



H1 2019 Results

29th July 2019

RETAIL
in action!



AGENDA

01

H1 2019
Highlights

02

H1 2019
Financial
Results

03

Business
Performance

04

Closing
Remarks



RETAIL
in action!

01

H1 2019 Highlights



RETAIL
in action!

Strong operational results in H1 2019



RESULTS

+168%
EBITDA
vs H1 2018

13.6%
Portfolio revaluation LfL
since June 2018

44.6%
Portfolio revaluation LfL
since acquisition

59.1%
Lagoh revaluation
since Dec 2018

445.5%
Lagoh revaluation
since Acquisition

€10.78
EPRA NAV p.s.¹

+2%
vs Q1 2019



ASSETS

**c.50% rental growth
potential**
From €75 Mn to €111 Mn
in retail rents

**14 quarters
outperforming the
Spanish market**
in sales and footfall

86 min
Avg. stay

Lagoh
98%²
of GLA signed & committed
95%²
of GLA delivered



CORPORATE

**€75 Mn dividend
paid on May 24th**
€0.80 p.s.

Dividend yield
11.7% over market cap³

100%
of shares from 1st SBB
programme amortized
(3,091,141 shares)

57%
2nd SBB programme
completed

Net LTV
33%
Avg. cost of debt
2.2%

1. When analyzing this measure it is important to take into account the dividend paid in Q2 2019 (0.80€/share).

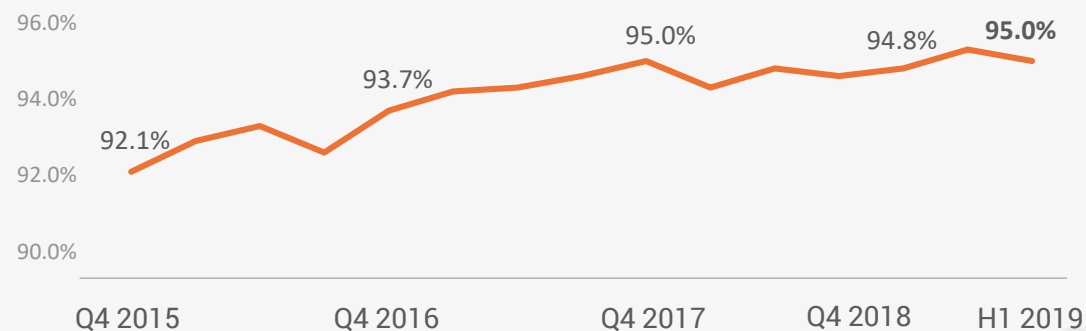
2. As of July 2019

3. Market cap at the end of the period (30 June 2019)

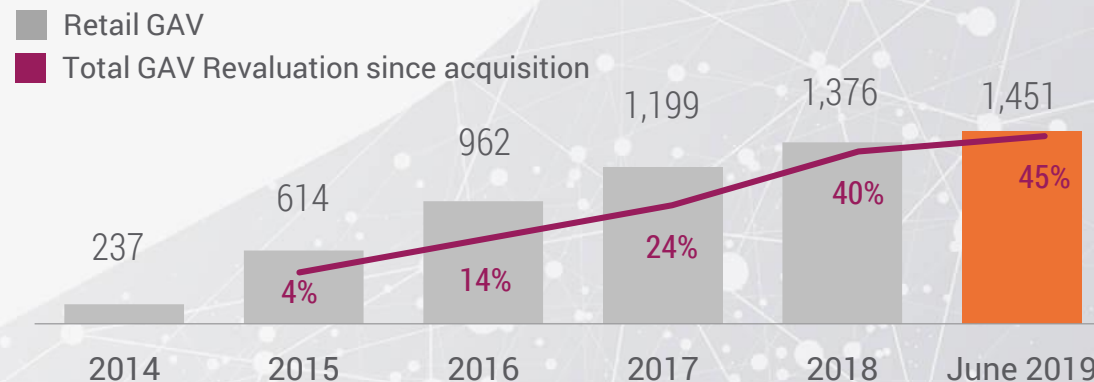
Lar España performance

A story of growth

Retail Occupancy Rate



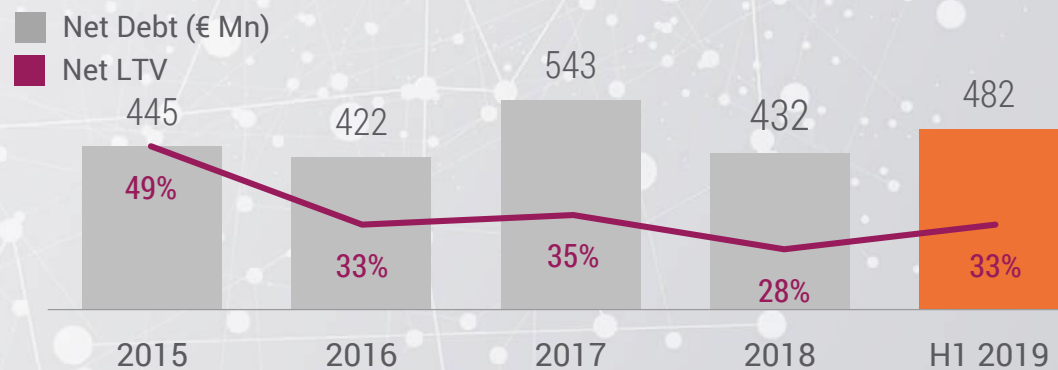
RETAIL GAV (€ Mn)



