



The REIT
for the new retail world!

9M 2022 BUSINESS UPDATE

21st November 2022



Contents

1

Highlights

2

Financial
information
and ESG

3

Closing
remarks

Presenting Team



Jon Armentia
Corporate Director and
CFO of Lar España

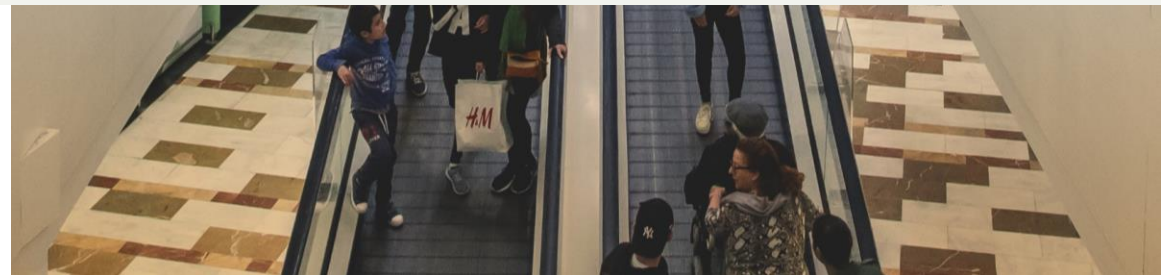


Hernán San Pedro
Investor Relations and
Corporate Communication
Director of Lar España



Highlights

1



Despite the macro environment, we have achieved major milestones so far this year

PRESENTATION OF OUR NEW BUSINESS PLAN

- **>€ 500 Mn investment** to consolidate our leadership in retail
- **Rotation of up to c.a.30%** of current assets to optimize the portfolio
- We expect **c.a.7% average growth** per annum during the BP Period (2022-2025)

FITCH AFFIRMS LAR ESPAÑA'S RATINGS AT "BBB"

- Fitch Ratings affirmed **Long-Term Issuer Default Rating (IDR)** and **senior unsecured rating** at 'BBB'
- The **Outlook on the IDR** is **Stable**
- Lar España maintains the **highest rating in its segment**

FitchRatings

DISTRIBUTION OF A € MN 30 DIVIDEND

- A **dividend of 0.36 euros** per share for a total of 30 million euros.
- It represents a **yield per share of 7%**, 30 bps higher than that paid the previous year.

LAST VALUATIONS REMAIN STABLE¹

- **+53.6% revaluation** since the acquisition
- **+4.1% revaluation** since June 2021
- **+3.2% revaluation** since December 2021

¹ Excluding CAPEX the figures would be +20.5%, +3.3% and 2.9% respectively

The company continues to be well prepared for major uncertainties



Rents

Strong results.
GRI +7.2%¹ vs 9M 2021
Effort rate including all
the expenses: 9.3%



Occupancy

Increase of occupancy levels
with ca. 100% agreements with
retailers already signed and no
relevant losses in the tenant mix.



Portfolio

100% refurbished.
Solid valuation of the assets.
Stable occupancy 95% in
2018-2022



Essential activities

Higher exposure to food and
other essential activities:
about 25%.



Retailers

We strengthened our
commitment and relationship
with retailers.



Inflation

100% of tenant contracts are
indexed to the CPI.
The average ticket of our centers
is medium/low.



Interest rates

All our financial debt is at a
fixed rate (1.8%) and with
maturities beyond 2026.



Debt structure

Improved capital structure
through issuance of 2 green
bonds, extending maturity and
improving cost of debt.



Energy

All energy costs are passed on to
tenants.
See ESG slide for further
information.



Business Plan

We reinforced our business plan,
its implementation and
communication.
We expect ca. 7% average
growth per annum in GRI and
GAV.

