Snapshot

- First IPO of a Spanish REIT listed on the Spanish Stock Exchange
- Focused on creating both sustainable income and strong capital returns for shareholders
- Lar España is managed by Grupo Lar, private Real Estate Asset Manager, Investor and Developer with a 40 year track record of international experience
- Lar España is a leader in retail, due to the size of the portfolio and the quality of the assets as well as the capacity and quality of its management
- A clear investment opportunity in a unique shopping experience platform

Shareholder Structure

- PIMCO; 20.0%
- Brandes Investment Partners; 5.0%
- Franklin Templeton Institutional; 15.0%
- Columbia Threadneedle; 5.0%
- Blackrock Inc.; 3.7%
- Management; 3.5%
- Other investors; 47.8%

Source: CNMV
Governance Structure

Independent and experienced Board: 5 independent directors (5 out of 7)

José Luis del Valle
Chairman and Independent Director

Roger Cooke
Independent Director

Pedro Luis Uriarte
Independent Director

Alec Emmott
Independent Director

Isabel Aguilera
Independent director

Laurent Luccioni
PIMCO

Miguel Pereda
Grupo Lar

Critical Activities internalized

Sergio Criado
CFO

Jon Armentia
Corporate Manager

Susana Guerrero
Legal Manager

Hernán San Pedro
Head of Investor Relations

José Díaz Morales
Interim Internal Audit

Juan Gomez-Acebo
Secretary
Non Member

Susana Guerrero
Vice-secretary
Non Member
Retail platform + non-retail assets

**Retail**
- Top retail player
- Leading Shopping Centres in their catchment area
- Retail parks with proven demand and profitability potential
- Good quality properties with excellent access and visibility
- 77% GAV

**Offices**
- Offices in consolidated locations of Madrid and Barcelona with good connections / public transport
- Recurrent activity with selective rotation
- 12% GAV

**Logistics**
- Focus on logistic properties on a selective basis with low rents, low capital values and high yields
- 6% GAV

**Residential**
- Development of first homes in niche markets without zoning risk, limited supply and clear demand
- 5% GAV
Lar España Strategy

First IPO of a Spanish REIT listed on the Spanish Stock Exchanges

Company's business strategy is to acquire primarily retail property with high return potential for rental purposes

Focused on creating both sustainable income and strong capital returns for shareholders

Special focus on under managed assets

Real Estate Manager with objective of implementing an Active Management Strategy in order to deliver “Alpha”

>100 Real Estate experts contributing to Lar España's value delivery

38%¹ Net LTV

Diversification of sources of funding including bank and debt capital markets

Highly compelling 2.2% cost of debt

Back loaded debt amortization profile

¹ Net LTV calculated as at March 2017 taking into account new acquisitions in Q1 2017
Focus on shopping centres and retail parks

**Key assets in their catchment areas**
- Prime assets in their area of influence
- Close to 500,000 sqm GLA

**Locations**
Locations selected based on:
- Level of competition
- Current GDP per capita and future growth outlook
- Impact of tourism as an additional factor in some assets

**Unique platform**
A unique platform, which provides an attractive position with retailers and the opportunity to consolidate existing economies of scale

**Strength of the portfolio**
Strength based on:
- #1 Controlling Stake
- #2 Investment Volumes
- #2 GLA Acquired
Non-Retail Assets

Other assets

Core locations
- Luxury residential for sale
- Offices in Madrid and Barcelona
- Logistics in main markets as a good complement to retail

Focus on value added assets
Management as a key element to make acquisitions and generate differential value, taking advantage of Grupo Lar’s platform in Spain

Development
Using experience and capacity of development as a differentiating element to achieve better returns with moderate risk

Asset Rotation
Rotation of assets held for at least three years based on value generation and returns
Main Figures

**GAV (€Bn)**
- Retail: 86%
- Offices: 6%
- Logistics: 8%
- Residential: 5%
- Offices: 12%
- Retail: 77%

**EPRA Annualized Net Rent (€Mn)**
- Retail: 77%
- Offices: 12%
- Logistics: 6%
- Residential: 5%
- EPRA Annualized Net Rent: €72.1
- Retail: 86%

**EPRA Topped-up NIY**
- 6.1% Retail
- 4.2% Offices
- 7.3% Logistics
- 5.9% TOTAL LAR ESPAÑA EPRA Topped-up NIY

**Occupancy Rate**
- 94.2% Retail
- 85.5% Offices
- 100.0% Logistics
- 93.8% TOTAL LAR ESPAÑA OCC. RATE

1. Total GAV = Asset valuation as of 31 December 2016 + new acquisitions in Q1 2017 + capex Q1 2017
2. EPRA net annualized rent as of 31 March 2017
3. Marcelo Spínola’s EPRA Topped-Up NIY and Occupancy rate is not calculated due to the lack of representativeness. To calculate the Topped-up NIY for the total portfolio we have excluded the data from Marcelo Spínola.
Valuation