Retail EPRA NIY

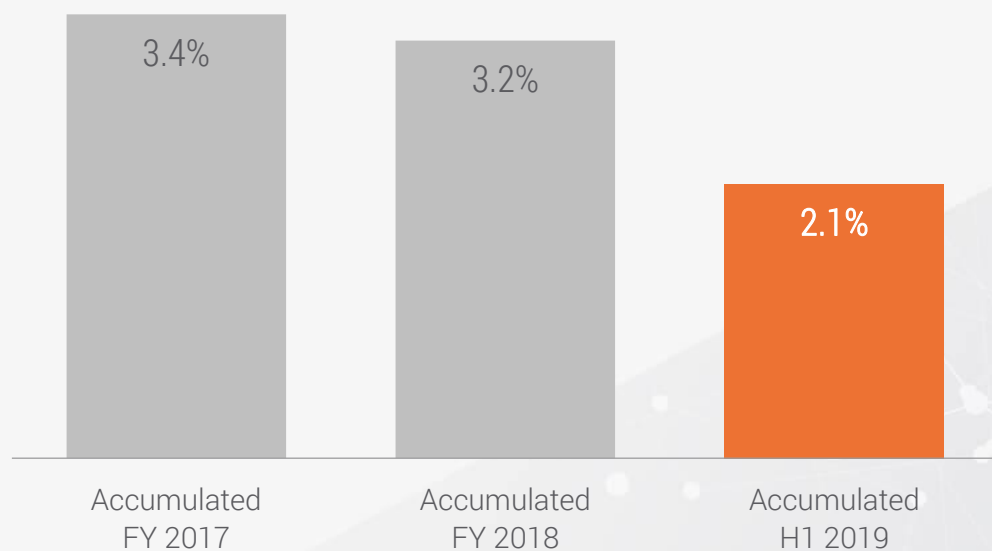


Net Debt & Net LTV

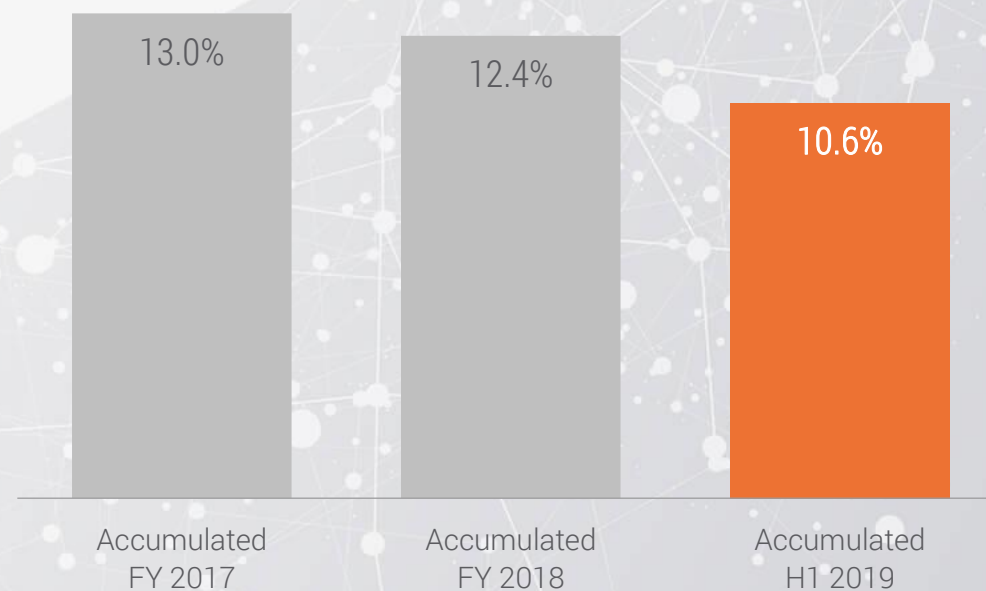


Strong and recurrent retail rental growth in all periods

LfL GRI %growth



New rent uplift



Non-core assets divestment plan completed with the sale of Eloy Gonzalo office building

5.2%
Average
Exit
Yield

87.5%
Avg.
revaluation
over acq price

Arturo Soria Sale
Office Building

34.5%
revaluation
over acq. Price

Egeo Sale
Office Building

22.2%
revaluation
over acq. Price

Villaverde & Alisal Sale
Retail Parks

27.1%
revaluation
over acq. Price

Logistics Portfolio &
Ceste Sale

82.5%
revaluation
over acq. Price

Galaria Sale
Retail Park

36.9%
revaluation
over acq. Price

Joan Miró
Office Building

26.9%
revaluation
over acq. Price

Marcelo Spínola
Office Building

94.7%
revaluation
over acq. Price

Eloy Gonzalo
Office Building

214.2%
revaluation
over acq. Price

2017

SEP
'17

OCT
'17

2018

JAN
'18

MAR
'18

JUL
'18

AUG
'18

DEC
'18

2019

JAN
'19

APR
'19

2020

2021

Divestment of the last office in the portfolio, Eloy Gonzalo

214.2% premium over the acquisition price

Last office building in the portfolio

Fully
refurbished

Full
occupancy

Main tenant
Wework
70% GLA

Location
Madrid

GLA
6,295 sqm

Acquisition Price
€12.7 Mn

Acquisition Date
December 2014

Sale Price
€40.0 Mn

%Over Acq Price
214.2%



AENOR
ER
Empresa
Registrada
Universal
Accessibility

CODE FOR A SUSTAINABLE BUILT ENVIRONMENT
BREEAM
"Very good"

Located at 27 Eloy Gonzalo street in Madrid, in the emblematic Chamberí district, in the very heart of the city

Lagoh

98% GLA already leased

98%

GLA signed and committed¹

95%

GLA already delivered¹



c.15 Mn
Exp. Annual
Rent²

EXPERIENCE



F&B



RETAIL



Lagoh: a new concept of retail complex with the best family leisure and entertainment offering

MediaMarkt

3,360 sqm

With its new Digital Store Concept

H&M

2,800 sqm

Developing the first new Concept store in Iberia

INDITEX

10,300 sqm

All of its brands are coming to Lagoh

VICTORIA'S SECRET

460 sqm

First Full Store in Spain

MULTIADVENTURE

For adults and children, visitors can test their skills and courage in this area (zipline, climbing...)

PIER

The large 6,500 sqm central lake offers the possibility to relax and enjoy a boat ride

VP CINEMAS

11 last generation screens (1 Macro XE room, 1 junior room and 9 premium rooms)

URBAN PLANET JUMP

Trampolines that offer a totally new way to move and play

GIANT WAVE

It is an artificial wave pool where the most intrepid can become surf experts

WIND TUNNEL

To defy gravity, visitors can live the experience of flying safely, in this free fall simulator

