Corporate Presentation

September 2017
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; 5.7%
- Other investors; 45.6%

Source: CNMV
Board of Directors & Critical Activities

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

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
Company’s business strategy is to acquire primarily retail property with high return potential for rental purposes. First IPO of a Spanish REIT listed on the Spanish Stock Exchanges.

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

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

Special focus on under managed assets.

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

Diversification of sources of funding including bank and debt capital markets.

39%¹ Net LTV

Highly compelling 2.18% cost of debt

Back loaded debt amortization profile.

1. Net LTV calculated as at June 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
Portfolio at a glance

GAV (€Bn)

- Retail: 72%
- Offices: 12%
- Logistics: 6%
- Residential: 5%
- Retail Dev: 5%

€1.45

EPRA Annualized Net Rent (€Mn)

- Retail: 85%
- Offices: 7%
- Logistics: 8%

€72.3

EPRA Topped-up NIY

- Retail: 5.9%
- Offices: 4.1%
- Logistics: 7.2%

5.8% TOTAL LAR ESPAÑA EPRA Topped-up NIY

94.3% TOTAL LAR ESPAÑA OCC. RATE

Occupancy Rate

- Retail: 94.3%
- Offices: 89.5%
- Logistics: 100.0%

1. Total GAV = Asset valuation as of 30th June 2017.
2. EPRA annualized rent as of 30th June 2017.
3. To calculate the Topped-up NIY for the total portfolio we have excluded the data from Marcelo Spinola and Eloy Gonzalo due to the lack of representativeness.
### Strong valuation performance in all asset classes

<table>
<thead>
<tr>
<th>Total Portfolio</th>
<th>Retail</th>
<th>Portfolio Value evolution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1 LfL 2017/16</strong></td>
<td><strong>H1 LfL 2017/16</strong></td>
<td><strong>Portfolio Value</strong></td>
</tr>
<tr>
<td>16.0% Since Acquisition</td>
<td>19.5% Since Acquisition</td>
<td><strong>Valuation growth</strong></td>
</tr>
<tr>
<td>10.2% Since Acquisition</td>
<td>15.2% Since Acquisition</td>
<td>CAGR1: 9.7%</td>
</tr>
</tbody>
</table>

### Offices
- **H1 LfL 2017/16**: 11.8%
- **Since Acquisition**: 27.1%

### Logistics
- **H1 LfL 2017/16**: 15.3%
- **Since Acquisition**: 31.6%

### Developments
- **H1 LfL 2017/16**: 24.4%
- **Since Acquisition**: 40.0%

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Portfolio Value (€ Mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>406</td>
</tr>
<tr>
<td>2015</td>
<td>899</td>
</tr>
<tr>
<td>2016</td>
<td>1,275</td>
</tr>
<tr>
<td>H1 2017 Annualized</td>
<td>1,508</td>
</tr>
</tbody>
</table>

1. Compounded Annual Growth Rate
Significant potential upside in rents from reversion potential and developments project – *For illustrative purposes* –

1. Illustrative potential additional rent in H1 2017 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 30 June 2017.

2. Illustrative potential additional rent in H1 2017 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 net initial yield of assets acquired @ 6%.
The value of a retail platform

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

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

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>37,785</td>
</tr>
<tr>
<td>Lar España + Dev</td>
<td>501,505</td>
</tr>
<tr>
<td>Peer 2</td>
<td>29,501</td>
</tr>
<tr>
<td>Peer 3</td>
<td>4,857</td>
</tr>
<tr>
<td>Peer 4</td>
<td>23,138</td>
</tr>
<tr>
<td>Peer 5</td>
<td>46,617</td>
</tr>
<tr>
<td>Peer 6</td>
<td>28,395</td>
</tr>
<tr>
<td>Peer 7</td>
<td>83,293</td>
</tr>
<tr>
<td>Peer 8</td>
<td>30,668</td>
</tr>
<tr>
<td>Peer 9</td>
<td>30,429</td>
</tr>
<tr>
<td>Total</td>
<td>3,344,913</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)
On track in the delivery of our developments

After phase 1 & 2, Construction phase to start on August 2017

11,300
New sqm leased

Construction licenses approved to start works in Palmas Altas

+2
Operations signed in H1 2017

+41%
GLA signed and committed in H1 2017

+5
Operations signed in H1 2017

c.85%
GLA signed & committed

1. As of 1 July 2017.
Non-retail assets – Lagasca 99

- **Construction works on schedule**
  - 100% structure completed
  - Façade and rest of the building on progress on schedule

