



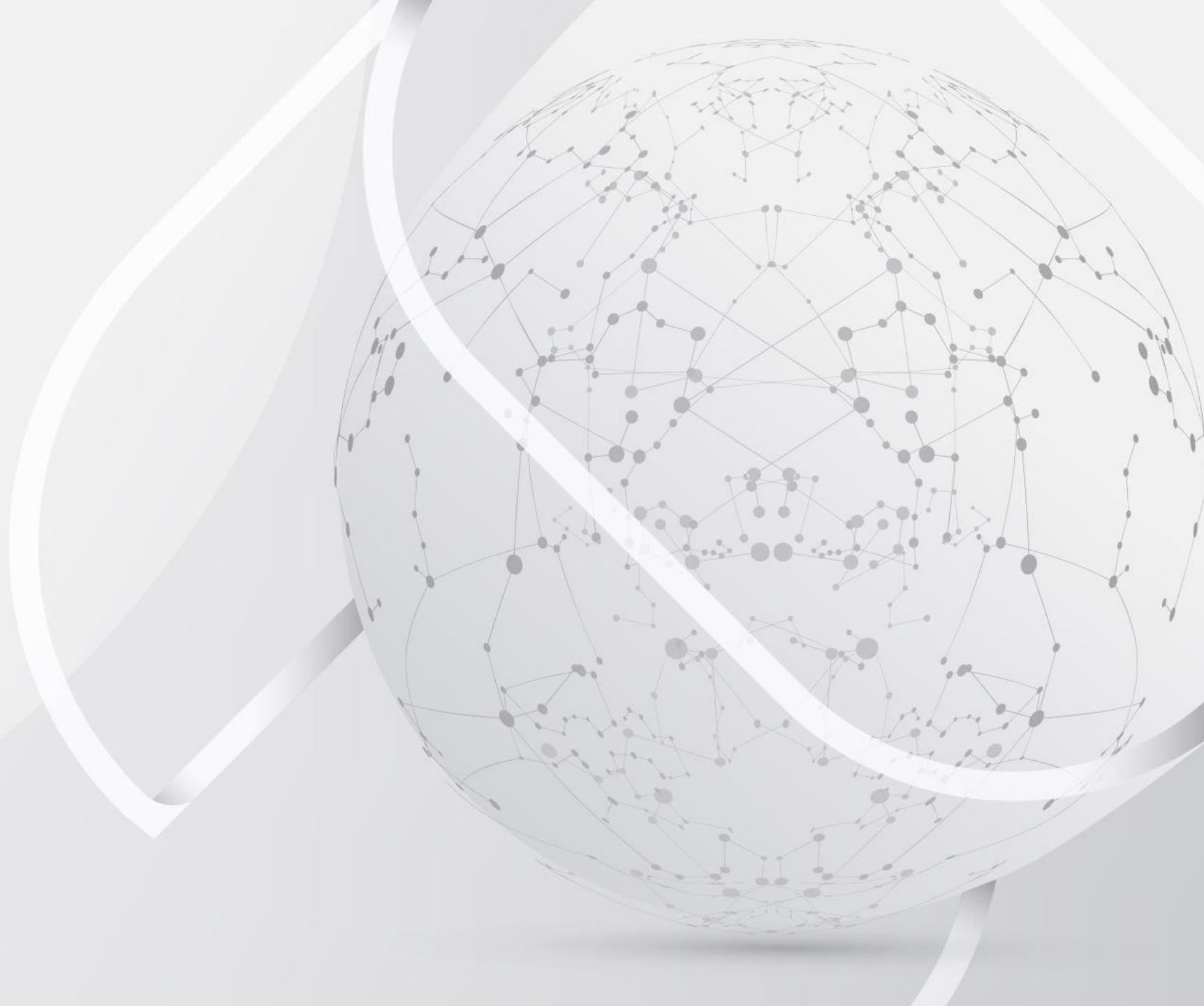
Real Estate

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H1 2020 RESULTS

29-July-2020

www.larespana.com



Index

1.

COVID-19
Update
situation

2.

H1 2020
Highlights

3.

H1 2020
Financials &
ESG

4.

H1 2020
Operating
results

5.