PAUSE & PLAY

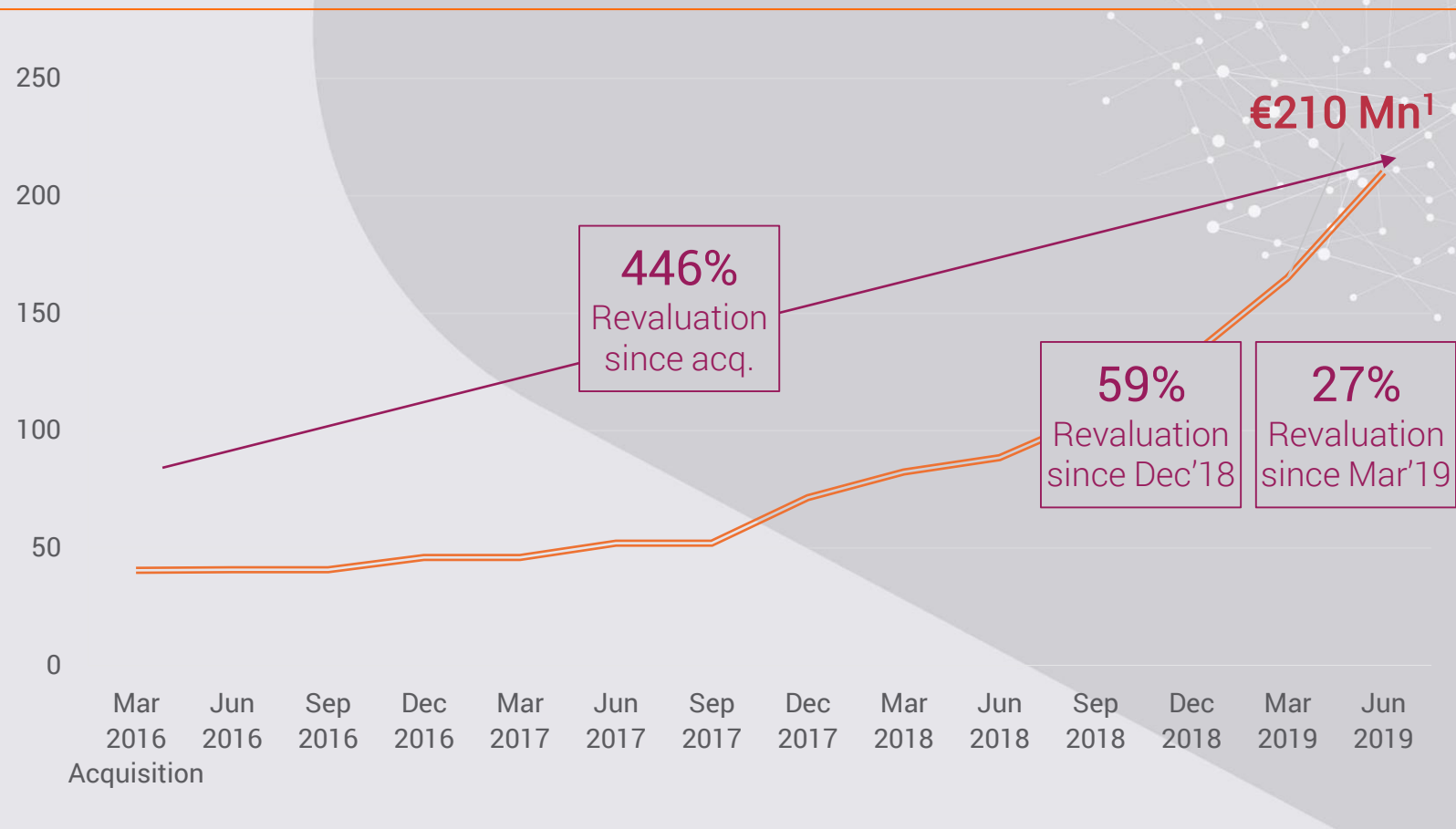
Leading game room in Spain where visitors can play Black Jack, Bingo, Roulette and Slots

VIRTUAL REALITY GAMING

Where you can become the protagonist of the game

Lagoh

Strong revaluation quarter on quarter





02

H1 2019 Financial Results



RETAIL
in action!

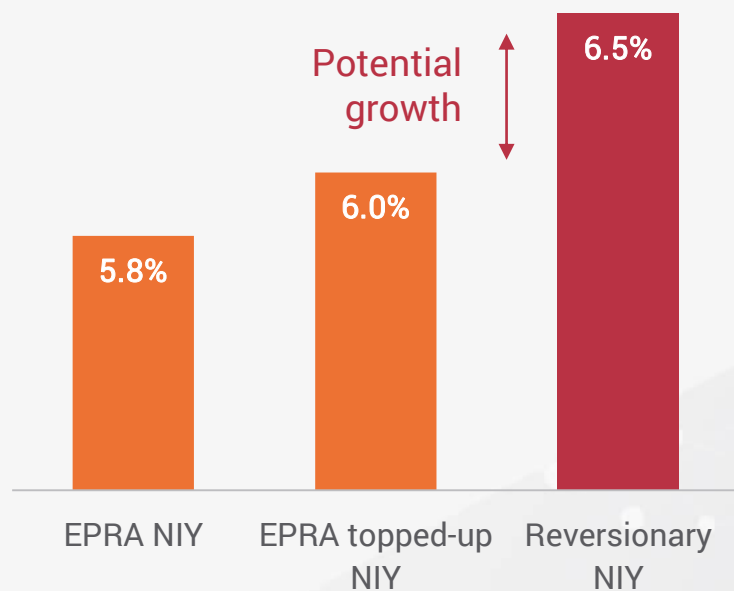
Successful & strong financial key figures delivered in H1 2019

16 Assets	€38.5 Mn GRI	+2.1% LfL ¹ vs H1 2018	 	
€1,462 Mn GAV	€23.2 Mn EBITDA	+168% vs H1 2018	€968.5 Mn EPRA NAV	11.7% ROE
580,235 GLA sqm	€646 Mn Financial Debt	2.2% Cost of Debt	€10.78 ² EPRA NAV per share	6.9% ROA
€75 Mn Annualised Topped-up Net Rent	€488 Mn Net Financial Debt	33% Net LTV	6.0% EPRA "topped-up" NIY	1.1 Solvency ratio

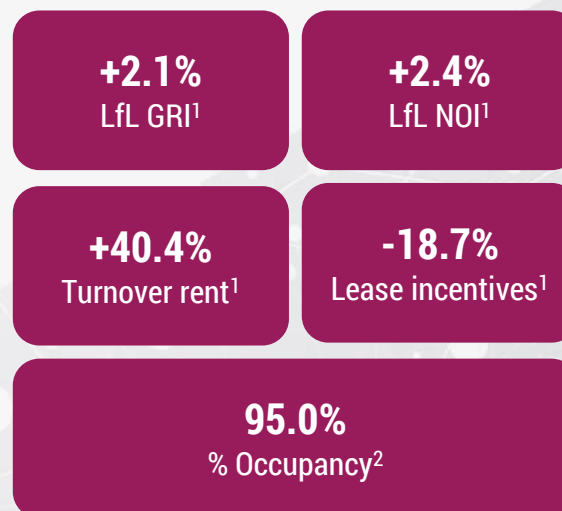
1. Anec Blau's data has not been taken into account because the asset is going through a comprehensive refurbishment project and Albacenter's data due to the division of the hypermarket into four retail units
2. When analyzing this measure it is important to take into account the dividend paid in Q2 2019 (0.80€/share).

