 is not affected and, therefore, projecting the will of the parties exclusively on the term of the contract, extended for an extraordinary period of three months, the subscription of the aforementioned novatory addendum does not imply the recognition to Gentalia of economic or other conditions more favorable than those that would be recognized to a third party in substantially equivalent circumstances or conditions that may imply a favorable treatment to it. In this sense, the Committee considers that the circumstances are essentially the same as those that justified the extension of the contract in 2021 (which was reported favorably by this Committee), that this exceptional measure is adopted for a limited period of time and also that the extension will be carried out in accordance with the Company's corporate interest, under market conditions, with transparency and fairness and in full compliance with the applicable regulations.

In view of the above, the Audit and Control Committee of Lar España reports favorably on the approval of the Related Transaction by the Board of Directors.

## **VI. DISCLOSURE OBLIGATIONS**

Without prejudice to the rules on public disclosure of inside information set forth in Section 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council, in accordance with the provisions of section 529 unvicies LSC, the Company must publicly disclose in an easily accessible part of its website, at the latest, at the time the Related-Party Transaction is entered into, the Related-Party Transactions carried out by the Company or its Group companies that reach or exceed: (a) 5% of the total assets, or (b) 2.5% of the total annual turnover. The announcement will also be notified to the Spanish Securities Market Commission and must be accompanied by the report prepared by the Audit and Control Committee.

Likewise, the Related-Party Transactions entered into with the same counterparty in the last twelve months shall be aggregated to determine the total value for the purposes of the preceding paragraph.

In accordance with the foregoing and considering that the amount of the consideration of the Related Party Transaction analyzed in this report added to those carried out with the same counterparty in the last twelve months is 894,760 euros, which is less

than 5% of the total asset items and 2.5% of the amount of the annual turnover, the referred Transaction should not be subject to publication under the aforementioned terms.

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Madrid, 22 March 2022

Audit and Control Committee

## **REPORT ISSUED BY THE AUDIT AND CONTROL COMMITTEE OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A.**

### **I. INTRODUCTION**

Chapter VII Bis of the Title XIV (sections 529 vicies to 529 tervicies) of the revised text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July (“LSC”), contains the provisions applicable to transactions entered into by listed companies with related parties. These provisions have been incorporated to the corporate regulations of Lar España Real Estate SOCIMI, S.A. («Lar España» or the «Company»), in particular, to the Board of Directors Rules and Regulations, and which have been further developed in the Related-Party Transactions Policy approved by the Board of Directors of the Company.

In this regard, section 529 vicies LSC includes the definition of Related-Party Transactions, while section 529 duovicies LSC establishes the competence for the approval of these transactions: in case of Related-Party Transactions whose amount or value is equal to or greater than 10% of the total balance sheet assets, according to the latest annual balance sheet approved by the Company, the competence for the approval will correspond to the General Shareholders’ Meeting. The Board of Directors is the competent body for approving all other Related-Party Transactions, without prejudice to its power of delegation under the terms and circumstances provided by Law.

Additionally, under the terms of section 529 duovicies.3 LSC, the approval of a Related-Party Transaction by the General Meeting or by the Board of Directors is subject to a prior report by the Audit and Control Committee, assessing whether the transaction is fair and reasonable from the Company's point of view and, if applicable, from the point of view of the shareholders other than the related party, and explaining the assumptions on which its assessment is based on and the methods used. The Directors affected by the Related-Party Transaction may not participate in the preparation of the report.

Pursuant to the foregoing, the Audit and Control Committee of the Company issues this report dated 24 January 2022.

## II. TYPE OF RELATED-PARTY TRANSACTION

The purpose of this Report is to analyze the specific related-party transaction proposed by the asset management team of the Manager of the Company (Grupo Lar), consisting of a shopping center management contract for Abadia shopping center (“SC”) and retail park (“RP”) for one year, renewable on a yearly basis. This analysis has considered that other contractual relations with Gentalia are planned to be reviewed in the next few months, on their expiry date.

This analysis and report is based on the considerations and conclusions presented by the different units of the Company to this Committee as established in the attached documents Annexes 1, 2 and 3, incorporated into this report for all purposes.

- (i) The proposal and justification of the transaction made by the proposing unit (the asset management team of the Manager of the Company -Grupo Lar-), together with its annexes and supporting documentation (Annex 1).
- (ii) The analysis, conclusions and recommendations issued by the Task Force, composed by the Legal Director of the Company together with the Corporate Director and CFO of the Company, that have analyzed the legal aspects of the proposed transaction together with the financial terms and market implications, including the legal, financial and market opinion (Annex 2); and
- (iii) The certificate issued by the Internal Audit Director on the procedures followed by the above referred units, including the internal audit opinion (Annex 3).