H1 2020
Closing
remarks





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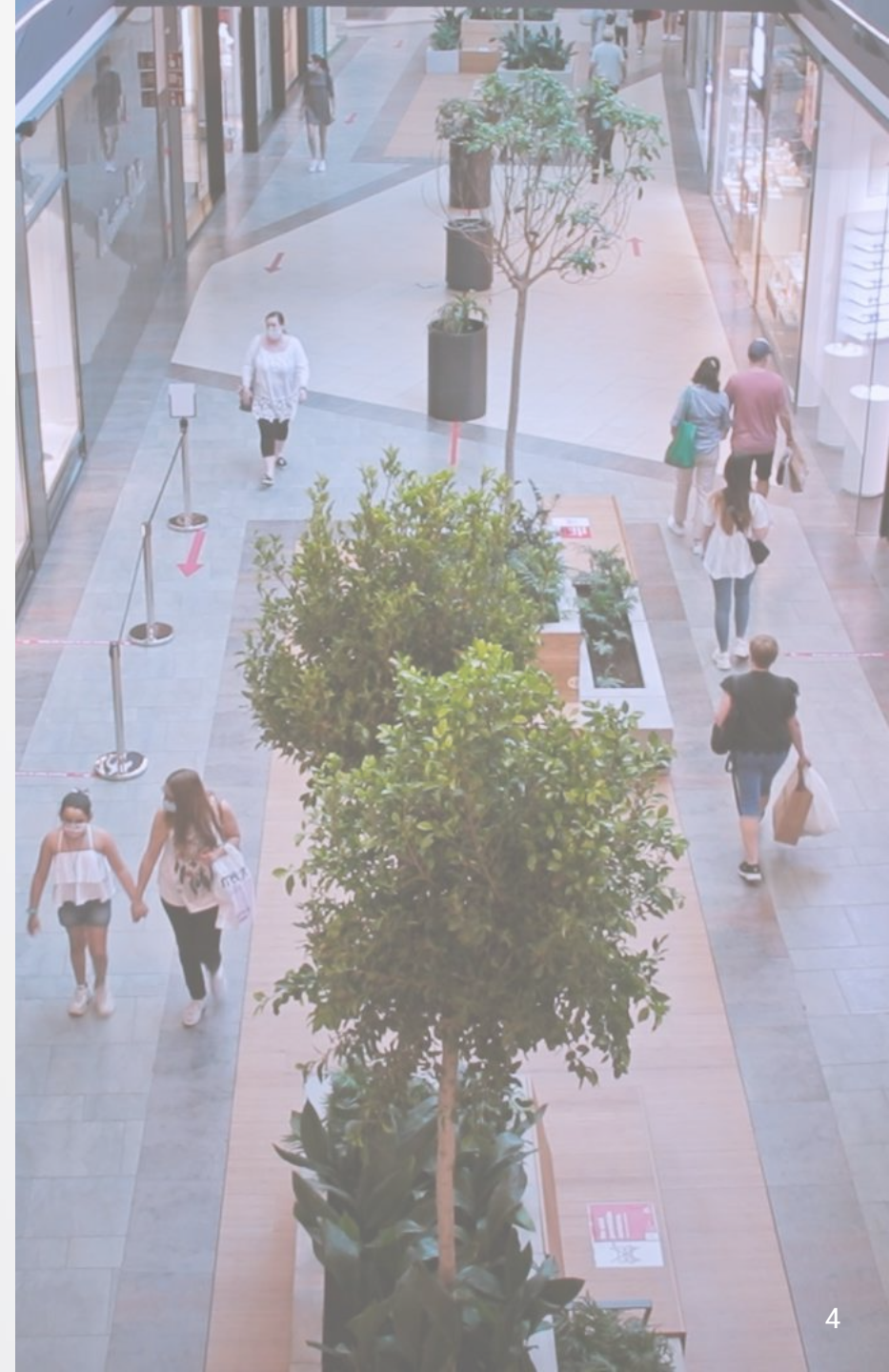
01

COVID-19 UPDATE SITUATION



COVID-19 effects

- I Business model**
- II GLA and visitor numbers**
- III Protected portfolio**
- IV Effects in valuations and balance sheet**
- V Estimated impact**