Solid retail performance driven by robust operating results in H1 2019

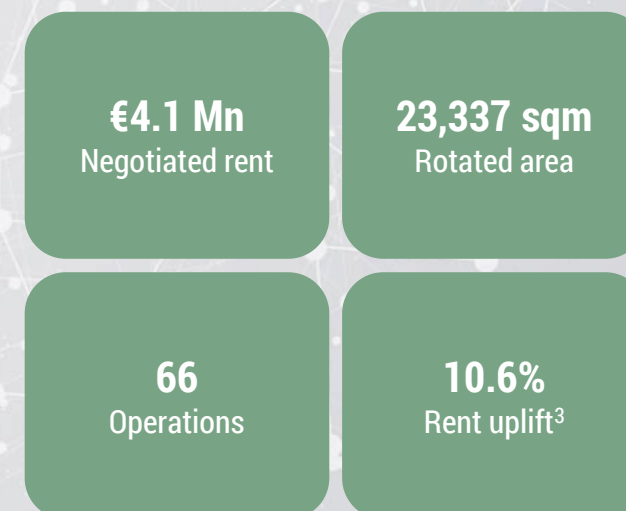
Retail yields



Operating results



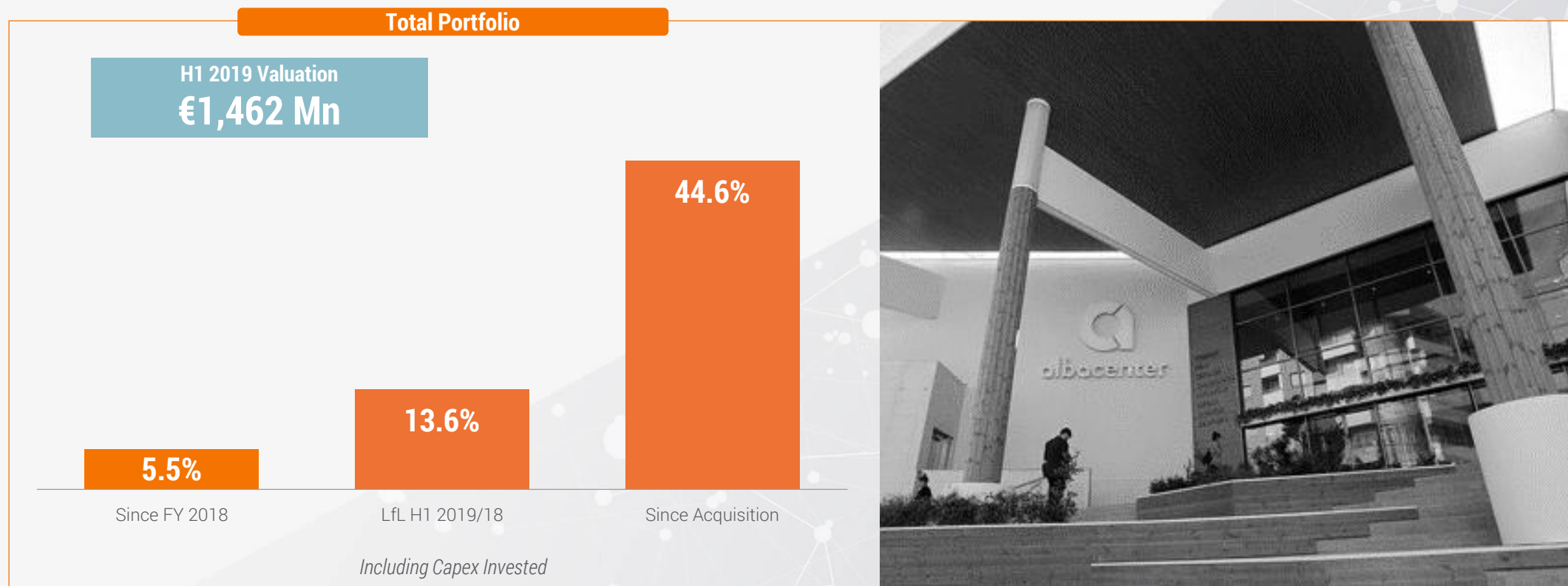
Commercial activity



1. Anec Blau's data has not been taken into account because the asset is going through a comprehensive refurbishment project and Albacenter's data due to the division of the hypermarket into four retail units
 2. Ratio calculated under EPRA recommendations
 3. Excluding certain non-comparable operations

H1 2019

Lar España Asset Appraisal



Consolidated Income Statement





(€ Millions)

	P&L	
	H1 2019	H1 2018
Revenues	38.5	39.8
Other income	1.2	2.5
Personnel expenses	(0.2)	(0.3)
Other expenses	(16.4)	(36.7)
Change in the fair value of investment properties	14.0	42.7
Results of disposals of investment properties	0.0	3.3
RESULTS FROM OPERATIONS	37.2	51.3
Financial result	(9.7)	(7.0)
Share in profit (loss) for the period of equity-accounted companies	1.2	(0.5)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	28.6	43.9
Income Tax	-	-
Profit for the Period	28.6	43.9



Due to the change in the perimeter,
P&L H1 2018 and H1 2019 are not comparable

Asset	Typology	Divestment Date
-------	----------	-----------------

Divested in H2 2018

Joan Miró	 Office building	28 December 2018
Galaria	 Retail warehouse	3 August 2018
Cheste	 Logistics	18 July 2018
Logistics portfolio	 Logistics	18 July 2018

Divested in H1 2019

Eloy Gonzalo	 Office building	24 April 2019
Marcelo Spínola	 Office building	31 January 2019

Consolidated Income Statement

(€ Millions)

	P&L	
	H1 2019	H1 2018
Revenues	38.5	39.8
Other income	1.2	2.5
Personnel expenses	(0.2)	(0.3)
Other expenses	(16.4)	(36.7)
Change in the fair value of investment properties	14.0	42.7
Results of disposals of investment properties	0.0	3.3
RESULTS FROM OPERATIONS	37.2	51.3
Financial result	(9.7)	(7.0)
Share in profit (loss) for the period of equity-accounted companies	1.2	(0.5)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	28.6	43.9
Income Tax	-	-
Profit for the Period	28.6	43.9

