



RETAIL
in action!



Corporate Presentation

September 2019



INDEX

01

Company
Overview

02

Investment
Highlights

03

Financial
Results

04

ESG
Summary

RETAIL
in action!

01

Company Overview



RETAIL
in action!

Lar España

Real retail value

First Spanish REIT to IPO on the Spanish Stock Exchange with an **outstanding quality, dominant and 100% owned portfolio.**

Focused on creating both **sustainable income and strong capital growth for shareholders.** Solid and recurrent operational results, 11.7% dividend yield over market cap.

Intensive and professionalized management of the assets with an **omnichannel strategy** already implemented: physical and digital player.

Strong management team.

Managed by Grupo Lar, a private Real Estate Asset Manager, Investor and Developer with a 50-year track record of international experience.

15

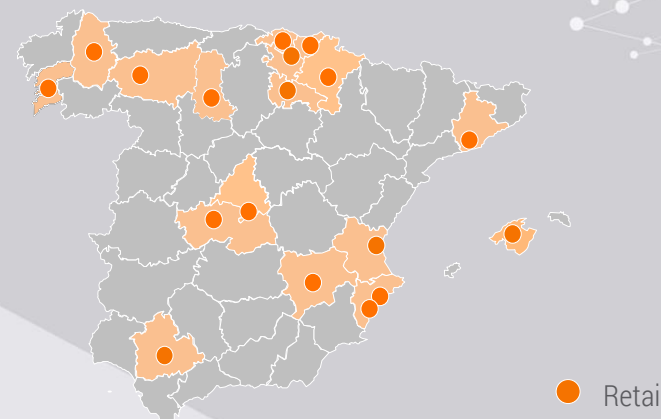
Assets

€1,462 Mn

Gross Asset Value

580,235

sqm GLA



14 quarters

Outperforming the Spanish market

+16.7%

Results from operations¹

+8.0%

Profit for the Period¹

50%

Portfolio rental growth potential

33%

Low net LTV

Company structure & shareholder overview

Independent and experienced Board:
5 independent directors (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 Luccioni
PIMCO
Director