I. Solid business model to overcome current situation

**100% ASSETS
OPENED AND IN
OPERATION**

**DIFFERENTIATED,
DOMINANT AND SAFE
ASSETS IN EACH
LOCATION**

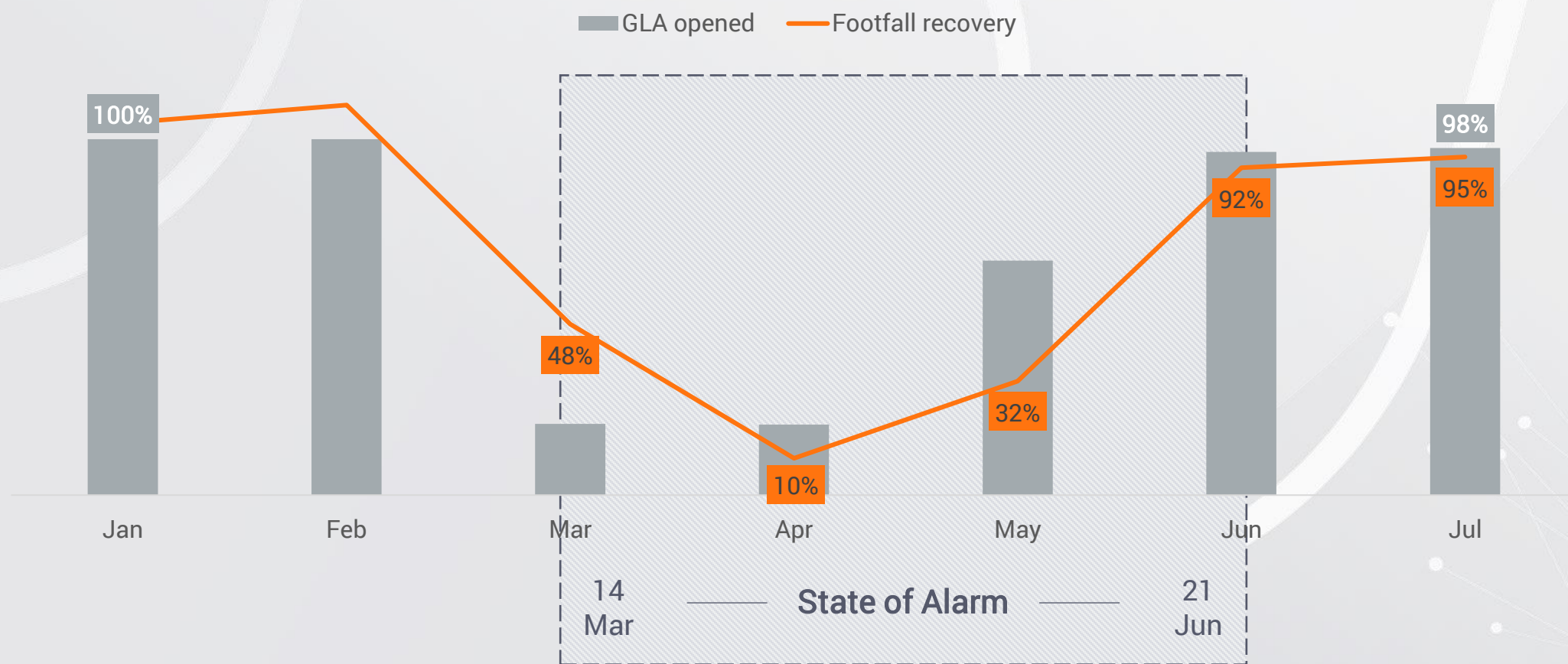
- Lar España assets are in a position to guarantee all health-hygiene safety, social distancing and customer communication measures.
- Pioneering COVID certification with SGS to guarantee hygiene safety in all our assets.
- Large spaces to avoid unnecessary crowding, the best environmental and accessibility practices and cutting-edge technology.
- The refurbishments and improvements carried out in recent years means they are now far better-equipped to meet these new requirements.

**CAPACITY TO ASSUME
THIS SCENARIO:
STRESS PLANS
APPLIED TO ANNUAL
BUSINESS MODEL
WITH A
SATISFACTORY
RESULT**

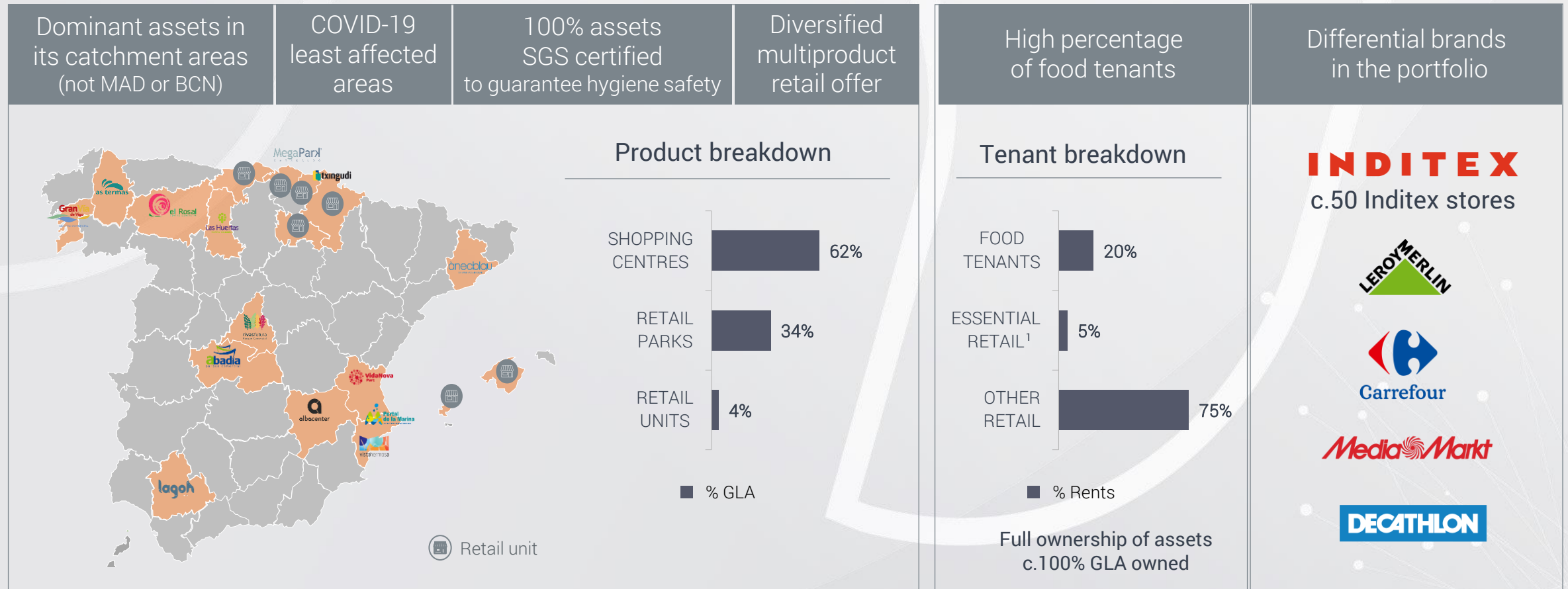
**SOLID COMPANY WITH
A STRONG FINANCIAL
STRUCTURE**

- Net LTV: 41%.
- Avg. cost of debt: 2.1%.
- 84% fixed rate and no relevant maturities in the next 2 years.
- Cash position: c.€140 Mn.
- Cash strength to cover all the company's expenses, including financial costs, in the next 4 years.