Pro-forma Retail Portfolio Consolidated Income Statement

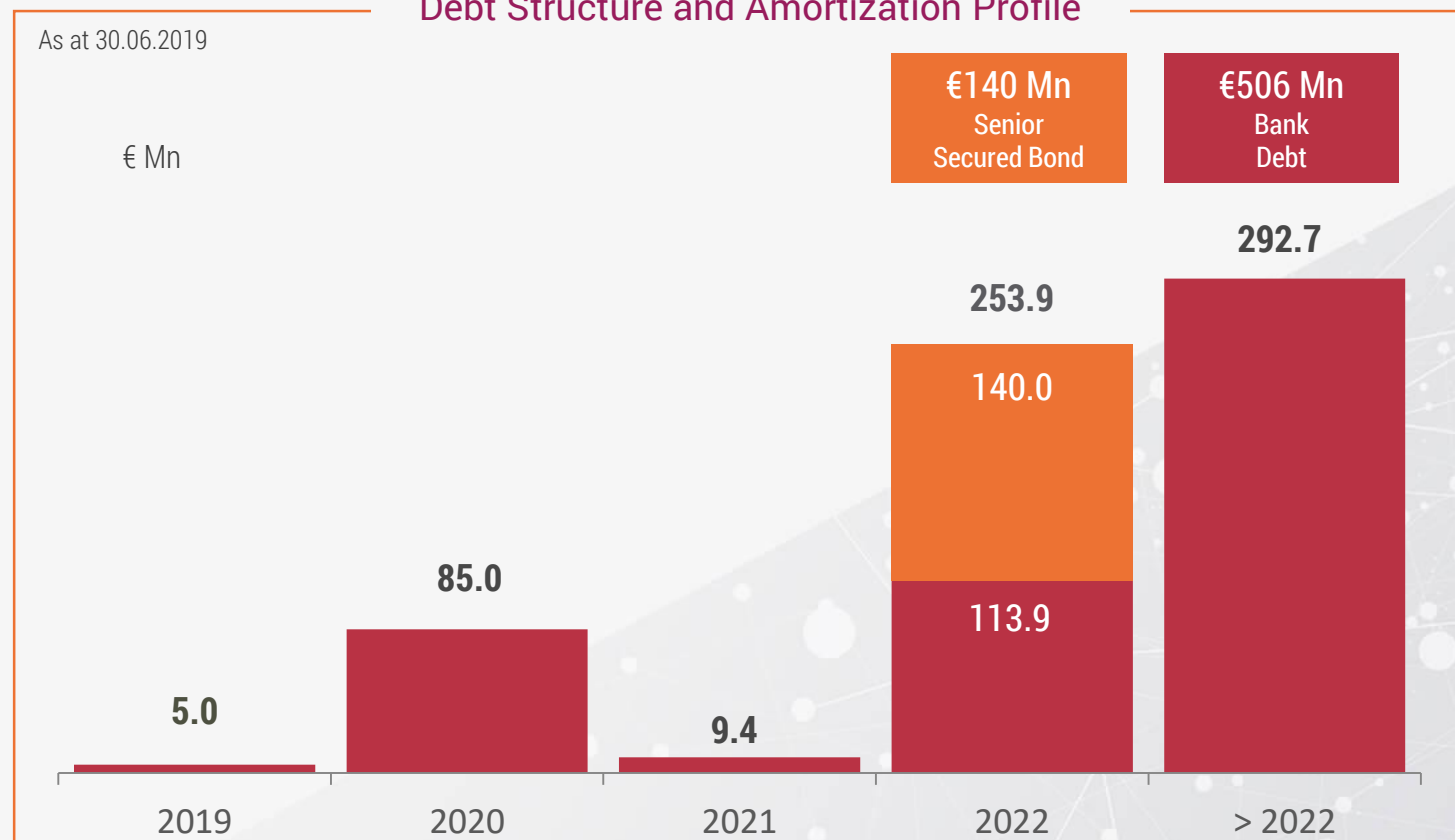
(€ Millions)

	Retail portfolio P&L		Chg% H1 2019/18
	H1 2019	H1 2018	
Revenues	38.3	35.9	+6.7%
Other income	1.1	2.5	
Personnel expenses	-	-	
Other expenses	(12.2)	(30.7)	
Change in the fair value of investment properties	14.0	25.3	
Results of disposals of investment properties	-	2.5	
RESULTS FROM OPERATIONS	41.3	35.4	+16.7%
Financial result	(9.6)	(6.1)	
Share in profit (loss) for the period of equity-accounted companies	-	-	
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	31.7	29.3	+8.0%
Income Tax	-	-	
Profit for the Period	31.7	29.3	+8.0%

Note: May not foot due to rounding

Solid financial pillars

Debt Structure and Amortization Profile



Gross financial debt
€646 Mn

Net financial debt
€488 Mn

Average debt maturity
4.3y

Average cost of debt
2.2%

Fixed rate
90%

Net LTV
33%

New share buy-back programme of up to 5%

Maximizing value for our shareholders

The purpose of the Buy-Back Program during the next 9 months is the further reduction of Lar España's share capital through the **amortization of shares**

