01
Company Description
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

Source: CNMV as of July 2018
## Portfolio at a glance

Unique shopping centres & retail parks

<table>
<thead>
<tr>
<th>SHOPPING CENTRES &amp; RETAIL PARKS MAIN CHARACTERISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant in their catchment areas</td>
</tr>
<tr>
<td>Value-creation potential</td>
</tr>
<tr>
<td>Core+</td>
</tr>
</tbody>
</table>

- **Unique exposure** to real estate retail assets and the Spanish consumer and tourism recovery
- **Resilient prime dominant shopping centers** in attractive catchment areas
- **Recurrent cash flow generation @ 5.4% Net Initial Yield**
- **Upside potential from acquisitions done at attractive capital values with potential for revaluation**
- **Value added approach: repositioning and development to create unique shopping experience destinations**
- **Top management team with strong track record and delivering results**

€1,580 Mn Gross Asset Value

€74.3 Mn EPRA Annualised Net Rent

Remaining offices portfolio and unique residential project in process of divestment
# A Cherry Picked Portfolio

## ACQUISITIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Albacenter</td>
<td>Marcelo Spínola</td>
<td>As Termas</td>
<td>El Rosal</td>
<td>Parque Abadía</td>
</tr>
<tr>
<td></td>
<td>Aneclau</td>
<td>Alovera II</td>
<td>Alovera III</td>
<td>Galaria</td>
<td>22 Retail Units</td>
</tr>
<tr>
<td></td>
<td>Alovera I</td>
<td>Portal de la Marina</td>
<td>Alovera IV</td>
<td>Vidanova Parc Dev.</td>
<td>Megapark</td>
</tr>
<tr>
<td></td>
<td>Villaverde</td>
<td>Egeo</td>
<td>Almussafes</td>
<td>Megapark</td>
<td>Megapark Leisure</td>
</tr>
<tr>
<td></td>
<td>Arturo Soria</td>
<td>Nuevo Alisal</td>
<td>P. Marina Hyper</td>
<td>Gran Via de Vigo</td>
<td>Rivas Futura</td>
</tr>
<tr>
<td></td>
<td>Las Huertas</td>
<td>Albacenter Hyper</td>
<td>Joan Miró</td>
<td>Vistahermosa</td>
<td>Galería Abadía</td>
</tr>
<tr>
<td></td>
<td>Txingudi</td>
<td>Eloy Gonzalo</td>
<td>Lagasca99 Dev.</td>
<td>Lagoh Dev.</td>
<td></td>
</tr>
</tbody>
</table>

## DIVESTMENTS

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Arturo Soria</td>
<td>Alovera IV</td>
<td></td>
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<tr>
<td></td>
<td>Egeo</td>
<td>Almussafes</td>
<td></td>
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<tr>
<td></td>
<td>Villaverde</td>
<td>Cheste Dev.</td>
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<tr>
<td></td>
<td>Nuevo Alisal</td>
<td>Galaria</td>
<td></td>
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<tr>
<td></td>
<td>Alovera I</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Alovera II</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Alovera III</td>
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</tbody>
</table>
Major corporate milestones from 2017 & 2018 YTD

- **JAN**
  - +15.8% Asset Revaluation since Acq.
  - Abadía Retail Park Acquisition
  - 22 Retail Units Acquisition
  - Cheste Logistics Development Acquisition
  - Gran Vía de Vigo Financing
  - Vistahermosa Financing

- **MAR**
  - Dividend Payment

- **MAY**
  - +19.5% Asset Revaluation since Acq.

- **JUL**
  - Vidanova Parc
    - Credit for Construction
    - Arturo Soria Office Building Divestment
    - EPRA Gold Award
      - Financial Reporting
    - EPRA Silver Award
      - Sustainability Reporting
    - EPRA Most Improved Annual Report
      - Sustainability Reporting

- **SEP**
  - Analyst Day
  - +28.5% Asset Revaluation since Acq.

- **DEC**
  - Rivas Futura Acquisition
  - Abadía Commercial Gallery Acquisition
  - New IMA approved

- **FEB**
  - Lagoh Development facility
  - Logistics Portfolio Divestment

- **MAR**
  - +34% Asset Revaluation since Acq.
  - Vidanova Parc 1st Phase Opening

- **JUN**
  - Abadía Retail Park Financing
  - Construction works started in Lagoh

- **JUL**
  - Megapark Financing
  - Egeo Office Building Divestment
  - Villaverde Divestment

- **AUG**
  - Lagoh Development Portfolio Divestment
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

Leticia Iglesias  
Independent Director

Alec Emmott  
Independent Director

Isabel Aguilera  
Independent Director

Laurent Lucchioni  
PIMCO Director

Miguel Pereda  
Grupo Lar Director

Sergio Criado  
CFO

Jon Armentia  
Corporate Manager

Susana Guerrero  
Legal Manager

Hernán San Pedro  
Head of Investor Relations

José Díaz Morales  
Internal Audit

Juan Gómez-Acebo  
Secretary Non Member

Susana Guerrero  
Deputy Secretary Non Member
External Manager: A Real Estate Reference

Grupo Lar now owns a 9.99% stake in Lar España, subject to a lock-up period.