¹ Like for Like (excluding 22 supermarkets portfolio)

And Lar España has proven to be a resilient company

Footfall 9M 2022: 58.6 Mn of visits



-6.7%¹
vs 9M 2019 LfL

+4.3%
vs 9M 2019

+9.9%
vs 9M 2021 LfL

Sales 9M 2022: €730.2² Mn



+10.1%¹
vs 9M 2019 LfL

+16.0%
vs 9M 2021 LfL



-0.9%³
vs 9M 2019

+1.6%³
vs 9M 2021

¹ Like for Like excluding Lagoh

² Declared sales

³ Big Retail Surfaces Index

As these operating indicators show



Having a great leasing performance



In short, a quarter of strength

GRI

€ 64.1 Mn

+7.2%¹ vs 9M 2021

NOI

€ 55.4 Mn

+10.4%¹ vs 9M 2021

NET PROFIT

€ 68.4 Mn

5x vs 9M 2021

NET LTV

38.9%

-5.8% vs 9M 2021

¹ Like for Like (excluding 22 supermarkets portfolio)



Financial information & ESG

2



9M 2022 Financial Results

GRI

€64.1Mn
+7.2%¹ vs 9M 2021

NOI

€55.4Mn
+10.4%¹ vs 9M 2021

NET PROFIT

€68.4 Mn
5x vs 9M 2021

EPRA EARNINGS p.s.

€0.33
+42% vs 9M 2021

EPRA NTA p.s.

€10.88²
+5% vs Dec 2021

GAV

€1,474 Mn

WAULT

2.6 years

EPRA “TOPPED-UP” NIY

6.0%

OCCUPANCY

95.4%

COLLECTED RENTS

97%

¹ Like for Like (excluding 22 supermarkets portfolio)

² When analyzing the evolution of this measure it is important to take into account the dividend paid Q2 2022 (0.36€ p.s.)