- High interest from national and international investors
  - Price c.11,000 €/sqm

- Financing of 100% of construction costs agreed

- Estimated delivery date: Q2 2018

- FY 2015: 30%
- FY 2016: 44%
- H1 2017: 65%
Financial Results – H1 2017

Lagasca 99 Residential Development, Madrid
Successful & Strong Key Facts delivered in H1 2017

1.448 Mn GAV\(^1\) +38% vs H1 2016

65 Mn EBT +50% vs H1 2016

37.5 Mn Rental Income +40% vs H1 2016

30 Mn Dividend 2016 €0.33 dividend per share

39% Net LTV\(^2\) 2.18% Cost of Debt

EPRA NAV per share €9.28

EPRA NAV (€ Mn) 859.2

5.8% EPRA “topped-up” NIY

EPRA Net Initial Yield 5.6%

94.3% Occupancy Rate

EPRA Annualised Net Rent 72.3 Mn

14.03% ROE\(^3\)

8.29% ROA\(^3\)

1.0 Solvency ratio

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1. Total GAV = Asset valuation as of 30th June 2017.
3. Indicator calculated using figures from the last 12 months.
**Consolidated Income Statement** (Thousands of €)

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>Recurrent 1H17/1H16</th>
<th>H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recurring</td>
<td>Non-Recurring</td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Rental Income</td>
<td>37,547</td>
<td>-</td>
<td>37,547</td>
</tr>
<tr>
<td>Other income</td>
<td>1,002</td>
<td>-</td>
<td>1,002</td>
</tr>
<tr>
<td>Property Operating Expenses</td>
<td>(6,303)</td>
<td>-</td>
<td>(6,303)</td>
</tr>
<tr>
<td>Base Fee</td>
<td>(4,482)</td>
<td>-</td>
<td>(4,482)</td>
</tr>
<tr>
<td><strong>Property Operating Results</strong></td>
<td><strong>27,763</strong></td>
<td>-</td>
<td><strong>27,763</strong></td>
</tr>
<tr>
<td>Corporate Expenses</td>
<td>(1,451)</td>
<td>(1,154)</td>
<td>(2,605)</td>
</tr>
<tr>
<td>Other Results</td>
<td>-</td>
<td>653</td>
<td>653</td>
</tr>
<tr>
<td><strong>EBITDA (pre performance fee)</strong></td>
<td><strong>26,313</strong></td>
<td>(501)</td>
<td><strong>25,812</strong></td>
</tr>
<tr>
<td>Changes in the Fair Value</td>
<td>46,903</td>
<td>-</td>
<td>46,903</td>
</tr>
<tr>
<td><strong>EBIT (pre performance fee)</strong></td>
<td><strong>73,216</strong></td>
<td>(501)</td>
<td><strong>72,715</strong></td>
</tr>
<tr>
<td>Financial Result</td>
<td>-</td>
<td>(4,456)</td>
<td>(4,456)</td>
</tr>
<tr>
<td>Share in profit (loss) for the period of equity-acc.companies</td>
<td>-</td>
<td>(712)</td>
<td>(712)</td>
</tr>
<tr>
<td>Impairment and gains/(losses) on disposal of fin instruments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBT (pre performance fee)</strong></td>
<td><strong>68,048</strong></td>
<td>(501)</td>
<td><strong>67,547</strong></td>
</tr>
<tr>
<td>Income Tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit for the Period (pre performance fee)</strong></td>
<td><strong>68,049</strong></td>
<td>(501)</td>
<td><strong>67,547</strong></td>
</tr>
<tr>
<td>FFO (EBITDA – Financial Result)</td>
<td>21,857</td>
<td>(501)</td>
<td>21,356</td>
</tr>
<tr>
<td>% FFO Annualized Yield /NAV</td>
<td>5.09%</td>
<td>-</td>
<td>4.97%</td>
</tr>
<tr>
<td>Performance fee</td>
<td>(2,550)</td>
<td>-</td>
<td>(2,550)</td>
</tr>
<tr>
<td>% Performance fee/profit for the period</td>
<td>3.89%</td>
<td>-</td>
<td>3.92%</td>
</tr>
<tr>
<td><strong>Profit for the Period (post performance fee)</strong></td>
<td><strong>65,498</strong></td>
<td>(501)</td>
<td><strong>64,997</strong></td>
</tr>
</tbody>
</table>

1. H1 2016 Non-Recurring P&L mainly affected by remaining stake acquisition in Portal de la Marina
Solid Company performance in H1 2017

01 Solid H1 2017 Results and Balance Sheet
- 37.5 Mn Revenues
- 65.0 Mn EBT (Net Profit)
- 17.0 Mn EPRA Earnings
- 859.2 Mn EPRA NAV
- 39% net LTV; 590.7 Mn Gross Debt

02 Lar España Value Add performance
- Retail NOI LfL improvement: +4.7% LfL
- Epra Ann. Net Rent vs H1 Semester: 72.3 Mn; +34%
- Office enhanced valuation confirms next asset rotation to unlock value: +27.1% since acq.