Grupo LAR Key Facts

**Retail**
- **39** Shopping centres invested, developed or managed

**Offices**
- **9** Office buildings developed and managed

**Logistics**
- **10** Industrial Parks developed since 2003

**Residential**
- **10,000** Residential units sold in the last 10 years
- **15,000** Units managed

1. Family owned Company +40Y of experience
2. Strong Management Team
3. International Experience with Tiers 1
4. Geographical Diversification
5. Product Diversification
6. Strong Balance Sheet
Investment Strategy Focused in Retail

**Investment Criteria**

**Value-Creation Potential**
- Dominant
- Core+
- Soundness
- Protected

**100% ownership**

**Target levered IRR>12%**

**Creation of unique shopping experiences**

- Customer journey analysis
- Optimum size for area of influence
- Optimal and fine-tuned tenant line-up
- Enhancement of entertainment areas
- Repositioning through targeted capex
- Leverage on technology to know and influence clients
The value of a retail platform

Main market players by owned GLA, including GLA under development

Lar España has **consolidated among the top retail operators** in Spain. Now, the target is to selectively increasing GLA to **generate revenue synergies**

**RETAIL LEADERS IN SPAIN**

**#1 IN SPAIN**

<table>
<thead>
<tr>
<th>Portfolio Size</th>
<th>#1 IN SPAIN GLA</th>
<th>#1 OWNER IN SPAIN retail parks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td>#1 OWNER IN SPAIN</td>
<td>#1 OWNER IN SPAIN</td>
<td></td>
</tr>
</tbody>
</table>

Portfolio **Size** gives us benefits in:

- **Global Negotiations** with tenants
- **Synergies** in procurement of services

- Present in most regions of the Spanish territory
- Millions of physical and digital customer contacts
- Attraction for the development of new commercial formulas

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**Target market size**: 4,5 Mn sqm GLA

30% of the total market

**Total of main competitors**: 3,671,515m sqm 168 assets

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Source: AECC 2017. Very Large: (>79,999 sqm) / Large: (40,000-79,999 sqm) / Medium: (20,000-39,999 sqm) / Small: (5,000-19,999 sqm) / Others: Hypermarkets and Leisure Centers
Strong Transformation + Innovation

**Transformation Strategy**

- CUSTOMER JOURNEY ANALYSIS
- TENANT MIX ENHANCING
- CAPEX AND IMPROVEMENT PROJECTS
- ON-SITE SHOPPING CENTRE INTENSIVE MANAGEMENT

**Digital Innovation**

- Big Data
- Customer Intelligence

- Full Connectivity
- Webs
- APPS
- WIFI
- Social Media

- Market Place
- Transactional Web

- Market Knowledge
- Seeketing System
- E-Beacons

- 33% Rotation Rate since Acquisition
- c.107k sqm Leased since Acquisition
- 74 Relettings + New Lettings + Renewals in H1 2018

**Attract New and Innovative Tenants**

**Create a Well-Balanced Tenant Mix**
12% Target Annual Return on investments

- €403 Mn of divestments
  From Office, residential and non-core retail assets
  31% realized

- >€119 Mn of divestments
  From all logistics portfolio (100% realized)
  100% realized

Finance all existing capex commitments
- Refurbishment of existing assets: €66 Mn
- Developments: €199 Mn

€250 Mn of new investments
Mainly focused in retail assets
30% realized

Ordinary dividend
5% of NAV

Maximise distributions
Extraordinary dividend Lagasca99 and other distributions linked to divestments

1. To be submitted to shareholders for approval
02

Investment Highlights
Top 10 Value Drivers

1. Momentum of Real Estate in Spain / Yield Compression
2. Upside from the Retail Existing Portfolio
3. Proven Asset Management Skills / Strong Op. Results
4. Innovation Strategy
5. Value creation from Developments
6. Value from Asset Revaluation
7. Unlocking Value from Asset Rotation
8. Acquisition Pipeline aimed at increasing Retail Platform
9. Optimal Debt Management
10. Attractive Dividend Policy

- ANNUALIZED NET RENT €74.3 Mn
- CURRENT POTENTIAL ANNUALIZED NET RENT WITH GROWTH c.€110 Mn
- OUTPERFORMING THE MARKET
  - LRE Retail Declared Sales +2.0%
  - Spain Retail Index^1 -0.3%
  - LRE Footfall^2 +1.1%
  - Avg. Spanish Footfall^2 -0.9%