9M 2022 Corporate Results

DIVIDEND

€30.0 Mn

€0.36 p.s. paid dividend

DIVIDEND YIELD OVER MARKET CAP

7.0%

LIQUIDITY

ca. €200¹ Mn

NET LTV

38.9%

AVERAGE COST OF DEBT

1.8%

100% debt at fixed rate.
Maturities beyond 2026

GREEN BOND ISSUANCES

July 2021

€400 Mn

1.75% Interest rate

Nov. 2021

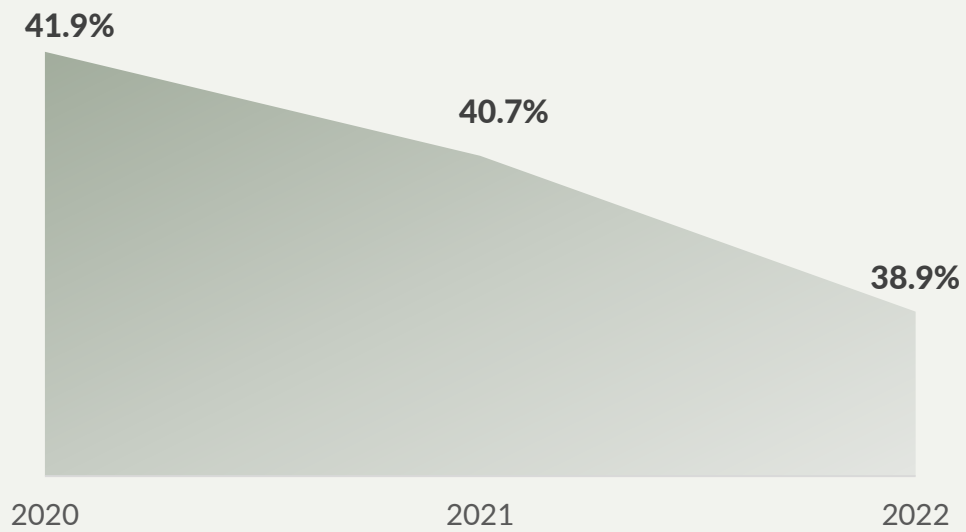
€300 Mn

1.84% Interest rate

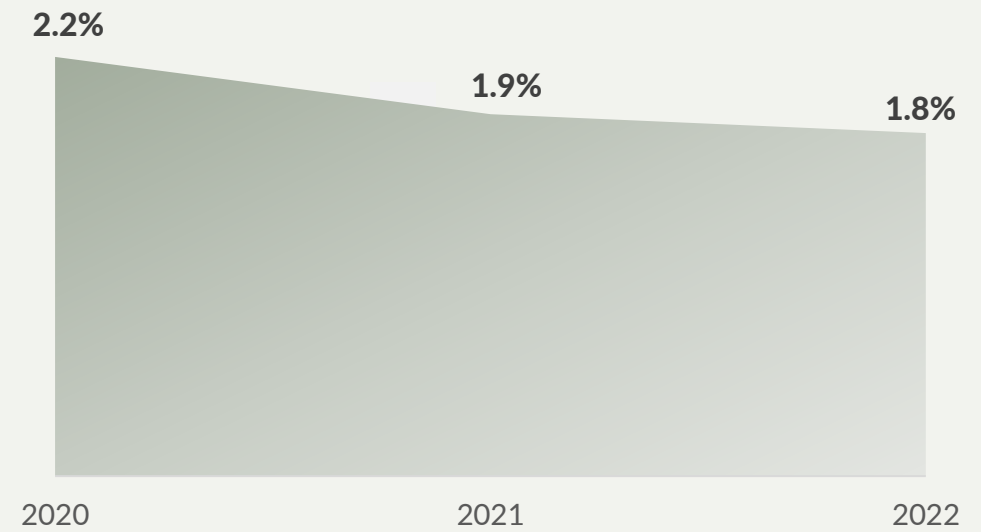
¹ Not included the credit facility of €30 Mn

Debt evolution

Net LTV (%) Evolution



Average cost of debt (%) Evolution



With the best in class practices in ESG

EMISSIONS PER VISITOR

Scope 1 + 2 + 3

-67.0% vs H1 21

ENERGY INTENSITY PER VISITOR

-9.2% vs H1 21

WASTE RECYCLED

+16.5% vs H1 21



G R E S B

For the fifth year running, Lar España has taken part in the 2021 **GRESB assessment**. Achieving a score of **85** meaning a **+8%** vs Peer Average and obtaining the maximum score for the **Management part**, on which Lar España has full control.



Carbon Footprint Registration

2018, 2019, 2020 & 2021

Lar España **registered its carbon footprint**, of 2021 with MITERD, completing 4 years to being eligible for 'Reduzco' label. The company also submitted its **Emissions Reduction Plan** to the Ministry as another step towards carbon neutrality.



ISO 14001 & 45001 Environmental certifications.

Since achieving ISO 14001 & 45001 status for the As Termas and Megapark in 2020, the company has been working to extend this certification to the rest of the portfolio in 2022.



MSCI has **ratified and confirmed** their **BBB** ESG Rating for Lar España Real Estate.

BBB MSCI ESG Rating



In September 2022 and for the **8th** consecutive year, Lar España has been awarded the **EPRA Gold Award** for the quality of financial information. We have also been awarded the **EPRA Gold Award** for the quality of our ESG information for the **5th** consecutive year.



Achieved in 2022, **100%** of the company's assets are currently **BREEAM-certified, 93%** of them with an 'Excellent' or 'Very Good' rating.

3 Excellent

10 Very Good

1 Good

Renewal of the Commitment to the **UN Global Compact and SDG goals**.



➤ Lar España has entered in the **SDG Ambition Programme**, an accelerator initiative that aims to challenge and support participating companies of the UN Global.

➤ Furthermore, the company is currently working to develop an overarching **Action Plan**, this shows our commitment to align the company's sustainability strategy with UN Agenda 2030.