## III. IDENTITY OF THE RELATED-PARTY

The proposed SC and RP management contract will be carried out between

- (i) Abadía community of owners (where Lar España has majority and thus is considered as a subsidiary of the Company for these purposes); and
- (ii) Gentalia, a 100% subsidiary of Grupo Lar, a significant shareholder of Lar España holding more than 10% share capital and with Board representation.

As it qualifies as a related-party transaction according to the Law, it must be approved by the Board of Directors, with the favorable report of this Committee. It does not reach the threshold established for its approval by the GSM to be necessary (value or amount equal to or greater than 10% of the total balance sheet assets, according to the

latest annual balance sheet approved by the Company- i.e, transactions over €167,883,000-).

#### **IV. DATE AND AMOUNT OR VALUE OF CONSIDERATION**

According to the information provided, as reflected in Annexes 1 and 2, although the proposed transaction has a variable component, according to the Manager's best estimation, as confirmed by the Task Force, the total amount of the consideration to be paid in the framework of the transaction would be around €163,600 as follows:

- Retail Park and Shopping Centre management=> €142k/year (Vs €145k/year [REDACTED] fee) that represents a 11% over total service charge budget of the SC. This fee is similar, even lower, than the other fees invoiced by Gentalia to other Lar España's assets (between 12% and 15% over total service charge budget of the SC which are usual management fees in the market);
- Specialty leasing/mall income=> 12% of total year mall income (currently €180 k). Same offer as [REDACTED].

The duration of the contract would be one year, renewable on a yearly basis, and there are no other transactions carried out with the same counterparty as from the entry into force of the new related party legal regime to be aggregated for these purposes.

The financial conditions of the proposed transaction **(i)** have been obtained in the context of a pitch between two significant operators of the market ([REDACTED] and Gentalia); **(ii)** are below the current price for the same services at the Abadía SC and RP; **(iii)** are aligned with the cost of these services in other assets of the portfolio and also with the conditions agreed by Lar España under the current framework agreements with Gentalia; **(iv)** have been pre-approved by the co-owners community of Abadía; and **(v)** in general terms, improve the economic conditions of the service with respect to those currently in force or proposed by the current manager of the asset ([REDACTED]).

Furthermore, as reported by the Manager of the Company and confirmed by the Task Force, the work and performance of Gentalia during the crisis has proved their expertise making excellent team work with the asset management team of Grupo Lar. Teams are consolidated, aligned, and working fluidly and have achieved excellent results together; and according to assets managers, they consider that is key for the sake of consistency in

front of the operators, to go ahead with management strategies already defined and in place in the whole portfolio.

## **V. VALUATION OF THE RELATED-PARTY TRANSACTION**

Having reviewed the above information and based on (i) the proposal received by the asset management team of Manager of the Company; (ii) the minutes issued by the Task force, composed by the legal Director and the Corporate director and CFO of the Company, including the legal favorable opinion and the financial and market favorable opinion; and (iii) having received the certificate issued by the Internal Audit Director, also with a favorable opinion, all of them attached as Annexes 1, 2 and 3, the Audit and Control Committee of the Company considers that with respect to the proposed Related-Party Transaction, Gentalia (100% subsidiary of Grupo Lar) does not enjoy more favorable economic or other conditions than those that would be recognized to a third party in substantially equivalent circumstances, nor does it benefit from conditions that may imply a favorable treatment to it due to its condition, considering as well this Committee that the proposed Related-Party Transaction is going to be entered into in accordance with the social interest of the Company, under market conditions, with transparency and fairness and subject to the applicable laws and internal corporate regulations and policies.

Therefore, the Audit and Control Committee of Lar España reports favorably on the approval of the above referred Related-Party Transaction by the Board of Directors.

## **VI. DISCLOSURE OBLIGATIONS**

Without prejudice to the rules on public disclosure of inside information set forth in Section 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council, in accordance with the provisions of section 529 unvicies LSC, the Company must publicly disclose in an easily accessible part of its website, at the latest, at the time the Related-Party Transaction is entered into, the Related-Party Transactions carried out by the Company or its Group companies that reach or exceed: (a) 5% of the total assets, or (b) 2.5% of the total annual turnover. The announcement will also be notified to the Spanish Securities Market Commission and must be accompanied by the report prepared by the Audit and Control Committee.



Likewise, the Related-Party Transactions entered into with the same counterparty in the last twelve months shall be aggregated to determine the total value for the purposes of the preceding paragraph. In this regard, there are no other transactions carried out with the same counterparty as from the entry into force of the new related party legal regime (3 July 2021).

In accordance with the foregoing and taking into account that the amount of the consideration of the Related-Party Transaction analyzed in this Report is around €163.6k, and therefore represents less than 5% of the total asset items and less than 2.5% of the annual amount of the annual turnover, said Transaction should not be subject to publication under the terms referred to above nor should it be considered as privileged information.

This transaction has also been recorded by the Company for the purposes of calculating any potential aggregation with other transactions that may be carried out with the same counterparty in the next twelve months.

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Madrid, 24 January 2022

Audit & Control Committee