1. INE. Spanish Retail Index.
2. Shopper Track Index.

LAGASCA99
VIDANOVA PARC
Lagoh
Est. Opening Date H1 2019

NET LTV 36%
AVG. COST OF DEBT 2.2%

55% ACTIVE ASSET MANAGEMENT
45% YIELD COMPRESSION

Real Estate
02 Investment Highlights

Value Driver 1: Momentum of RE in Spain / Yield Compression

1. Spanish economy has been surprising on the upside during the last years with >3% GDP growth
2. It is expected to continue outperforming the Eurozone
3. Consumer’s Confidence keeps growing in line with income and stable earnings driven by strong employment creation
4. Unemployment Rate supporting further decreases
5. Future Investment supported by largest yield Gap in recent history
6. Spanish Real Estate benefits from tourism boom

Ultra-low interest rates have reduced headline yields in Spain and Europe in general, and shifted investors’ appetite towards high-yielding assets...

...mainly Core+ assets within recovering Spanish economy (such as the Shopping Centre Market)

We estimate there is room for compression in the core plus segment

1. Source: JLL & Savills (Historical) & Grupo Lar (Forecast) / Bank of Spain (Actuals) & Bloomberg (Forecasts)
2. Data estimated considering last market transactions in 2017
Value Driver 2: Potential from the *Existing Retail Portfolio*

1. Illustrative potential additional rent calculated as the difference between the market net rent estimated by the Company’s appraiser done by Cushman & JLL, as part of their valuation exercise and the annualized net rent obtained by the Company in 2017. Difference applied only to the current EPRA occupancy rate, considering the occupancy rate of the Company’s properties as of 31 December 2017.
2. Illustrative potential additional rent in 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 Lagoh) 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. According to BP.
Value Driver 3: Strong Operating Results

Lar España continues outperforming the market

Sales\(^1\) H1 2018
€303.6 Mn

Visits H1 2018
26.9 Mn

Letting activity at the core of the strategy

+8.6% RENTAL GROWTH

11,508 sqm ROTATED

5% ANNUALIZED ROTATION RATE

74 OPERATIONS IN H1 2018

€3.5 Mn NEGOTIATED RENT

New generation retail: New metric

88 min AVG. STAY

+8.64% vs H1 2017

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1. Declared sales.
2. INE (National Statistics Institute). Spanish Retail Index.
3. Shopper Track Index.
Value Driver 3: Strong Operating Results

Active Asset & Tenant Management
+ Smart Capex in Operating Assets

- 33% Rotation Rate since acquisition to improve shopping experience
- €2.7 Mn Retail Invested Capex H1 2018

All figures refer to H1 2018 period

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€138.1 Mn</td>
<td>€170.3 Mn</td>
</tr>
<tr>
<td>Growth</td>
<td>+2%</td>
<td>+2%</td>
</tr>
<tr>
<td>Visits</td>
<td>25.5 Mn</td>
<td>27.6 Mn</td>
</tr>
<tr>
<td>Growth</td>
<td>+1%</td>
<td>+1%</td>
</tr>
<tr>
<td>Operations</td>
<td>55</td>
<td>74</td>
</tr>
<tr>
<td>Growth</td>
<td>+35%</td>
<td></td>
</tr>
</tbody>
</table>

LfL data excludes Megapark Ocio, and Rivas
1. Declared sales
Value Driver 4: Innovation Strategy

Disruptive projects differentiating among our competitors

To position Lar España as the leader in digital transformation in the retail sector

To change relations with customers and retailers, making them more efficient and "digital" and our way to interact between departments in the Company, creating a work environment much more efficient and modern

To create shared value to lead economic and social progress, and also generate financial returns for our shareholders

Lar España recognises its ability to have an impact on the world we live in and has therefore set itself the objective of improving people’s living standards, bolstering socio-economic progress in Spain and generating a financial return for investors.
## Value Driver 4: Innovation Strategy

**Disruptive projects differentiating among our competitors**

<table>
<thead>
<tr>
<th>DIGITALIZATION &amp; DIFFERENTIATION</th>
<th>TECHNOLOGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMER INTELLIGENCE</td>
<td>Big Data</td>
</tr>
<tr>
<td>WEBS APPS WIFI SOCIAL MEDIA</td>
<td>Full Connectivity</td>
</tr>
<tr>
<td>MARKET KNOWLEDGE</td>
<td>Market Knowledge</td>
</tr>
<tr>
<td>TRANSACTIONAL WEB</td>
<td>Market Place</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENGAGEMENT</th>
<th>EXPERIENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEOBLINK</td>
<td>Geoblink</td>
</tr>
<tr>
<td>geo-social analysis tool that allows us to know the main social and economic characteristics of our clients</td>
<td>Territorio Lar</td>
</tr>
<tr>
<td>Asset differentiation through different initiatives:</td>
<td></td>
</tr>
<tr>
<td>- First drone tournament</td>
<td></td>
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<tr>
<td>- &quot;The Cube&quot;</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>ACCESSIBILITY</th>
<th>EMISSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working to achieve and maintain high accessibility standards via a design that is conceived by and for people</td>
<td>Fighting and reducing the effect of Climate Change</td>
</tr>
<tr>
<td>REDUCING EMISSIONS AND INCREASING THE USE OF RENEWABLES</td>
<td>REDUCING EMISSIONS AND INCREASING THE USE OF RENEWABLES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SOCIAL ACTION</th>
<th>CSR ANNUAL REPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets have a major social impact, transforming and creating a positive effect on the community</td>
<td>Continuously improving CSR information</td>
</tr>
</tbody>
</table>