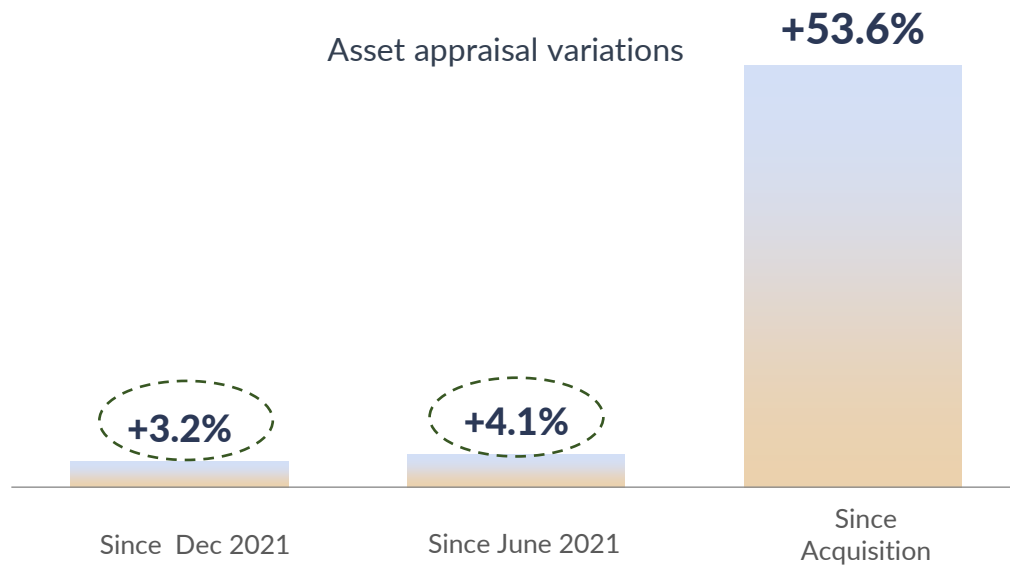
15

Stable valuations

30th June 2022 Valuation
€1,470 Mn

Including Capex Invested

Asset appraisal variations



A **resilient** portfolio of **dominant** shopping centers and retail parks in attractive catchment areas

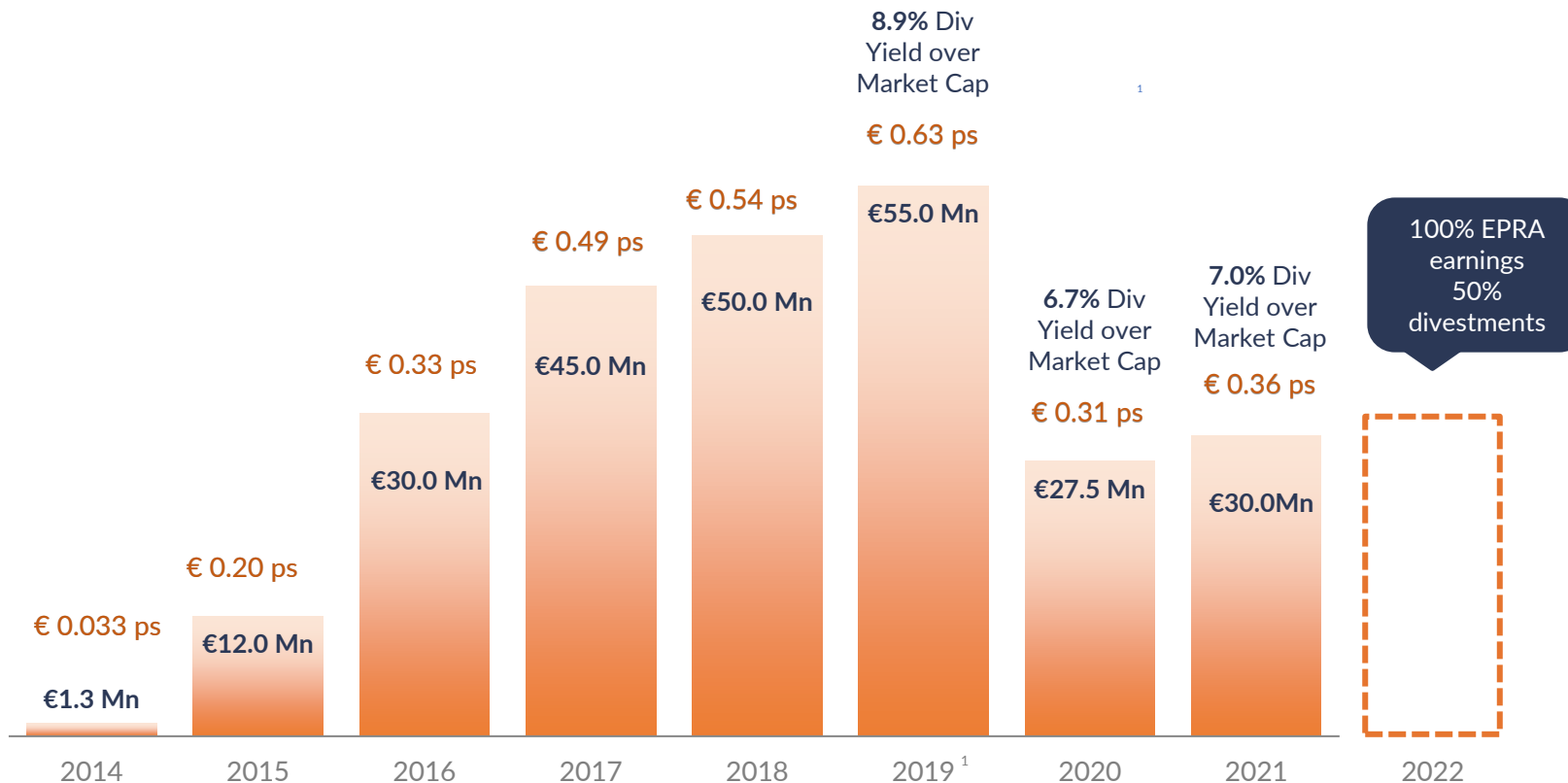
Cherry picked assets carefully selected without acquiring portfolios