Valuation Bridge Since Acquisition

<table>
<thead>
<tr>
<th>Year</th>
<th>Acquisitions 2016</th>
<th>Revaluation 2016</th>
<th>GAV 2016</th>
<th>Acquisitions 2017</th>
<th>Est GAV Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>259</td>
<td></td>
<td>1,275</td>
<td>125</td>
<td>1,400</td>
</tr>
<tr>
<td>2015</td>
<td>127</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td>125</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Portfolio Value evolution and LfL Change

Portfolio Value

<table>
<thead>
<tr>
<th>Year</th>
<th>Value Change</th>
<th>LfL Value Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>46</td>
<td>8.6%</td>
</tr>
<tr>
<td>2015</td>
<td>127</td>
<td>11.6%</td>
</tr>
<tr>
<td>2016</td>
<td>1,400</td>
<td>12.30%</td>
</tr>
</tbody>
</table>

Value Change by Asset Class

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Since Acquisition</th>
<th>LfL 2016 vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>15.8%</td>
<td>12.3%</td>
</tr>
<tr>
<td>Retail</td>
<td>13.5%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Logistic</td>
<td>8.6%</td>
<td>20.7%</td>
</tr>
<tr>
<td>Office</td>
<td>14.2%</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

1 Market Value determined by JLL and C&W as of 31 December 2016.
Significant potential upside in rents from reversion potential and developments project – *For illustrative purposes* –

1. Illustrative potential additional rent in 2016 calculated as the difference between the market net rent estimated by the Company’s appraisal done by Cushman & JLL, as part of their valuation exercise and the annualized net rent obtained by the Company in 2016. Difference applied only to the current EPRA occupancy rate, considering the occupancy rate of the Company’s properties as of 31st December 2016.
2. Illustrative potential additional rent in 2016 calculated, assuming the full occupancy of the Company’s properties, as the application of the market net rent estimated by the Company’s appraisers as part of their valuation exercise with respect to the vacant spaces in each of the Company’s properties. Full occupancy has been estimated at 97% for Shopping Centres given structural vacancy and 100% for the remaining portfolio.
3. Potential rent that may be derived from certain of the Company’s assets under development (Vidanova Parc and Palmas Altas) based on the announced yield at the moment of their respective acquisition (9.2% and 8.0% respectively) as applied to the acquisition price and building capex for each asset.
4. Estimated Rental Income assuming an average yield of assets acquired @ 6%.
The value of a retail platform

501,505 sqm, 850 shops, c.53 Mn visitors, 16 cities

Top 10 players own 159 shopping centres which represent c.25% of the total Spanish market

<table>
<thead>
<tr>
<th>Total Assets</th>
<th>GLA per Asset (sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned GLA Estimate</td>
<td>No. Assets</td>
</tr>
<tr>
<td>Peer 1</td>
<td>14</td>
</tr>
<tr>
<td>Lar España + Dev¹</td>
<td>15</td>
</tr>
<tr>
<td>Peer 2</td>
<td>15</td>
</tr>
<tr>
<td>Peer 3</td>
<td>69</td>
</tr>
<tr>
<td>Peer 4</td>
<td>14</td>
</tr>
<tr>
<td>Peer 5</td>
<td>6</td>
</tr>
<tr>
<td>Peer 6</td>
<td>9</td>
</tr>
<tr>
<td>Peer 7</td>
<td>3</td>
</tr>
<tr>
<td>Peer 8</td>
<td>7</td>
</tr>
<tr>
<td>Peer 9</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>159</td>
</tr>
</tbody>
</table>

Source: AECC 2014, CBRE 2016 & Grupo Lar as of March 2017 (all reported figures are estimates)

1. Lar España includes development projects (Palmas Altas and Vidanova Parc)

Retail Leaders in Spain

#1 Controlling Stake
#2 Investment Volumes
#2 GLA Acquired

Portfolio Size gives us benefits in:

Synergies in procurement of services
Global Negotiations with tenants

Present in most regions of the Spanish territory

 Millions of physical and digital customer contacts

Attraction for the development of new commercial formulas
Rent Generating Assets

+12% Rents growth from renewals/ relocations
13.3 Mn Visits in Q1 2017

22 Operations in Q1 2017
NOI +3.4% LfL YoY
Stable Sales in Q1 2017
10.9% Portfolio Effort rate

Capex by asset

€6.5 Mn
Development 74%
Retail 21%
Offices 5%

2 Ongoing Developments

€18 Mn Expected annual rental income in developments
60% GLA signed
20% under negotiation in VidaNova Parc
1st construction phase completed in VidaNova Parc

13.3 Mn New tenants signed in Palmas Altas: 7.173 sqm

1 Plot already urbanized and ready for construction
Lar España Digital Transformation

Market trends forecasted that individuals will shop increasingly by a combination of online and offline, versus a significant reduction of only online or only offline shopping.