Implementation of a research program, in Lar España’s main shopping centres, aimed at knowing and defining a client’s behaviour when visiting our SCs.

Continuously improving CSR information.
Value Driver 5: Developments – Lagasca99

New residential concept in the centre of Madrid

€188 Mn Valuation¹

Last construction phase, focused on interior works
500,000 tons of travertine marble placed on the facade

Avg. Price c.11,300 €/sqm

Extraordinary dividend announced

€45 Mn Est. development cost

1. Valuation as of 30th June 2018 for 100% of the development. 50% owned by Lar España.
Value Driver 5: Developments – Vidanova Parc

Fully operative & opened
27th September 2018

100% GLA signed

Smart and balanced mix of attractive retailers, leisure activity and F&B offering

45,137 Sqm
GLA

€14.0 Mn Acquisition Price

39 Tenants

€35.8 Mn Valuation

€45.7 Mn All-in cost

1. Valuation as of 30th June 2018.
Value Driver 5: Developments – Lagoh

Excellent location, 4 km from Seville’s city centre

Q2 2019 Opening

73% GLA signed and committed

8 Inditex Brands signed

14 Mn/year Exp. Visits

200 Tenants

€88.5 Mn Valuation¹

1.5 hours Exp. Avg. Stay

c.15 Mn Exp. Annual Rent

€151.6 Mn Est. construction cost to completion

1. Valuation as of 30th June 2018.
Value Driver 6: Attractive valuation of the existing portfolio H1 2018

**Total Portfolio**

- **H1 2018 Valuation**
  - €1,580 Mn
- **LfL H1 2018/17**
  - 13.2%
- **Since Acquisition**
  - 33.8%

**Total Retail**

- **H1 2018 Valuation**
  - €1,288 Mn
- **LfL H1 2018/17**
  - 10.4%
- **Since Acquisition**
  - 27.0%

*Before Invested Capex*
Value Driver 7: Asset Rotation Policy Aimed at Maximizing Returns

- **Arturo Soria Sale**
  - Office Building
  - 34.5% over acq. price

- **Rivas Futura**
  - Retail Park
  - €61.6 Mn acquisition price

- **Logistics Portfolio & Cheste Sale**
  - 82.5% over acq. price

- **Abadía’s Commercial Gallery**
  - €14 Mn acquisition price

- **Megapark Leisure Area**
  - €8.7 Mn acquisition price

- **Egeo Sale**
  - Office Building
  - 22.2% over acq. price

- **Villaverde & Alisal Sale**
  - Retail Parks
  - 27.1% over acq. price

- **On track to meet 2018-21 BP targets**
  - 40% BP Acquisitions
  - 56% BP Divestments
02 Investment Highlights

Value Driver 7: Asset Rotation Policy Aimed at Maximizing Returns

Remaining non-core assets will add value in the coming months

OFFICES

**VALUATION¹**
€97.5 Mn

**VALUATION¹**
€38.5 Mn

**VALUATION¹**
€37.5 Mn

**VALUATION¹**
€21.5 Mn

LAGASCA99

**VALUATION²**
€188 Mn

---

1. Valuation as of 30th June 2018
2. Valuation as of 30th June 2018 for 100% of the development. 50% owned by Lar España.
Value Driver 8: Acquisition Pipeline Aimed at Increasing Retail Platform

Current Opportunities

- 110k+ GLA
  - Large and visible pipeline including actionable off-market acquisitions with yields in the 6% area

- 100% Retail
  - High quality assets in prime locations focused on retail assets

- $6.0% Expected Minimum Yield
  - Substantial upside potential through active asset management in line with previous acquisitions

+€220 Mn of Investment Pipeline

<table>
<thead>
<tr>
<th>Short Term Pipeline</th>
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<tbody>
<tr>
<td>Asset Class</td>
</tr>
<tr>
<td>Asset 1</td>
</tr>
<tr>
<td>Asset 2</td>
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<tr>
<td>Asset 3</td>
</tr>
<tr>
<td>Asset 4</td>
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<tr>
<td>...</td>
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<tr>
<td>...</td>
</tr>
</tbody>
</table>
Value Driver 9: Debt Management as a Means of Value Creation