Miguel Pereda
Grupo Lar
Director

Juan Gómez-Acebo
Secretary
Non Member

Susana Guerrero
Deputy Secretary
Non Member

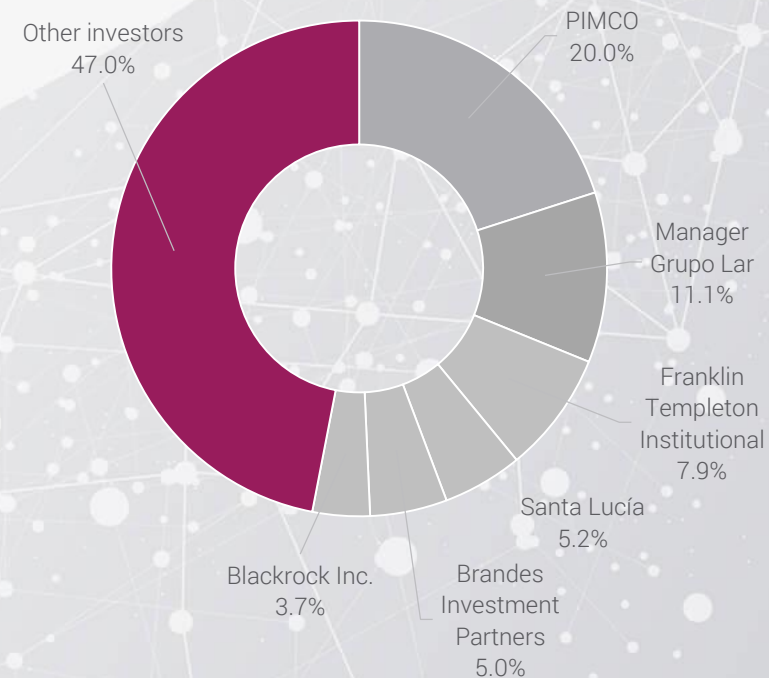
Critical Activities internalized

Jon Armentia
Corporate
Director & CFO

Susana Guerrero
Legal
Manager

Hernán San Pedro
Head of Investor
Relations & Communications

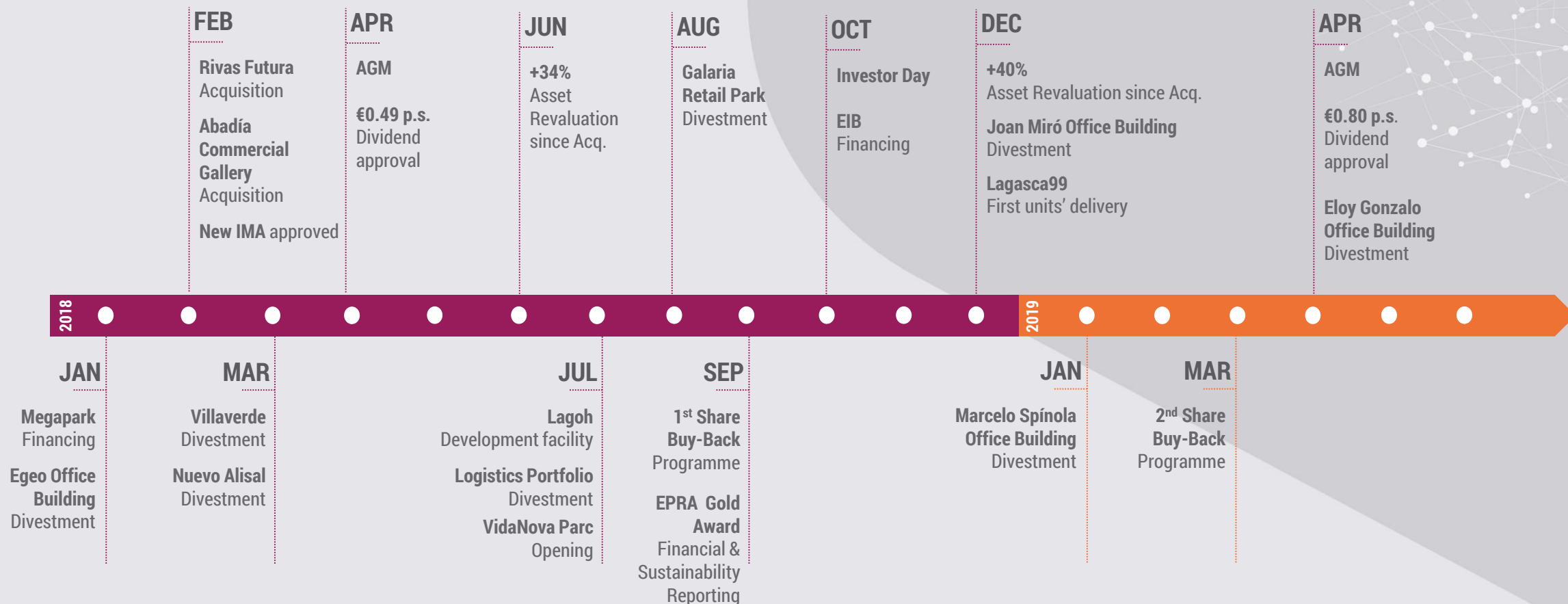
Shareholder Overview



Source: CNMV as of July 2019

Major corporate milestones in 2018 & H1 2019

Constantly seeking and executing value creating opportunities



Investment Strategy focused on retail

Unique shopping centres & retail parks with growth potential

SHOPPING CENTRES & RETAIL PARKS KEY INVESTMENT CRITERIA

Dominant in its catchment areas

Value-creation potential

Core+

100% ownership

Target levered IRR>12%

Unique exposure to real estate retail assets and the Spanish economy

Resilient prime dominant shopping centers in attractive catchment areas

Recurrent cash flow generation @ 5.2% Net Initial Yield

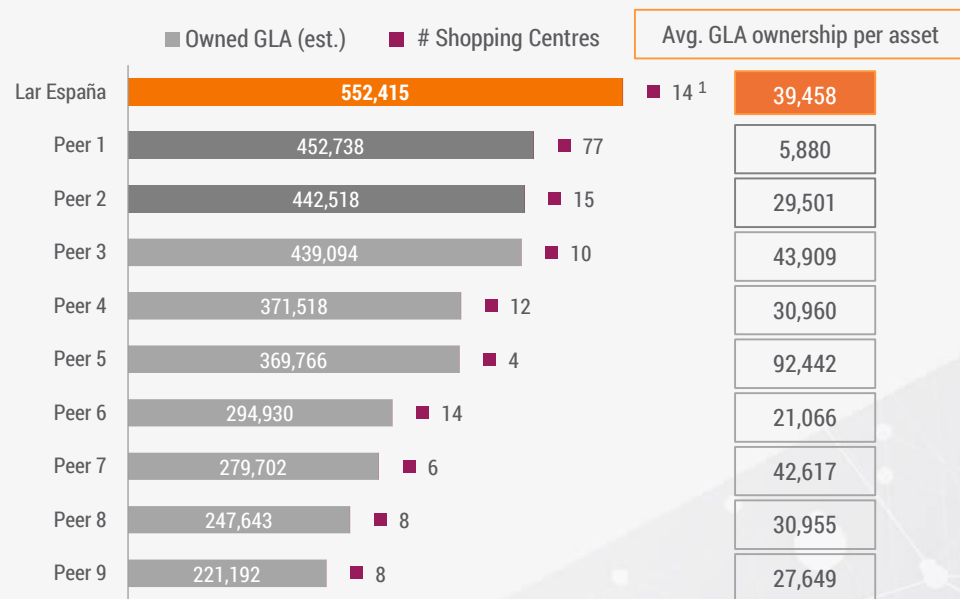