II. Positive pickup in GLA opened and visitor numbers



III. Protected portfolio with an optimal activity mix, dominance and solid tenants



1. Includes pharmacies, tech tenants and pet stores, among other.

IV. COVID-19 effects (valuations and balance sheet)

Effect on valuations			Effect on balance sheet		
	vs Jun 19	vs Dec 19	+24.4% increase in rental income +65.5% recurring profit increase isolating the valuations' impact		
			H1 2020	H1 2019	Chg% Recurring H1 20/19
Including Capex Invested	+3.7%	(2.9%)	Rental Income 47.9	38.5	+24.4%
Excluding Capex Invested	(2.0%)	(3.6%)	Changes in the Fair Value of investment properties (55.9)	14.0	
			Profit for the Period (28.7)	28.6	
			Recurring Profit for the Period 28.1	17.0	+65.5%

V. COVID-19 effects (agreements with tenants and estimated impact)

AGREEMENTS AND CONVERSATIONS WITH TENANTS

Agreements reached
85-90% GLA

Contracts >2024
+60%

Total rents
Q1 2020
€24.1 Mn

Total rents
Q2 2020
€23.8 Mn

Total rents
H1 2020
€47.9 Mn

+24.4%
vs H1 2019

	INVOICED RENTS	COLLECTED RENTS OVER INVOICED
January	100%	100%
February	100%	100%
March	100%	95%
April	25%	100%
May	25%	100%

ESTIMATED IMPACT OF COVID-19 IN P&L

Agreed rent reliefs
and deferrals
due to COVID
€15-17 Mn¹

Linear impact in P&L
during the duration of
each contract
(Avg. 7 -8 years)

e.Impact in P&L
FY 2020
<3%¹

1. Taking into account the agreements reached with tenants on 85-90% GLA. Calculation assuming no second lockdown and shopping centers remaining fully open in H2 2020.



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02

H1 2020 HIGHLIGHTS



Operational results in H1 2020



RESULTS

+27.2%
NOI vs H1 2019

+3.5%
LfL¹ NOI vs H1 2019

+60%
EBITDA
vs H1 2019

+82%
Adj. EPRA Earnings p.s.
vs H1 2019

1,506
GAV²

(2.9%) vs Dec 2019 **+3.7%** vs Jun 2019

€10.64
EPRA NAV
p.s.³



ASSETS

**Resilient operating
performance**
in sales and footfall

+8%
Rent uplift
leasing activity

95%
Occupancy⁴
30 Jun 2020

3.3 years
WAULT

1. Like for Like (excluding Lagoh shopping centre).

2. Information based on valuations carried out by independent valuers on 30 June 2020, reflecting the impact of the pandemic crisis and the declaration of the State of Alarm.

3. When analyzing this measure it is important to take into account the dividend paid in Q2 2020 (0.63€/share).

4. Ratio calculated according to EPRA recommendations.

Corporate results in H1 2020

 CORPORATE	<p>€55 Mn dividend¹ €0.63 p.s.</p> <p>Dividend paid</p>	<p>3rd SBB Programme maintained 5% share capital</p>	<p>c.€140 Mn liquidity Expenses covered over the next 4 years</p>	<p>Net LTV 41%</p> <p>Avg. cost of debt 2.1%</p>
 ESG	<p>100% Recommendations of the CNMV Good Governance Code complied</p>	<p>AENOR Univesal Accesibility Certification VidaNova Parc & Vistahermosa</p>	<p>100% Shopping centres BREEAM certified</p>	<p>100% Assets² SGS certified against COVID-19</p>