Debt Structure and Amortization Profile

- **€140 Mn** Senior Secured Bond
- **€474.3 Mn** Bank Debt

Gross Financial Debt
**€614.3 Mn**

- **Net LTV** 36%
- **Avg. Cost of Debt** 2.19%
- **Interest Cover Ratio** (ICR) 4.5x
- **Fixed Rate** 87%

1. EBITDA (pre-revaluation) / Interest expenses as at H1 2018
Value Driver 10: Predictable and Sustainable Dividend Distribution Policy

Dividend policy objectives

✓ Predictable and sustainable dividend and distribution schedule
✓ Competitive in the International Real Estate market
✓ Attractive vs Spanish equity market
✓ As a result of a solid cash flow generation

1. Dividend Yield
   >5% over NAV

2. Extraordinary dividends
   Lagasca99 Delivery

3. Distribution for other non core assets divestments
   According to the Business Plan execution and best capital allocation

✓ One payment per year upon approval of the General Shareholders Meeting
Value Driver 10: Consistent dividend growth per share

- **4th Dividend in 4 Years**
- 2014: €1.3 Mn, €0.033 ps
- 2015: €12.0 Mn, €0.20 ps
- 2016: €30.0 Mn, €0.33 ps
- 2017: €45.0 Mn, €0.49 ps

**2017’s average quarterly EPRA NAV**
- €1.3 Mn
- €12.0 Mn
- €30.0 Mn
- €45.0 Mn

**Dividend approved by the AGM and to be paid on 18th May**

**LAGASCA 99 EXTRAORDINARY DIVIDEND 2018 RESULTS**

1. 2017’s average quarterly EPRA NAV
Financial Results
H1 2018
### Solid Company performance in H1 2018

<table>
<thead>
<tr>
<th><strong>Operating Results</strong></th>
<th><strong>+20.9%</strong> in Property operating result</th>
<th><strong>+12.4%</strong> Recurring EBITDA</th>
<th><strong>33.8%</strong> Portfolio revaluation since acquisition (before invested capex)</th>
<th><strong>10 quarters outperforming the market in retailers declared sales (+2.0%) &amp; footfall (+1.1%)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Developments &amp; Refurbishments</strong></td>
<td><strong>VidaNova Parc already opened 100% GLA signed</strong></td>
<td><strong>Lagoh 73% of GLA signed &amp; committed</strong></td>
<td><strong>Lagasca99 86% already sold</strong></td>
<td><strong>Eloy Gonzalo 100% occupancy reached</strong></td>
</tr>
<tr>
<td><strong>Asset Rotation</strong></td>
<td><strong>€119.7 Mn in logistics portfolio disposal 82.5% over acq. price</strong></td>
<td><strong>€112.5 in rest of 2018 divestments 24% over acq. price</strong></td>
<td><strong>€75.6 in 2018 acquisitions @ avg. NIY of 6.2%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2018 Financings</strong></td>
<td><strong>Lagoh Financing c.€100 Mn development facility</strong></td>
<td><strong>Rivas Futura Financing c.€27.5 Mn Mortgage Loan</strong></td>
<td><strong>Abadía Com. Gallery Financing c.€8.7 Mn Mortgage Loan</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Corporate</strong></td>
<td><strong>€45 Mn Dividend €0.49 per share 5.1% Div. Yield over EPRA NAV</strong></td>
<td><strong>Grupo Lar reinforces its stake in Lar España up to 9.99%</strong></td>
<td><strong>BREEAM® 8 In-Use “Very Good” Certificated 2 In-Use “Good” Certificated 2 New-Build, “Very Good” rating</strong></td>
<td></td>
</tr>
</tbody>
</table>
Successful & Strong Key Facts delivered in H1 2018

- **€1,580 Mn**  
  GAV  
  +9.1% vs H1 2017

- **€39.8 Mn**  
  GRI  
  +6.1% vs H1 2017

- **€33.5 Mn**  
  Property Operating Result  
  +20.9% vs H1 2017

- **€29.6 Mn**  
  Recurring EBITDA  
  +12.4% vs H1 2017

- **€232.2 Mn**  
  2018 Divestments  
  56% BP Target

- **36%**  
  Net LTV  
  2.19% Cost of Debt

- **€10.34**  
  EPRA NAV per share

- **€979.3 Mn**  
  EPRA NAV

- **5.5%**  
  EPRA “topped-up” NIY

- **5.4%**  
  EPRA NIY

- **93.3%**  
  Occupancy Rate

- **€74.3 Mn**  
  Annualised Net Rent

- **10.7%**  
  ROE

- **6.3%**  
  ROA

- **1.1**  
  SOLVENCY RATIO

---

1. Logistics Portfolio divestment of €119.7 Mn is included, although it occurred in Q3 2018.
## Consolidated Income Statement (€ Millions)