Acquisitions done at attractive capital values with **potential for revaluation**

Value added approach: repositioning and development to create **unique shopping experience destinations**

Top management team with strong track record and fully aligned with shareholders' objectives

The value of a retail platform

Main SSCC market players by owned GLA



Target market size: 4,5 Mn sqm GLA

30% of the total market

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

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

RETAIL LEADERS IN SPAIN

#1 IN SPAIN
sqm GLA¹

#1 IN SPAIN
Asset stake owned

#1 IN SPAIN
retail parks owned

▶ Portfolio **Size** gives us benefits in:

Global **Negotiations** with tenants

Synergies in procurement of services

▶ Present in all the attractive regions of the Spanish territory

▶ Millions of physical and digital customer contacts

▶ Attraction for the development of new commercial formulas

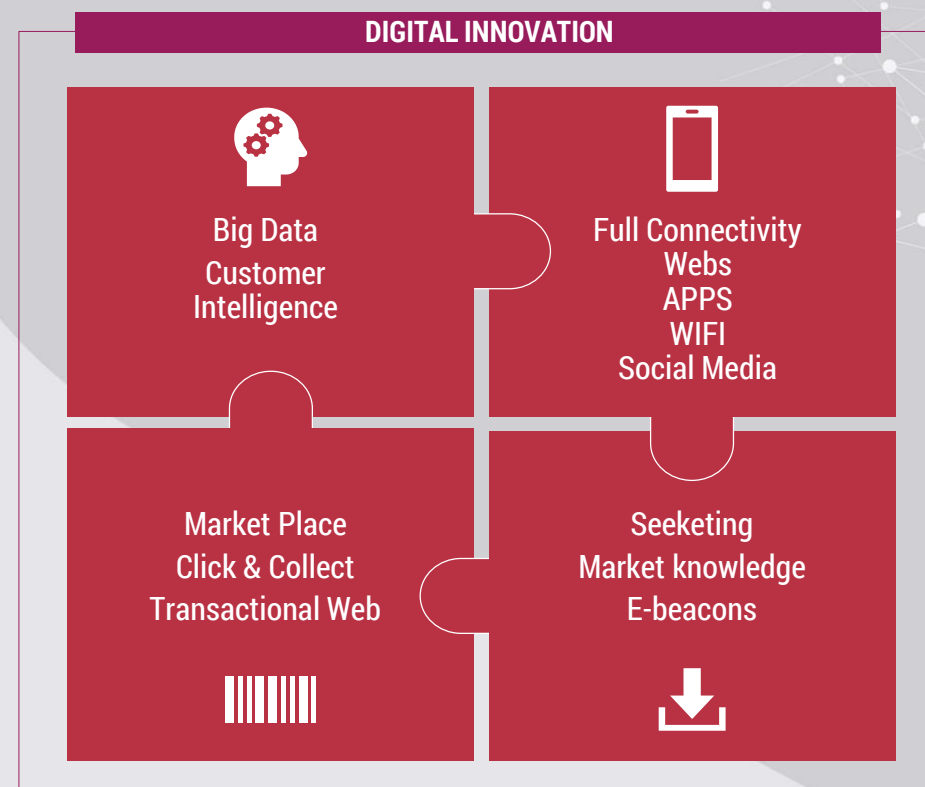
Source: CBRE & Lar figures at September 9th, 2018.