Customers
- New buying channel
- Better Brand experience
- Access to personalized promotions and new services
- Click & Collect Service and multiple delivery options

Retailers
- Better Customer Service and better CRO (Conversion Rate Optimization)
- Additional sales, cross-selling and opportunities through click & collect
- Improves stocks and operations control
- Access to more products and infinite aisle

Lar España
- Differentiation among its competitors
- Modern and updated perception. Digital transformation
- New income from the new channel
- Adds value to Lar España’s properties

Progresses according to schedule

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHASE 1</td>
<td>MAY’16-SEP’16</td>
</tr>
<tr>
<td>PHASE 2</td>
<td>OCT’16</td>
</tr>
<tr>
<td>PHASE 3</td>
<td>OCT’16-DEC’16</td>
</tr>
<tr>
<td>PHASE 4</td>
<td>2017</td>
</tr>
<tr>
<td>Concept creation</td>
<td>Public communication</td>
</tr>
</tbody>
</table>
New sources of value: Residential

- Construction works on schedule
  - 100% structure completed (8 floors, 10 levels)
  - High interest from national and international investors
  - Price c.11,000 €/sqm

- Financing of 100% of construction costs agreed

- Estimated delivery date: Q2 2018

- In process: Financing of 100% of construction costs agreed

- SALES:
  - FY 2015: 30%
  - FY 2016: 44%
  - Q1 2017: 49%
  - May 2017: 58%
Successful & Strong Key Facts delivered in Q1 2017

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAV 1</td>
<td>€1.4 Bn</td>
<td>+47% vs Q1 2016</td>
</tr>
<tr>
<td>EBT (Net Profit)</td>
<td>€10.5Mn</td>
<td>+20.3% vs Q1 2016</td>
</tr>
<tr>
<td>Rental Income</td>
<td>€18.0Mn</td>
<td>+39% vs Q1 2016</td>
</tr>
<tr>
<td>Dividend2 2016</td>
<td>€30Mn</td>
<td>€0.33 dividend per share</td>
</tr>
<tr>
<td>Net LTV3</td>
<td>38%</td>
<td>2.2% Cost of Debt</td>
</tr>
</tbody>
</table>

| EPRA NAV per share         | €9.27     |             |
| EPRA NAV (€ ‘000s)         | €838.1 M  |             |
| EPRA “topped-up” NIY      | 5.9%      |             |
| EPRA Net Initial Yield     | 5.7%      |             |
| Occupancy Rate             | 93.8%     |             |
| EPRA Annualised Net Rent4  | €72.1 M   |             |
| ROE5                       | 12.5%     |             |
| ROA5                       | 7.3%      |             |
| Solvency ratio             | 1.0       |             |

1. Total GAV = Asset valuation as of 31st December 2016 + new acquisitions in Q1 2017 + capex invested in Q1 2017
2. To be approved in the AGM
3. Net LTV as of 31 March 2017
4. Includes only operating assets generating rents at the end of December 2016
5. Indicator calculated using figures from the last 12 months
## Q1 2017 P&L

### Consolidated Income Statement (€ Millions)

<table>
<thead>
<tr>
<th></th>
<th>Recurring 1Q17/1Q16</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recurring</td>
<td>Non-Recurring</td>
</tr>
<tr>
<td>Rental Income</td>
<td>18.0</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>0.6</td>
<td>-</td>
</tr>
<tr>
<td>Property Operating Expenses</td>
<td>(4.1)</td>
<td>-</td>
</tr>
<tr>
<td>Base Fee</td>
<td>(2.3)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Property Operating Results</strong></td>
<td>12.2</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Expenses</td>
<td>(0.7)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Other results</td>
<td>-</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>11.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Changes in the Fair Value</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>11.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Financial Result</td>
<td>(1.3)</td>
<td>-</td>
</tr>
<tr>
<td>Share in profit (loss) for the period of equity-accounted companies</td>
<td>(0.3)</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td>10.0</td>
<td>0.5</td>
</tr>
<tr>
<td>Income Tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit for the Period</strong></td>
<td>10.0</td>
<td>0.5</td>
</tr>
<tr>
<td>FFO (EBITDA – Financial Result)</td>
<td>10.3</td>
<td>0.5</td>
</tr>
<tr>
<td>% FFO Annualized Yield /NAV</td>
<td>4.9%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

1. Q1 2016 Non-Recurring P&L mainly affected by remaining stake acquisition in Portal de la Marina
Solid Company performance in Q1 2017