<table>
<thead>
<tr>
<th></th>
<th>RECURRING³</th>
<th>Chg% H1 2018/17</th>
<th>NON-RECURRING³</th>
<th>Chg% H1 2018/17</th>
<th>TOTAL³</th>
<th>Chg% H1 2018/17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H1 2018</td>
<td>H1 2017</td>
<td>H1 2018</td>
<td>H1 2017</td>
<td>H1 2018</td>
<td>H1 2017</td>
</tr>
<tr>
<td>Rental Income</td>
<td>39.8</td>
<td>37.5</td>
<td>-</td>
<td>-</td>
<td>39.8</td>
<td>37.5</td>
</tr>
<tr>
<td>Other Income</td>
<td>2.5</td>
<td>1.0</td>
<td>-</td>
<td>-</td>
<td>2.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Property Operating Expenses</td>
<td>(7.7)</td>
<td>(6.3)</td>
<td>-</td>
<td>-</td>
<td>(7.7)</td>
<td>(6.3)</td>
</tr>
<tr>
<td>Base Fee</td>
<td>(4.3)</td>
<td>(4.5)</td>
<td>-</td>
<td>-</td>
<td>(4.3)</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Gain/(Loss) on Disposal of Investment Properties</td>
<td>-</td>
<td>-</td>
<td>3.3</td>
<td>-</td>
<td>3.3</td>
<td>-</td>
</tr>
<tr>
<td>Property Operating Result¹</td>
<td>30.2</td>
<td>27.7</td>
<td>3.3</td>
<td>-</td>
<td>33.5</td>
<td>27.7</td>
</tr>
<tr>
<td>Corporate Expenses</td>
<td>(0.6)</td>
<td>(1.4)</td>
<td>(1.0)</td>
<td>(1.2)</td>
<td>(1.6)</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Other Results</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.7</td>
<td>-</td>
<td>0.7</td>
</tr>
<tr>
<td>EBITDA²</td>
<td>29.6</td>
<td>26.3</td>
<td>2.3</td>
<td>(0.5)</td>
<td>31.8</td>
<td>25.8</td>
</tr>
<tr>
<td>Changes in the Fair Value</td>
<td>-</td>
<td>-</td>
<td>42.7</td>
<td>46.9</td>
<td>42.7</td>
<td>46.9</td>
</tr>
<tr>
<td>Amortisation Expenses</td>
<td>(0.1)</td>
<td>-</td>
<td>-</td>
<td>(0.1)</td>
<td>-</td>
<td>0.7</td>
</tr>
<tr>
<td>EBIT²</td>
<td>29.5</td>
<td>26.3</td>
<td>45.0</td>
<td>46.4</td>
<td>74.5</td>
<td>72.7</td>
</tr>
<tr>
<td>Financial Result</td>
<td>(7.0)</td>
<td>(4.5)</td>
<td>-</td>
<td>(7.0)</td>
<td>(4.5)</td>
<td></td>
</tr>
<tr>
<td>Share in Profit/ (Loss) for the Period of Equity-Accounted Companies</td>
<td>(0.5)</td>
<td>(0.7)</td>
<td>-</td>
<td>(0.5)</td>
<td>(0.7)</td>
<td></td>
</tr>
<tr>
<td>EBT²</td>
<td>22.0</td>
<td>21.1</td>
<td>45.0</td>
<td>-</td>
<td>67.0</td>
<td>67.5</td>
</tr>
</tbody>
</table>

### Profit for the Period (Pre Divestment/Performance Fee)

|                          | H1 2018      | H1 2017          | H1 2018        | H1 2017          | H1 2018      | H1 2017         |                  |
|--------------------------|--------------|------------------|----------------|------------------|--------------|-----------------|                  |
| FFO (EBITDA – Financial Result)¹ | 22.0        | 21.1             | 22.6           | 21.8             | 24.8         | 21.3            | +16.4%           |
| % FFO Annualized Yield /NAV | 4.6%        | 5.1%             | 5.1%           |                  | 5.1%         | 5.0%            |                  |
| Performance Fee (Non-cash accrued provision) | - | - | (5.3) | (2.6) | (5.3) | (2.6) |                  |
| Divestment Fee (One–off due to Assets sold during 2018) | - | - | (17.9) | (17.9) |                |                  |
| **Profit for the Period** (Post Divestment/Performance Fee) | 22.0 | 21.1 | 21.8 | 43.8 | 43.9 | 64.9 |                  |

1. On 18 July the logistics portfolio was sold for circa €119.7 Mn. This divestment will have a positive impact of approximately €17 Mn on the Group’s operating profit.
2. Pre divestment fee
3. May not foot due to rounding
ESG - Asset Management & Environment

1. Responsible asset management focused on consumptions and emissions

Promoting **sustainability certification measures**, encouraging the use of new technology to **improve our assets’ environmental quality and management**

Lar España is improving the environmental performance of its shopping centres and offices and increasing the environmental awareness of its tenants. Implementing measures in its assets in:

- Water
- Electricity
- Gas/Diesel
- Additional environmental measures

2. Accessibility

Working to achieve and maintain high accessibility standards that will allow everyone to be able to access its properties correctly and comfortably, taking into account existing problems.