03 Asset Growth & Return enhancement
- Two excellent group of assets acquired for €112.9 Mn in the semester: @6.7% yield on cost
- Palmas Altas construction works to start immediately following license granted: +41% of GLA signed & committed
- Lagasca99 progresses above expectations: 65% already sold

1. Take into account the dividend's shareholders remuneration amounting €30 Mn relating to 2016 financial year.
Creating value through wise debt management

€139 Mn of financing @ avge fixed rate < 2%

- Besides, in April 2017, refinancing of €20 Mn in Lagasca99
- & Financing of 100% of construction costs agreed
- Better terms, lowering costs and longer payback period

Disciplined and prudent financing targeted at creating value

1. Total GAV = Valuation of assets as of 30th June 2017
2. Net LTV calculated as at June 2017
Lar España’s Debt Profile

Key Figures of the financing ¹

- **39%**  
  Net Loan to Value (LTV)

- **2.18%**  
  Average Cost of Debt²
  *-42 b.p since H1 2015*

- **5.8x**  
  Interest Cover Ratio³ (ICR)

- **6.2 Y**  
  Debt duration

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### Back-loaded Amortization Profile

<table>
<thead>
<tr>
<th>Duration</th>
<th>Amount (€ Mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>2.4</td>
</tr>
<tr>
<td>2 Years</td>
<td>5.2</td>
</tr>
<tr>
<td>3 Years</td>
<td>35.6</td>
</tr>
<tr>
<td>4 Years</td>
<td>90.9</td>
</tr>
<tr>
<td>5 Years</td>
<td>9.6</td>
</tr>
<tr>
<td>&gt; 5 Years</td>
<td>446.6</td>
</tr>
</tbody>
</table>

- **€140Mn Senior Secured Bond**
- **€451.3Mn Bank Debt**

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### Diversification of sources

- **€590.7Mn**
- **€140Mn** Senior Secured Bond
- **€451.3Mn** Bank Debt

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1. All figures according to Last Reported Results on H1 2017
2. Ebitda (excluding revaluation) / Financial result
3. Ebitda (pre-revaluation) / Interest Expenses
Environment
- Positive effect on the community. Creating employment: >17,500 direct jobs
- Promoting responsible investment. Investing in sustainable assets: +72% of the portfolio has or in process of obtaining BREEAM® certification.
- Fighting and reducing the effect of Climate Change. -56% CO2 emissions across the portfolio (since Dec 2015).

Social Capital
People’s talent forms the cornerstone of the economic model and the company’s value

Assets (Portfolio)
Our properties have a positive effect on their urban surroundings
- Sustainability strategy. As at April 2017, 69% of the portfolio has been audited.
- Sustainability certification. +72% of the portfolio has or in process of obtaining BREEAM® certification & 100% of properties have energy certification.
- Investing in innovation. Collaboration with Training and research centres.

Corporate Governance
Having a positive effect on the environment and society

Partners
Supply chain
Clients
Employees

Good Governance
Ethics/Integrity
Transparency
Risk Management
Positive assets evolution during 2nd Quarter of 2017

Active Management keeps supporting NOI increase in Retail assets

Last Asset valuation appraisal yielded a LfL growth of 4.5%, up to €1.45 Bn

New accretive acquisitions of €112.9 Mn in 1H 2017 pushes annualised net rent by 15%, up to €72.3 Mn

Lar España has the option to increase its logistic portfolio with more than 100k sqm GLA in an outstanding location

+30% of new long term debt in H1 2017, €139.4 Mn from three assets at a fixed cost c.1.9%; including financing of 100% of construction works of Lagasca 99

Imminent start of construction of Palmas Altas following license granted by the city council

Excellent progress in the development of Lagasca 99 and the Retail developments

€0.33 p.s of dividend and yield1 of 4.7% in 2017, paving the way for an increasing remuneration for the next years