1st

Share Buy-Back Programme

100%
of SBB shares
amortized

3,091,141
shares
amortized

3.1%
of company's
Share Capital

2nd

Share Buy-Back Programme

57.2%
SBB programme
completed

€42 Mn
share
Buy-Back

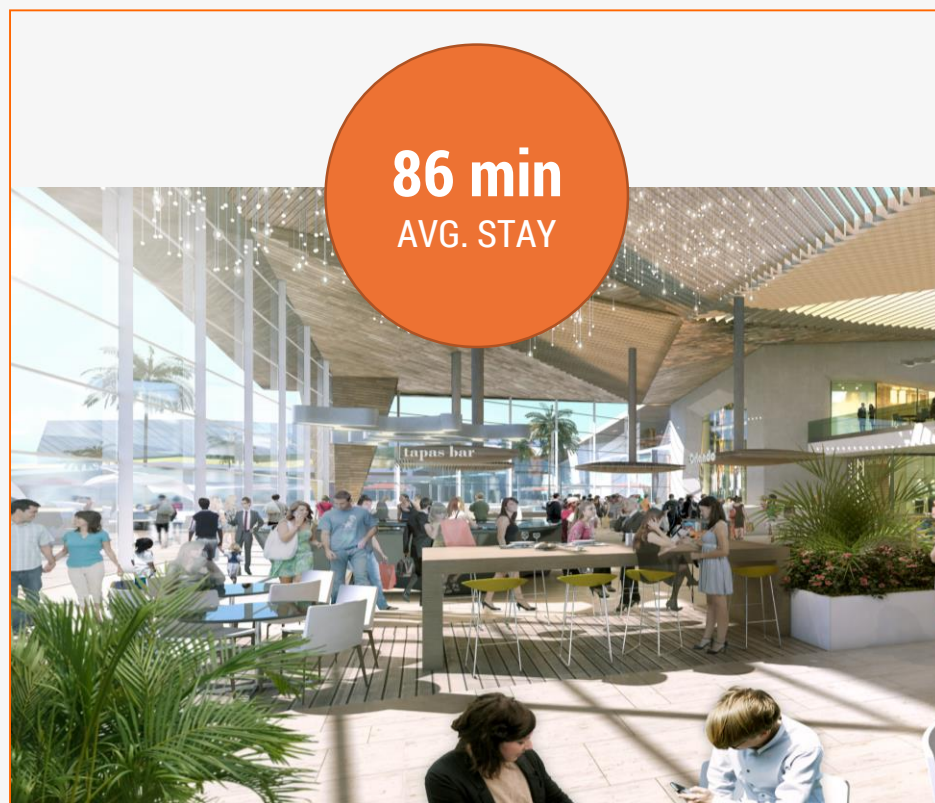
5%
of company's
Share Capital

03 Business Performance



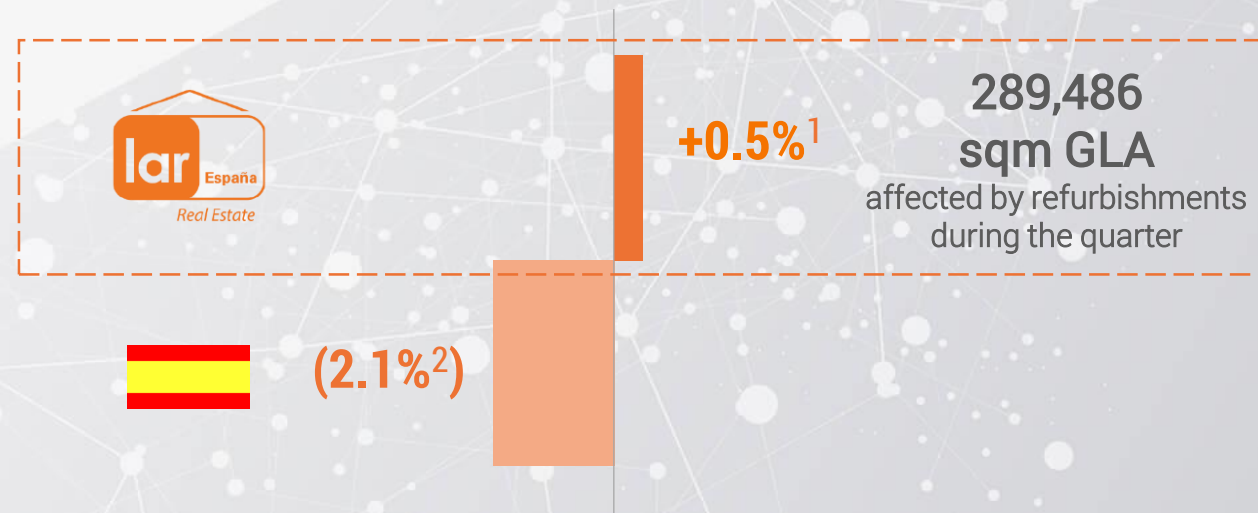
RETAIL
in action!

Footfall above Spanish market despite 7 shopping centres under refurbishment



Footfall H1 2019
32.1 Mn visits

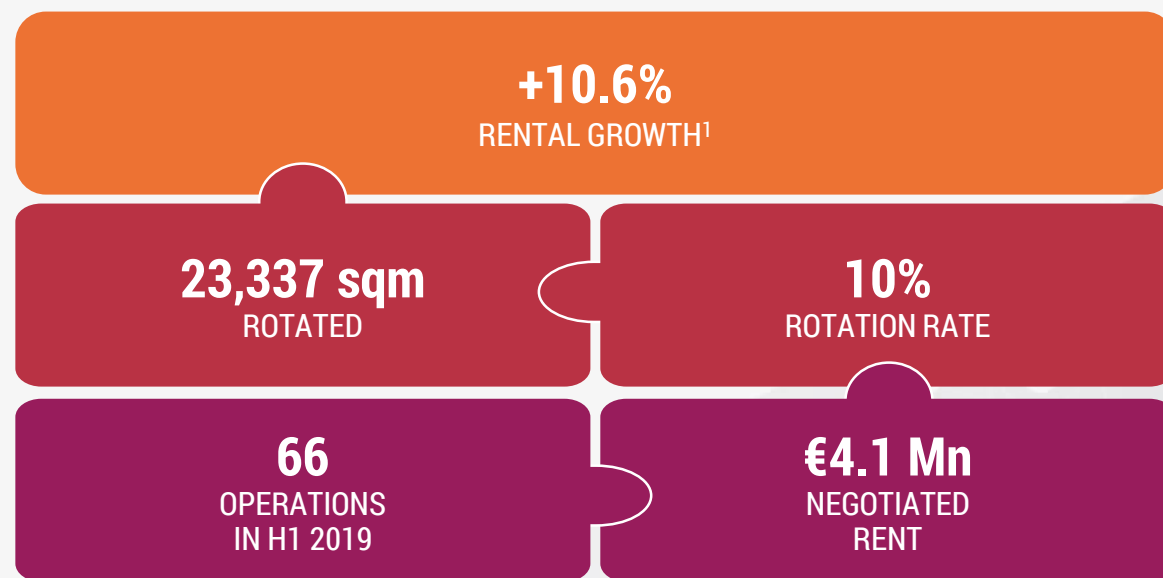
Vs H1 2018



1. Anec Blau's data has not been taken into account because the asset is going through a comprehensive refurbishment project and Albacenter's data due to the division of the hypermarket into four retail units
2. Shoppertrak Index

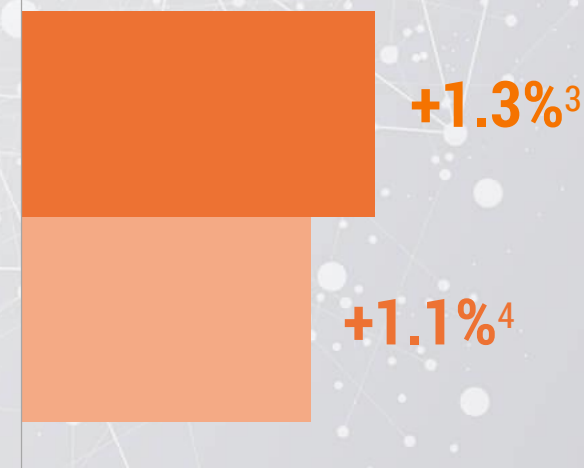
Sales also beating the Spanish market driven by a strong letting activity in our shopping centres