EPRA Gold Award - Financial Reporting



2015

2016

2017

2018

2019

EPRA Gold Award - Sustainability Reporting



2018

2019

1. Dividend paid on April 16th, 2020.
2. 100% assets fully owned.



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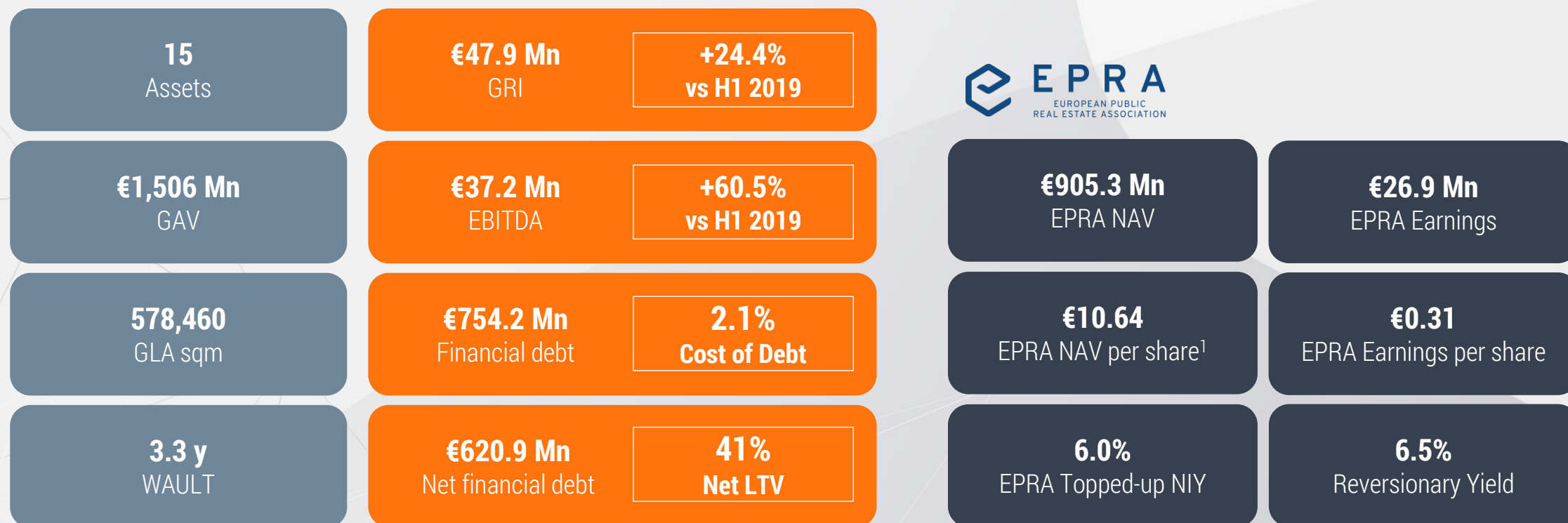
03

H1 2020 FINANCIALS & ESG



Financial key figures

delivered in H1 2020



1. When analyzing this measure it is important to take into account the dividend paid in Q2 2020 (0.63€/share).

Retail performance

delivered in H1 2020

Operating results

+23.6%
GRI

+27.2%
NOI

+4.1%
Minimum
guaranteed rent¹

(15.1%)
Non-recoverable
costs¹

+1.1%
LfL GRI¹

+3.5%
LfL NOI¹

95%
% Occupancy²

Commercial activity

€2.7 Mn
Negotiated rent

10,758 sqm
Rotated area

46
Operations

+8%
Rent uplift

1. Like for Like (excluding Lagoh shopping centre)
2. Ratio calculated according to EPRA recommendations.

Solid asset valuation with a minimum impact of COVID

Our assets make the difference in each of their locations

H1 2020 Valuation

€1,506 Mn

% Increase

(2.9%)

Dec 2019

3.7%

Jun 2019

Including Capex Invested

50.0%

Acquisition

- A resilient portfolio of dominant shopping centres in attractive catchment areas
- Cherry-picked portfolio, assets carefully analysed and selected without buying portfolios
- Assets c.100% owned, delivering flexibility, control and full decision capacity
- Solvent and diversified tenant base with a WAULT of 3.3 years and close medium- and long-term relationships
- Grupo Lar real estate experience of +50 years and proved retail management experience in past financial crisis

Consolidated Income Statement (€ Millions)

	H1 2020			H1 2019			Chg% Recurring H1 20/19
	Recurring	Non-Recurring	Total	Recurring	Non-Recurring	Total	
Rental Income	47.9	-	47.9	38.5	-	38.5	+24.4%
Other Income	1.1	-	1.1	1.2	-	1.2	
Personnel expenses	(0.2)	-	(0.2)	(0.2)	-	(0.2)	
Other expenses	(10.9)	(0.8)	(11.7)	(12.8)	(3.6)	(16.4)	
Property Operating Result	37.9	(0.8)	37.2	26.7	(3.6)	23.1	+41.9%
Changes in the Fair Value of investment properties	-	(55.9)	(55.9)	-	14.0	14.0	
EBIT	37.9	(56.7)	(18.7)	26.7	10.5	37.2	+41.9%
Financial Result	(9.8)	-	(9.8)	(9.7)	-	(9.7)	
Share in profit (loss) for the period of equity-accounted companies	-	(0.2)	(0.2)	-	1.2	1.2	
EBT	28.1	(56.8)	(28.7)	17.0	11.6	28.6	
Income Tax	-	-	-	-	-	-	
Profit for the Period	28.1	(56.8)	(28.7)	17.0	11.6	28.6	+65.5%

Notes:
May not foot due to rounding.
Information audited as at June 30th.