Assets c.**100% owned**, delivering flexibility, control and full decision capacity

Solvent and **diversified tenant base** with a WAULT of 2.6 years and close medium-and long-term relationships

Active management with last trends in technology, omnichannel strategy and customer knowledge experience

Attractive dividend: Maintained despite Covid-19 and macro environment



CAGR (Compound Average Growth Rate) 2014-2021
41%

7.0% dividend yield on market cap Dec 2021
(Among the leading Spanish in terms of shareholder remuneration)

Dividend is slightly recovering from COVID-19 pandemic impact (+16.1% vs 2020)

¹ Dividend: +€25 Mn in extraordinary dividend
Market Cap at December 31st

P&L 9M 2022

Consolidated Income Statement 9M 2022 (€ Thousands)	9M 2022	9M 2021	
	Total		Var %
Revenues	61,830	58,354	
Other Income	2,263	2,053	
Total Income	64,093	60,407	+6%
Personnel expenses	(690)	(416)	
Other expenses	(19,854)	(24,409)	
Changes in the Fair Value of investment properties	41,055	(7,564)	
Results from Divestment	-	9	
EBIT	84,604	28,027	3x
Financial Result	(11,910)	(16,197)	
Changes in the Fair Value of financial instruments	(4,336)	865	
EBT	68,359	12,695	5x
Income Tax	-	1,623	
Profit/(Loss) for the Period	68,359	14,318	5x



The REIT
for the new retail world!



Closing remarks

3



Lar España strengths: Operating results, corporate performance and healthy balance sheet

Resilient through cycles

Sales

+16.0% vs 9M 2021
+10.1%¹ vs 9M 2019

Strong operating results

GRI +7.2% vs 9M 2021
NOI +10.4% vs 9M 2021
Net profit 5x vs 9M 2021

Sound balance, moderate debt & strong cash position

Net LTV 38.9%
ca. €200² Mn of liquidity

Innovative, with focus on omnichannel

Click&Shop strategy and project implemented

Truly committed to value creation & shareholder profitability

€30 Mn dividend paid in May

Business Plan in accordance with the current situation

Total Annual Return Target of >10%³

¹ Like for Like excluding Lagoh.

² Not included the credit facility of €30 Mn

³ EPRA NAV/NTA growth + Dividend



www.larespana.com