- 87% retail assets & 80% offices audited
- **Lagasca99: Excellent accessibility Technical Building Code (TBC)**

3. Society-based initiatives

- >1,100 social and environment awareness days held in our shopping centres
- >65 NGOs and foundations
- >16,000kg of food has been collected
- >EUR300,000 invested in social initiatives and collaboration projects
- >35,500kg of clothing has been donated

commitment to promoting social integration
ESG - Corporate Governance

Risk Control & Management System

Integrated enterprise risk management (ERM) system designed to mitigate the risks exposure

ERM system involves all Lar España’s staff and supervising of third parties responsible for outsourced services

Risk management performed by specialist service providers

✓ Investment and asset management
✓ Preparation of the organisation’s finance-tax information
✓ Half-yearly asset appraisals

Risk Map: the ERM system categorises risk into high, medium and low. Risk tolerance determination system reviewed at least annually

Response and monitoring plans

✓ Less critical risks. Rationalisation and optimisation
✓ Risks assessed to be of medium importance. Assessment and surveillance
✓ Risks deemed highly critical. Exhaustive analysis

Ethics and Compliance

To guarantee ethical conduct and enforce regulatory compliance

1. Code of Conduct and Whistle-blowing Channel
2. Crime prevention model
Appendix 1
# Retail Assets

<table>
<thead>
<tr>
<th>Asset</th>
<th>Market Value (Jun 2018)</th>
<th>GLA (Sqm)</th>
<th>Acquisition Date</th>
<th>Acquisition Price</th>
<th>EPRA NIY</th>
<th>Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Megapark Bilbao</td>
<td>€217.9 Mn</td>
<td>83,379</td>
<td>19 Oct ‘15</td>
<td>€178.7 Mn</td>
<td>5.4%</td>
<td>91.9%</td>
</tr>
<tr>
<td>Gran Vía Vigo</td>
<td>€165.0 Mn</td>
<td>41,446</td>
<td>27 Oct ‘17</td>
<td>€141.0 Mn</td>
<td>5.6%</td>
<td>98.6%</td>
</tr>
<tr>
<td>P. Marina Alicante</td>
<td>€122.5 Mn</td>
<td>40,158</td>
<td>15 Sep ‘16</td>
<td>€89.2 Mn</td>
<td>5.8%</td>
<td>95.3%</td>
</tr>
<tr>
<td>El Rosal Ponferrada</td>
<td>€109.0 Mn</td>
<td>51,155</td>
<td>30 Oct ‘14</td>
<td>€87.5 Mn</td>
<td>5.8%</td>
<td>95.3%</td>
</tr>
<tr>
<td>A nec Blau Barcelona</td>
<td>€95.9 Mn</td>
<td>28,617</td>
<td>9 Jun ‘15</td>
<td>€80.0 Mn</td>
<td>4.8%</td>
<td>89.0%</td>
</tr>
<tr>
<td>As Termas Lugo</td>
<td>€85.6 Mn</td>
<td>35,127</td>
<td>30 Mar ‘16</td>
<td>€68.8 Mn</td>
<td>5.7%</td>
<td>95.1%</td>
</tr>
<tr>
<td>Lagoh Seville Development</td>
<td>€88.5 Mn</td>
<td>100,000³</td>
<td>28 Jul ‘15</td>
<td>€40.5 Mn</td>
<td>&gt;8%⁴</td>
<td>-</td>
</tr>
<tr>
<td>Abadía Toledo</td>
<td>€80.9 Mn</td>
<td>43,154</td>
<td>7 Jul ‘15</td>
<td>€77.1 Mn</td>
<td>5.8%</td>
<td>98.9%</td>
</tr>
</tbody>
</table>

1. As of March 2018 and based in EPRA standards
2. The property is undergoing significant refurbishments meaning that some units are being vacated temporarily
3. Retail and family leisure space
4. Expected Yield on Cost based on company’s estimates
### Retail Assets