Financial pillars and liquidity

No significant maturities in the next two years

Expenses covered over the next 4 years

€ Mn

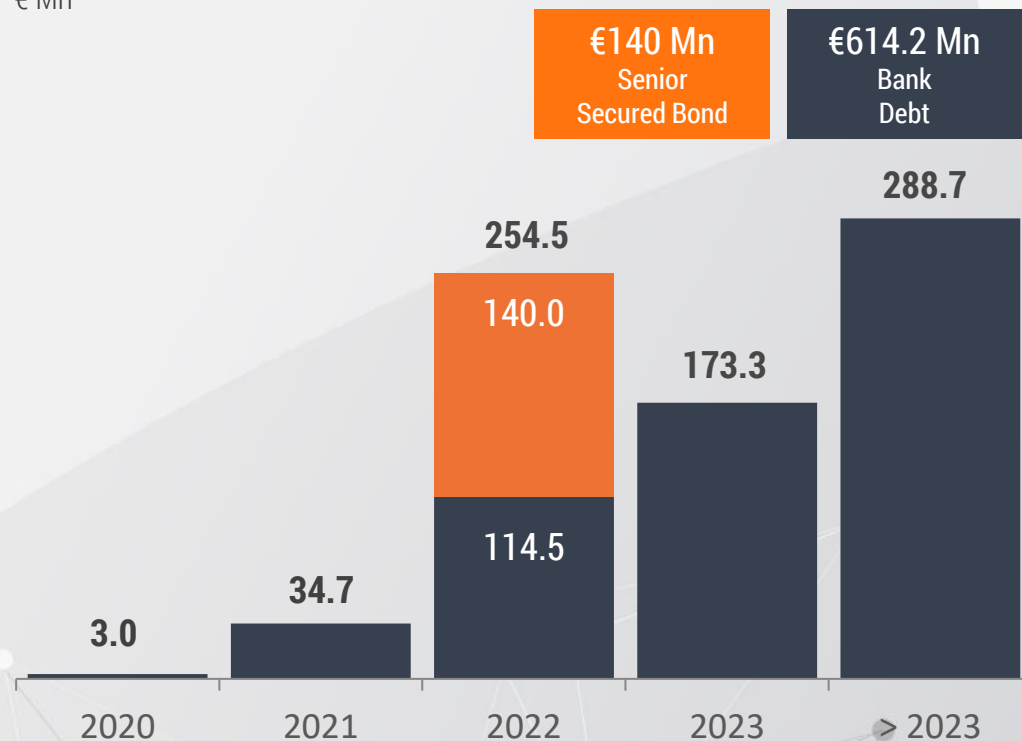
c.140

Cash after deducting 2019 dividend payment

Debt Structure and Amortization Profile

As at 30.06.2020

€ Mn



Gross financial debt
€754.2 Mn

Net financial debt
€620.9 Mn

Avg. debt maturity
3.4y

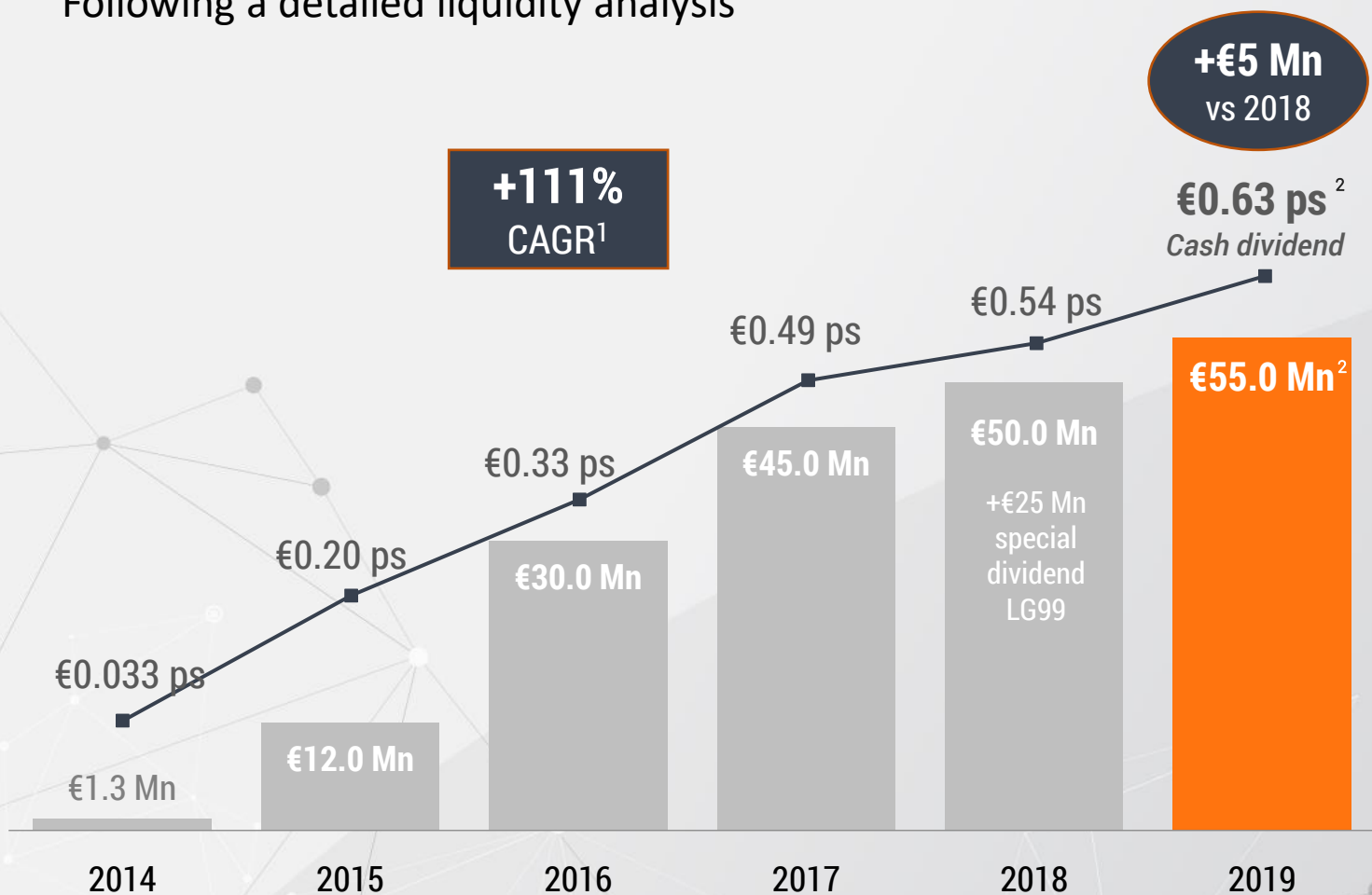
Fixed rate
84%

Net LTV
41%
Avg. cost of debt
2.1%

Covenants
100% complied

2019 dividend paid on April 16th, 2020

Following a detailed liquidity analysis



Among the leading Spanish listed companies in terms of direct shareholder remuneration

5.5%
Dividend Yield
on NAV³

8.9%
Dividend Yield
on Market Cap³

**IBEX
TOP DIVIDENDO**
Appointed in
2018, 2019 & 2020

10.14%
Return to
shareholders⁴

1. Compound annual growth rate
2. Dividend paid on April 16th
3. EPRA NAV and Market Capitalization as of December 31st, 2019
4. To calculate the rate of return, we use the growth per share (NAV + Dividend) over the financial year divided by EPRA NAV per share 31.12.2018

Similarly, capacity to maintain the current share Buy-Back Programme

57%¹ of targeted share capital already acquired

The purpose of the Buy-Back Programme is the further reduction of Lar España's share capital through the amortization of shares



1. As of 28/07/2020, calculated over the number of shares acquired.

Exemplary property management and good governance

Most stringent environmental, social & corporate governance standards

ENVIRONMENTAL COMMITMENT	SOCIETY COMMITMENT	CORPORATE GOVERNANCE
<p>Data automation in shopping malls Greater periodicity, greater data homogenization and time savings</p> <div data-bbox="206 839 856 972"> <div>Water</div> <div>Energy</div> <div>Waste management</div> <div>GHG emissions</div> <div>Sales/visits</div> </div>	<p>100% of the portfolio audited in Universal Accessibility (ILUNION) VidaNova and Vistahermosa RPs certified in Universal Accesibility 67% of the portfolio in process of certification in UNEEN170001 (AENOR)</p>	<p>United commitment against COVID-19</p> <ul style="list-style-type: none"> Grupo Lar has reduced its base fee. Lar España BoD has reduced its 2020 remuneration.
 <p>100% of SCs certified rated “Good” or “Very Good”</p>	 <p>COVID-19 protocol verification of control, safety and hygiene</p>	 <p>20% scoring annual improvement Working on GRESB assessment</p>



