



LAR ESPAÑA leaves pandemic constraints behind with a profit of 25.8 million euros in 2021

- It will propose a 30 million euro dividend to the General Shareholders Meeting, equivalent to 36 euro cents per share and a yield of 7%
- Increased profits, strong cash flow and balance sheet, highly profitable dividend and full debt refinancing, the year's four highlights
- The annual asset valuation was revised up by 0.5% and occupancy rates at its centre and parks now exceeds 96%

Madrid, 28 February 2022. Lar España, the only real estate firm specialising in retail listed on the Continuous Stock Market, recorded a consolidated net profit of 25.8 million euros in 2021. Solid performance throughout the year, despite the commercial restrictions imposed by each successive Covid wave, has led the company to propose a dividend of 36 cents per share to the next Shareholders' Meeting. If approved, it will represent a total payout of 30 million euros and offers a yield per share of 7%, one of the highest in the market and thirty basis points higher than that paid last year.

In its results presentation held today, the company highlighted the solid quarter-on-quarter profit growth during 2021, leaving behind the accounting losses suffered in 2020 due to a 4.9% decline in the independent valuation of its assets in the same year. In contrast, its 14 shopping centres and retail parks were revised up by 0.5% in 2021 according to the independent valuation by JLL and Cushman & Wakefield, to €1,424 million.

José Luis del Valle, Chairman of the Board of Directors of Lar España, says the good performance in 2021 is due to the quality of the 14 assets in its portfolio, the rigorous health and financial management carried out in the last two years, the recurrence and resilience of revenues and the policy of renegotiation during the pandemic of the more than one thousand contracts in effect, successfully completed in almost all cases. *"The priorities of the Board and the Lar España management team has been to preserve cash strength, optimise the corporate financial structure, ensure both the best healthcare and commercial management and technological innovation for retailers and end customers, while preserving an attractive return for our shareholders as a whole. I believe we have improved on our objectives in each of these four areas, and this puts us in the best position to increase our current leadership in the sector in the medium and long term, supported by an excellent asset portfolio,"* he said.

For the company, the recovery in valuations, together with the recurrence of revenues, effective management during the pandemic and the current occupancy of 96.1% of its rental space, explain the increasingly improved performance for the year. At the same



time, net financial debt remained at EUR 579.2 million, equivalent to 40.7% of asset value. In addition, cash position, after the bond repayment in February 2021, remains close to 200 million euros, enough to cover all operating expenses for the next four years.

Last year, Lar España eased its corporate debt burden by raising EUR 700 million through two senior unsecured green bond issues, significantly extending the maturity of its corporate debt to July 2026 and November 2028, and reducing its average cost to just 1.9% per annum. Apart from these bonds, the company has only 70 million in additional corporate debt coming from the European Investment Bank - also green - maturing in 2026 and 2027.

Lar España obtained a total of 76.27 million euros in rental income last year, a figure not comparable to that of the previous year, because of the divestment of 22 supermarkets acquired by Blackbrook in February 2021 and a large part of the rent renegotiations agreed during the pandemic. Last year, the company signed 94 leases for more than 27,000 square metres of floor space with an average increase in rents of 3.9%. More than 70% of total leases signed with the real estate firm expire after 2024.

In 2021, final sales at the 14 assets owned by the company amounted to 892.8 million euros, 24% more than in 2020 and only -2,1% than in 2019. They received 74.43 million visits over the year, up 16.24% on 2020 and down -12.5% on 2019. Lar España's growth percentages in visits exceeded the sector average, which showed an increase of 14.5%.

The company, leader in the retail sector, maintains unified management criteria in its prime commercial assets, facilitating a preferential and differential position in the retail sector. It assumes full ownership of all its centres, which must also have a dominant position in their respective areas of influence. This approach ensures a strong capacity to generate recurring rental income, and reinforces its ability to apply active management formulas and lead the digital transformation of its assets, with an almost immediate impact on revenues in both aspects.

About LAR ESPAÑA Real Estate SOCIMI S.A.

LAR ESPAÑA REAL ESTATE SOCIMI, S.A. is a company listed on the Spanish Stock Exchanges, incorporated as a SOCIMI "Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario" in March 2014. The company's objective is to invest in the Spanish real estate sector, especially in the retail segment. Today it is the Spanish market leader in retail, with more than 550,000 square meters for rent and 1,424 million euros in asset value.

In 2015 LAR ESPAÑA was included in the FTSA EPRA/NAREIT Global index, a selective global index designed to represent general trends of listed real estate companies worldwide. It was also included in the Ibex Top Dividend index in 2018. In September 2021, for the seventh consecutive year, Lar España received the EPRA



Gold Award for the quality of the financial information made available to its main stakeholders. As regards the information published on ESG, Lar España has obtained the highest distinction from EPRA, achieving the Gold Award for the fourth consecutive year.

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