<table>
<thead>
<tr>
<th></th>
<th>Rivas</th>
<th>Albacenter</th>
<th>Vistahermosa</th>
<th>Vidanova Parc</th>
<th>Other Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Madrid</td>
<td>Albacete</td>
<td>Alicante</td>
<td>Valencia</td>
<td>Development</td>
</tr>
<tr>
<td><strong>Market Value</strong></td>
<td>€65.4 Mn</td>
<td>€57.9 Mn</td>
<td>€49.7 Mn</td>
<td>€35.8 Mn</td>
<td>€103.0 Mn</td>
</tr>
<tr>
<td><strong>GLA (Sqm)</strong></td>
<td>36,726</td>
<td>27,890</td>
<td>33,550</td>
<td>44,137</td>
<td>44,888</td>
</tr>
<tr>
<td><strong>Acquisition Date</strong></td>
<td>6 Feb ´18</td>
<td>30 Jul ´14</td>
<td>16 Jun ´16</td>
<td>3 Aug ´15</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Acquisition Price</strong></td>
<td>€61.6 Mn</td>
<td>€39.9 Mn</td>
<td>€42.5 Mn</td>
<td>€14.0 Mn</td>
<td>€87.0 Mn</td>
</tr>
<tr>
<td><strong>EPRA NIY</strong></td>
<td>5.7%</td>
<td>5.9%</td>
<td>5.6%</td>
<td>&gt;9%²</td>
<td>6.9%</td>
</tr>
<tr>
<td><strong>Occupancy Rate</strong></td>
<td>97.4%</td>
<td>94.0%</td>
<td>92.2%</td>
<td>-</td>
<td>97.2%</td>
</tr>
</tbody>
</table>

1. As of June 2018 and based in EPRA standards
2. Expected Yield on Cost based on company’s estimates
3. Includes 22 retail units, Txingudi and Las Huertas
## Offices and Residential

### Offices

**Market Value (Jun 2018):** €97.5 Mn<sup>1</sup>

**GLA (Sqm):** 23,816

**Acquisition Date:** NA

**Acquisition Price:** €51.4 Mn

**EPRA NIY<sup>1</sup>:** 0.2%

**Occupancy Rate<sup>1</sup>:** 63.3%

### Residential

**Lagasca99**

**Market Value (Jun 2018):** €188.0 Mn<sup>2</sup>

**GLA (Sqm):** 26,203

**Acquisition Date:** 30 Jan ’15

**Acquisition Price:** €50.1 Mn<sup>3</sup>

**Construction Period:** 2016-2018

**Commercialization rate:** 86%

---

1. As of June 2018 and based in EPRA standards
2. Valuation for 100% of the development (50% owned by Lar España)
3. Cost of land + urbanization costs. Corresponds to the 50% of the JV with Pimco
Appendix 2
Highlights of the Investment Management Agreement

1. Alignment with current Business Plan
2. Provides continuity and certainty
3. Lower management fee
4. Fee partially linked to market capitalisation
5. Performance fee capped
6. Removal of promote equalisation
7. Enhanced Corporate Governance

UNAMINOSLY APPROVED by the seven members of the Board (5 independent + 2 proprietary)

FOUR YEAR TERM effective from 1 January 2018

Aligned with the Business Plan period (2018-2021)

Best-in-class practices across European REITs
External management by Grupo Lar continues to be the optimal strategy for Lar España

Retail property requires skilled, hands-on management...

**Operationally Intensive**
- Granular unit configuration and diverse tenant base
- Requires greater time and skill than other asset classes (e.g. offices, logistics)

**Active Management**
- 60% of value uplift\(^1\) to date has resulted from active asset management
- Active asset management will continue to be key to delivering returns in the coming years

**Responding to Change**
- Retail sector facing new market demands
- Essential to innovate and adapt to ensure enduring appeal to retailers and consumers

...which Grupo Lar is uniquely qualified to provide

**Scale**
- Lar España can draw upon the expertise of Grupo Lar’s investment professionals
- External management provides scalability and cost-efficiency

**Expertise**
- Grupo Lar has over 45 years of experience in the Spanish property market
- Full range of expertise through sourcing, investing, developing and managing across sectors and retail in particular

**Profitability**
- Access to extensive platform allowing Lar España to pursue accretive opportunities
- Relevant savings for Lar España since the agreement will take effect 15 months before the previous agreement ends

---

1. In accordance with last independent appraisal as of December 2017.
Recognitions
Recognitions

2018 EPRA BPR & sBPR Awards

First SOCIMI to be awarded with the "EPRA GOLD AWARD" in Financial Reporting for the 4th consecutive year

Recognized with the "EPRA Gold Award" in Sustainability Best Practices

Since June 2015: Member of FTSE EPRA/Nareit Global Estate Index

Sustainability Certification

ISO 9001 – certified quality management systems

Health and safety management system endorsed by the OHSAS 18000 regulation

The certificate guaranteeing the renewable origin of the power used (issued by the CNMC, Spain’s anti-trust authority and energy sector watchdog)

Accessibility Certification

BREEAM® Certification

8 BREEAM “Very Good” In-Use certification

El Rosal
Vistahermosa
Gran via
Anec Blau
Megapark
As Termas
Albacenter
Portal de la Marina

Eloy Gonzalo office building: Refurbishment project certified with the AENOR Universal Accessibility certification¹

Lar España received recognition from ILUNION Technology and Accessibility in October 2017 for its initiatives and projects aimed at improving universal accessibility

1. Provisional until completion of the building works
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