Letting activity at the core of the strategy



Sales² H1 2019
€338.5 Mn

Vs H1 2018



1. Excluding certain non-comparable operations
2. Declared sales
3. Anec Blau's data has not been taken into account because the asset is going through a comprehensive refurbishment project and Albacenter's data due to the division of the hypermarket into four retail units
4. Big Surfaces Spain Retail Sales

Key openings in H1 2019

increase the value of our platform



1,238 sqm
store opening in June



**Footfall
+30.7%**
y-o-y
1st week of
opening



3,150 sqm
store extension



**Largest
shopping
centre
store in
Catalonia**



250 sqm
new store opening
after refurbishment

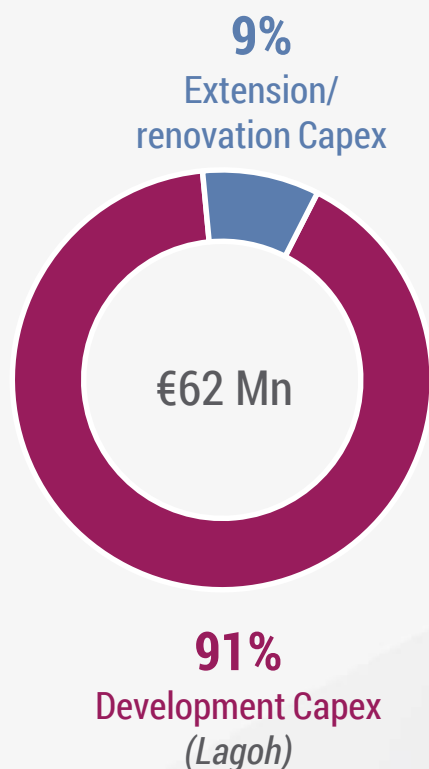


**High façades
and wide-front
entrances**

Capex: A tool to create value

Every investment is decided based on ROI, to generate revenues

Accumulated Capex till June 30th, 2019



Refurbishment pipeline	Est. Capex	% Execution
Megapark	€7.3 Mn	50% executed
Portal de la Marina	€3.8 Mn	>50% executed
Gran Vía de Vigo	€1.0 Mn	Parking: In concept
El Rosal	€1.9 Mn	75% executed <i>To be completed in September</i>
Anec Blau	€15.0 Mn	10% executed
Rivas Futura	€3.0 Mn	In concept
Albacenter Hyper	€1.3 Mn	>50% executed

AnecBlau

Full refurbishment



NEW F&B AND LEISURE AREA



20 new restaurants
with varied gastronomic offering



New Yelmo Premium cinema screens,
latest state-of-the-art technology

NEW FASHION SQUARE FULLY REFURBISHED

INDITEX

Expanding and renewing the image of
almost all its stores

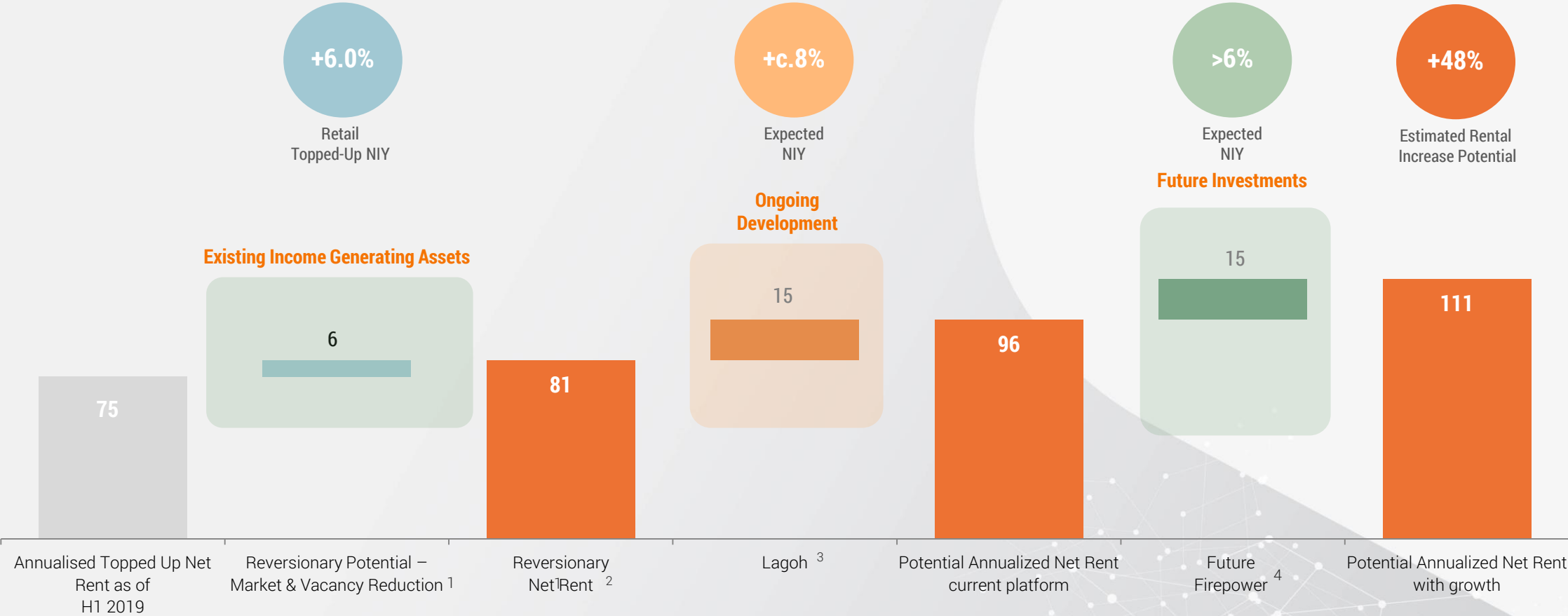
ZARA

Largest shopping centre
store in Catalonia (>3,150 sqm)

OYSHO GUESS TOUS

Double-height façades installed

c.50% of rental growth potential in our retail portfolio



1. Illustrative potential additional rent calculated as the difference between the market net rent estimated by the Company's appraisal done by Cushman & Wakefield and JLL (ERV), as part of their valuation exercise and the annualized net rent obtained by the Company. Difference applied only to the current EPRA occupancy rate, considering the occupancy rate of the Company's properties as of 30th June 2019.