1. Number of shopping centres (supermarkets portfolio not included)

Strong Transformation + Innovation



ATTRACT NEW AND INNOVATIVE TENANTS



CREATE A WELL-BALANCED TENANT MIX

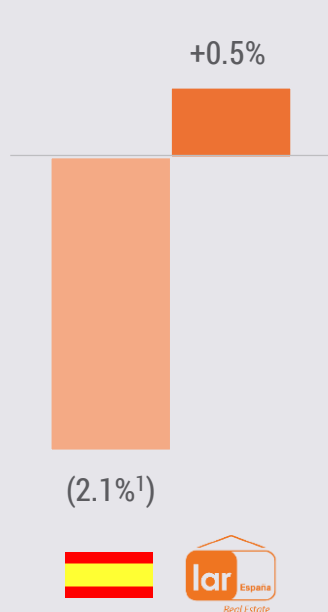
Not all retail is equal

Active management is key to be the reference in each market

Footfall H1 2019

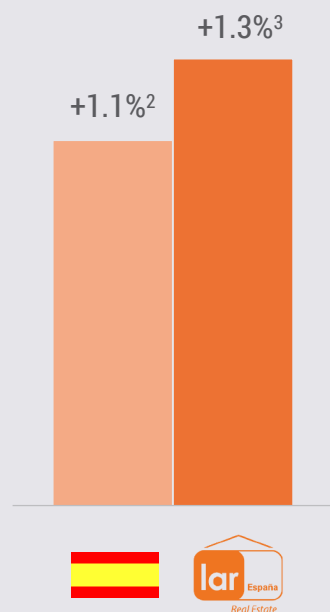
32.1 Mn visits

Vs H1 2018



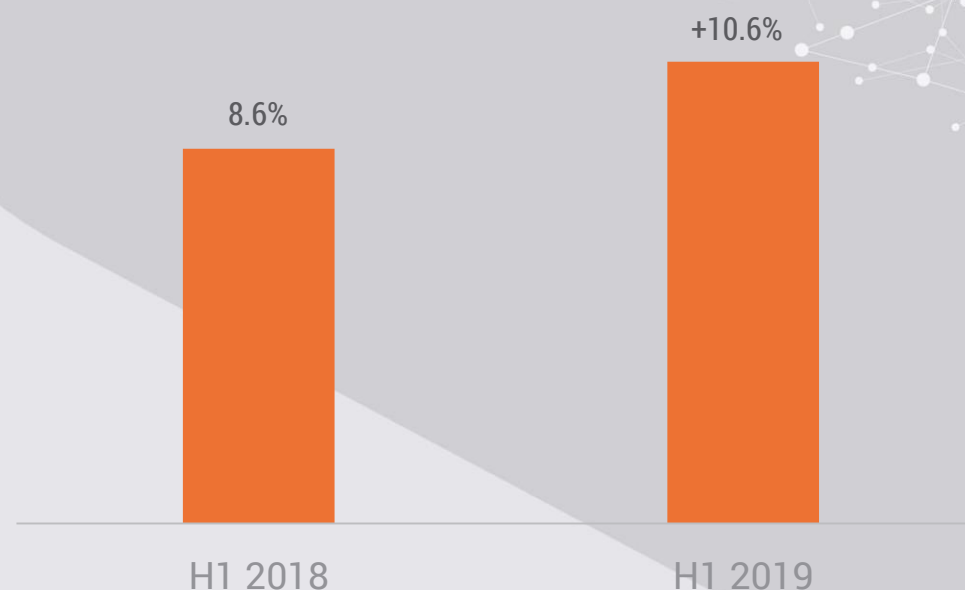
Sales H1 2019

€338.5 Mn



Rental uplift from reletting activity

Recurrent growth rates in new rents from re-tenanting



1. Shoppertrak Index
2. Big Surfaces Spain Retail Sales
3. Declared sales

Lagoh: A new concept of retail complex

Opening on September 27th, 2019

c.15 Mn
Exp. Annual
Rent²

EXPERIENCE



F&B



RETAIL



**NOV
2016**

Lagoh Project
announcement

**JUL
2017**

Start of
construction works

**JUL
2018**

€100 Mn
financing

73% GLA signed or
committed

**SEP
2018**

Brand launch
Lagoh
(formerly
Palmas Altas)

**JUL
2019**

98% GLA signed or
committed

95% GLA already
delivered

**SEP
2019**

Inauguration
of Lagoh

Fully
signed & delivered

Lagoh: A new concept of retail complex

Opening on September 27th, 2019

AENOR

ILUNION



RETAIL, F&B AND MUCH MORE...