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H1 2020 OPERATING RESULTS



Resilient operating performance

Fast recovery of footfall and sales since the reopening

Sales¹
Jun 2020

Vs June 2019



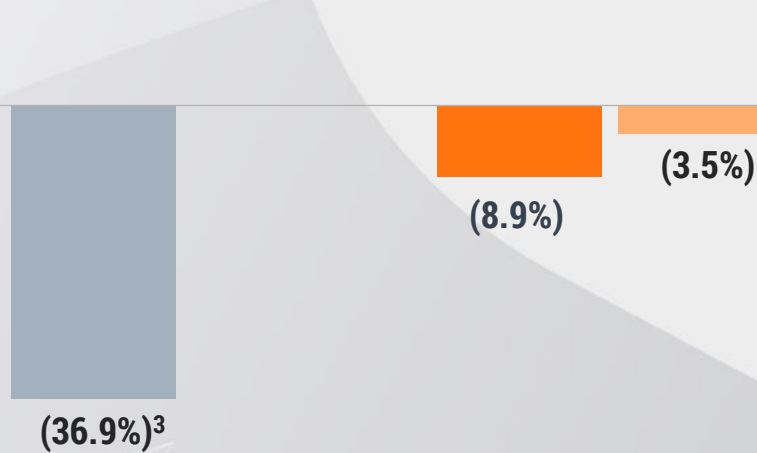
LfL²

Total



Footfall
Jun 2020

Vs June 2019



LfL²

Total



1. Declared sales
2. Like for Like (excluding Lagoh and Anec Blau shopping centres)
3. Shoppertrak Index

Solid, diversified and high-quality tenant base with long-term relationships

>60% of contracts with tenants have maturities beyond 2024

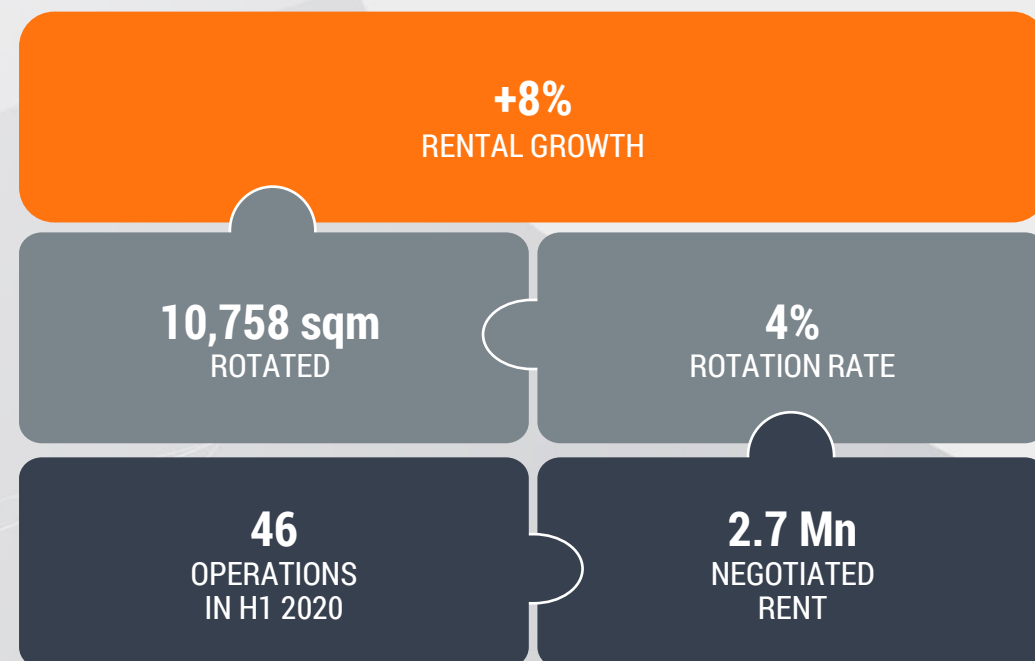
Solid ratios convey comfort to our retailers



Ten tenants that have generated the most revenue



Letting activity with 8% rental growth



1. Normalized effort rate as of February 2020.
2. Ratio calculated according to EPRA recommendations.

Capex programme nearly completed before health crisis

Ànec Blau & Megapark refurbishments completed during the State of Alarm and already fully reopened

Ambitious transformation plan completed

- Capex programme almost completed before the health crisis
- Assets c.100% owned, delivering flexibility, control and full decision capacity



Financial prudence in capex

- Remaining capex programme has been reduced to a minimum
- Decisions on projects in progress will be taken according to the time when activity begins to normalise

Ànec Blau & Megapark reopened after refurbishment

€10.8 Mn

Capex invested in H1 2020
Mainly in Ànec Blau and Megapark

- Completion of the refurbishment projects that were underway at Ànec Blau and Megapark during the State of Alarm



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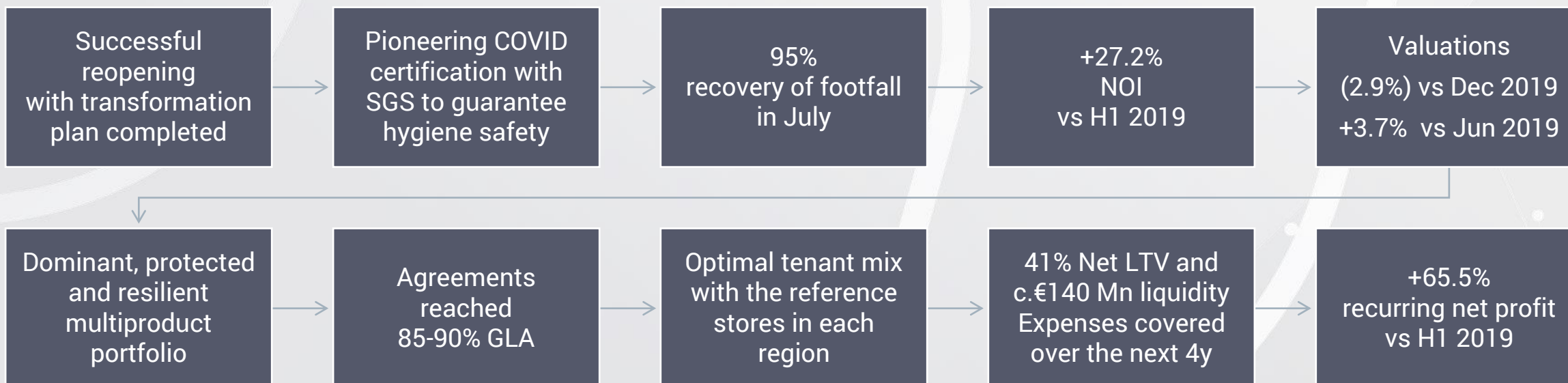
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H1 2020 CLOSING REMARKS



Closing remarks

Resistance capacity against unforeseen elements



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