01 Solid Q1 2017 Results and Balance Sheet

- €18.0 Mn Revenues
- €10.5 Mn EBT (Net Profit)
- €8.8 Mn EPRA Earnings
- €838.1 Mn EPRA NAV
- 38% net LTV; €531 Mn Net Debt (€556 Mn Gross Debt)

02 Lar España Value Add performance

- Epra Ann. Net Rent vs previous Quarter: €72.1Mn; +2.1% LfL
- Re-leasing potential in Office portfolio – ERV: €8 Mn
- Excellent logistic platform w/ outstanding performance – EPRA. Ann. Net Rent: €5.6Mn; +7% LfL

03 Asset Growth & Return enhancement

- Two excellent group of assets acquired for €111Mn in the quarter

2.2% cost of debt

+39% vs Q1 2016
+20% vs Q1 2016
+50% vs Q1 2016
+44% vs Q1 2016
+20% vs Q1 2016
+50% vs Q1 2016
+44% vs Q1 2016
+44% vs Q1 2016

2.2% cost of debt

@ 6.7% yield on cost
Lar España’s Debt Profile

Key Figures of the financing¹

- **€531Mn** Net Debt
- **38%** Net Loan to Value (LTV²)
- **2.2%** Average Cost of Debt³
- **81%** Hedge/Fixed

Back-loaded Amortization Profile

<table>
<thead>
<tr>
<th>Year</th>
<th>€ Mn</th>
<th>€140Mn Senior Secured Bond</th>
<th>€416.5Mn Bank Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>4</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>2 Years</td>
<td>5</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>3 Years</td>
<td>36</td>
<td>0</td>
<td>36</td>
</tr>
<tr>
<td>4 Years</td>
<td>91</td>
<td>0</td>
<td>91</td>
</tr>
<tr>
<td>5 Years</td>
<td>7</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>&gt; 5 Years</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **€556.5Mn**

Long Term debt maturity and competitive cost of debt

- **Cost of debt**: 2.6% (H1 2015), 2.5% (H2 2015), 2.3% (H1 2016), 2.2% (H2 2016)
- **Average maturity**: 5.8 (H1 2015), 6.6 (H2 2015), 6.9 (H1 2016), 5.9 (H2 2016)

Stronger Financial solvency while optimizing Balance Sheet Structure

Net LTV

- **H1 2015**: 9.0
- **H2 2015**: 35%
- **H1 2016**: 40%
- **H2 2016**: 38%
- **Q1 2017**: 38%

ICR (Ebit/Interest Expense)

- **H1 2015**: 24%
- **H2 2015**: 7.3
- **H1 2016**: 5.4
- **H2 2016**: 7.8
- **Q1 2017**: 7.8

Notes:

1. All figures according to Last Reported Results on Q1 2017
2. Net LTV as of December 2016; Net LTV = Total Loans & Borrowings & Notes net of Cash
3. Excluding any impact from negative interest rate
Creating value through wise debt management

Portfolio and Debt evolution since IPO

Q1 2017

- New debt of €104 Mn raised
- Leverage to up to 54.6% LTV for Gran Vía & Vistahermosa
- In April 2017, refinancing of €20Mn in Lagasca99
- & Financing of 100% of construction costs agreed
- Better terms, lowering costs and longer payback period

GAV¹: €1.4 Bn

Portfolio:
- €1.4 Bn
- 38% net LTV²

Operating Assets


1. Total GAV = Valuation of assets as of 31th December + Valuation of of Parque Abadia and 22 retail units acquired in Q1 2017 + net capex in Q1/2017
2. Net LTV calculated as at March 2017
AGM

Dividend: €30 Mn

€0.332 ps – May 31st, 2017

Two New Directors

PIMCO’s representative
Head of the European Commercial Real Estate team

Independent Director
Closing Remarks

- Positive assets evolution during 1st Quarter of 2017
- Active Management is stabilizing assets and starting to see reversionary potential in Retail and Office portfolio
- Attractive portfolio of €1.4 Bn, out of which €1.23 Bn are rents generating assets that produce c.€72.1 Mn
- €103.9 Mn of new debt from Gran Vía de Vigo & Vistahermosa
- Acquisitions of two excellent assets in Q1 2017 for €110.7 Mn
- Lar España has the option to increase its logistic portfolio with more than 100k sqm GLA in an outstanding location
- Excellent progress in the development of Lagasca 99 and the Retail developments
- Digital 360º transformation project aimed at linking and enhancing off line and on line retail platform
- Lar España reinforces its Board according to the highest Corporate Governance standards, maintaining 5 independents out of a total of 7
Contact us

Corporate Presentation

www.larespana.com

Lar España Real Estate SOCIMI