2. Illustrative potential additional rent in 2019 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.

3. Potential rent that may be derived from certain of the Company's assets under development (Lagoh) based on the announced yield at the moment of its acquisition as applied to the acquisition price and building capex

4. According to BP

04

Closing Remarks



RETAIL
in action!

Closing remarks

Summary of key figures



RESULTS

+168%
EBITDA in
H1 2019 vs H1 018

+44.6%
portfolio revaluation since
acquisition

+445.5%
Lagoh revaluation
since acquisition



ASSETS

14 quarters
outperforming the
Spanish market
in sales and footfall

Lagoh reached **98%¹** of
GLA leased and committed
and **95%¹** of the units
delivered



CORPORATE

€75 Mn 2018 dividend
paid on May 24th

11.7%² Dividend yield
over market cap

57% of 2nd Share Buy-Back
Programme completed

Comfortable leverage
@ 33% Net LTV

On track to achieve €111 Mn in retail rents, c.50% rental growth potential

Summary of investment highlights

Income generation as the main driver

1

Retail dominant assets
100% owned

Focused and unique offering



2

c.50% rental growth potential

Highly attractive income profile



3

+168% EBITDA

Positive operational trends driving growth



4

€15 Mn Lagoh exp. annual rent

Capex and development deliver further income growth



5

14 Quarters outperforming the market

Best-in class manager



6

Omnichannel strategy implemented in SCs

Leading the digital transformation in retail



DISCLAIMER



This document has been prepared by Lar España Real Estate SOCIMI, S.A. (the "Company") for information purposes only and it is not a regulated information or information which has been subject to prior registration or control by the Spanish Securities Market Commission. This document neither is a prospectus nor implies a bid or recommendation for investment. This document includes summarised audited and non-audited information. The financial and operational information, as well as the data on the acquisitions which have been carried out, included in the presentation, correspond to the internal recordings and accounting of the Company. Such information may in the future be subject to audit, limited review or any other control by an auditor or an independent third party. Therefore, this information may be modified or amended in the future.

The information contained herein has been obtained from sources that the Company considers reliable, but the Company does not represent or warrant that the information is complete or accurate, in particular with respect to data provided by third parties (including certain information relating to the Company's properties such as their catchment areas and performance indicators for periods preceding the time of acquisition by the Company). Neither the Company nor its legal advisors and representatives assure the completeness, impartiality or accuracy of the information or opinions included herein. In addition, they do not assume responsibilities of any kind, whether for misconduct or negligence, with regard to any damages or losses that may derive from the use of this document or its contents. The information contained in this document has not been subject to independent verification. This document includes forward-looking representations or statements on purposes, expectations or forecasts of the Company or its management up to the date of release of this document. Said forward-looking representations and statements or forecasts are mere value judgments of the Company and do not imply undertakings of future performance. Additionally, they are subject to risks, uncertainties and other factors, which were unknown or not taken into account by the time this document was produced and released and which may cause such actual results, performance or achievements, to be materially different from those expressed or implied by these forward-looking statements. Moreover, these forward-looking statements are based on numerous assumptions (which are not stated in the presentation) regarding the Company's present and future business strategies and the environment in which the Company expects to operate in the future. There are many factors, most of them out of the Company's control which may cause the Company's actual operations and results to substantially differ from those forward-looking statements.

The financial information contained herein may include items which are not defined under the International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and which are considered to be "alternative performance measures". Other companies may calculate such financial information differently or may use such measures for different purposes than we do, limiting the usefulness of such measures as comparative measures. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU.

Under no circumstances the Company undertakes to update or release the review of the information included herein or provide additional information. Neither the Company nor any of its legal advisors or representatives assume any kind of responsibility for any possible deviations that may suffer the forward-looking estimates, forecasts or projections used herein.

This information does not constitute or form part of any offer to sell or issue, or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of the company, nor shall the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. This presentation should not be considered as a recommendation by the company, Grupo Lar Inversiones Inmobiliarias, S.A. or any other person that any person should subscribe for or purchase any securities of the company. Prospective purchasers of securities of the company are required to make their own independent investigation and appraisal.

The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the laws of any state or other jurisdictions of the United States. Such securities may not be offered or sold in the United States except on a limited basis, if at all, to Qualified Institutional Buyers (as defined in Rule 144A under the US Securities Act) in reliance on an exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act. The securities of the Company have not been and will not be registered under the applicable securities laws of any state or jurisdiction of Australia, Canada, Japan or Switzerland and, subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan or Switzerland or to or for the benefit of any national, resident or citizen of Australia, Canada, Japan or Switzerland.

The information contained herein does not purpose to be comprehensive or to contain all the information that a prospective purchaser of securities of the Company may desire or require in deciding whether or not to purchase such securities.

This document discloses neither the risks nor other material issues regarding an investment in the securities of the Company. The information included in this presentation is subject to, and should be read together with, all publicly available information. Any person acquiring securities of the Company shall do so on their own risk and judgment over the merits and suitability of the securities of the Company, after having received professional advice or of any other kind that may be needed or appropriate but not only on the grounds of this presentation. By delivering this presentation, the Company is not providing any advisory, purchase or sale recommendation, or any other instrument of negotiation over the securities or financial instruments of the Company. This document does not constitute an offer, bid or invitation to acquire or subscribe securities, in accordance with the provisions of article 35 of the consolidated text of the Spanish Securities Market Act approved by the Royal Legislative Decree 4/2015, of 23 October, and/or the Royal Decree 1310/2005, of 4 November and their implementing regulations. Furthermore, this document does not imply any purchase or sale bid or offer for the exchange of securities or a request for the vote or authorization in any other jurisdiction. The delivery of this document within other jurisdictions may be forbidden.

Recipients of this document or those persons receiving a copy thereof shall be responsible for being aware of, and complying with, such restrictions.

By accepting this document you are accepting the foregoing restrictions and warnings.

All the foregoing shall be taking into account by those persons or entities which have to take decisions or issue opinions relating to the securities issued by the Company. All such persons or entities are invited to consult all public documents and information of the Company registered within the Spanish Securities Market Commission.

Neither the Company nor any of its advisors or representatives assumes any kind of responsibility for any damages or losses derived from any use of this document or its contents.



RETAIL
in action!

Follow us

 www.larespana.com

 info@laespana.com

 Lar España Real Estate SOCIMI

Lar España App