1ST EXPERIENCE RESORT
IN SEVILLE

MULTIADVENTURE

GIANT WAVE

PIER

WIND TUNNEL

VP CINEMAS

PAUSE & PLAY

URBAN PLANET JUMP

VIRTUAL REALITY GAMING

FULLY COMMITTED TO SUSTAINABILITY
AND THE ENVIRONMENT

- ✓ Efficient and sustainable building certified by Breeam
- ✓ Sustainable construction process: 100% of reused land
- ✓ Low impact on CO₂ footprint
- ✓ Natural indoor and outdoor vegetation
- ✓ Unique natural ecosystem with a lake and 11,000 sqm green roof
- ✓ 35% geothermal energy
- ✓ 100% universal accessibility



External manager: A real estate reference



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 +50Y of experience
- 2 Strong Management Team
- 3 International Experience with Tier 1 investors
- 4 Geographical Diversification
- 5 Product Diversification
- 6 Strong Balance Sheet



02

Investment Highlights



RETAIL
in action!

Investment highlights

Income generation as the main driver

1

Highly attractive
income profile



2

Focused and
unique offering

3

Positive
operational
trends driving
growth



4

Selective capex
& development
deliver enhanced
income growth

5

Best-in class
manager



6

Leading the
digital
transformation
in retail

7

Attractive
dividend policy
+ SBB
programmes



8

ESG through a
responsible
management of
our assets

Lar España

Investment highlights

1 Highly attractive income profile

A resilient portfolio of dominant shopping centres in attractive catchment areas generating annualised net rent of €72.5 Mn (€81 Mn reversionary)

€111 Mn rent potential

Delivering an EPRA topped-up NIY of 6.0%, with significant upside (6.5% reversionary yield)

Revaluation through active management

50% of rental growth potential in our retail portfolio from €75 Mn to €11 Mn (reversionary potential of the existing assets + Lagoh + future investments)

50% Rental growth potential

2 Focused and unique offering

The only listed Spanish REIT in the continuous market offering pure-play exposure to an attractive portfolio of Spanish retail assets

First IPO of a Spanish REIT

The largest Spanish retail portfolio with a geographically diverse offering – 15 assets across the country with a GLA of 580k sqm

Retail leaders in Spain

All assets 100% owned, delivering flexibility and control over investment, tenant negotiations and divestment decisions

Full decision capacity over assets

Differentiated business model that generates strong recurrent value to our shareholders

Differentiated retail strategy

Lar España

Investment highlights

3 Positive operational trends driving growth

Strong rental growth with a +2.1% increase in LfL gross rental income in H1 2019

Strong results from active management

Positive leasing momentum with a +12.4% rental uplift achieved on the 39k sqm of rotated area in 2018, +10.6% rental uplift achieved on the 23k sqm of rotated area in H1 2019

Tenant mix enhancing

Healthy growth in footfall and underlying tenant sales (+0.5% and 1.3% respectively over H1 2019 vs 2018)

14 quarters beating the Spanish market

High occupancy in excess of 95% due to attractive sites and catchment areas

Increasing average dwell time

4 Selective capex & development deliver enhanced income growth

VidaNova Parc recently successfully opened, with sales above tenant estimates, and 100% of GLA signed

Smart mix of retailers, leisure and F&B

Lagoh development to soon will add €15 Mn of net rent at >8% YoC with c.98% of GLA signed and committed

Andalusia's leading retail destination

Discretionary capex plan for next 3 years – to add up to €15 Mn net rental income, delivering c.7.5%-8% YoC on renovation and development capex respectively

Unique shopping experience destinations

Lar España

Investment highlights

5 Best-in class manager

Managed by Grupo Lar, a real estate asset manager, investor and developer with a 50-year track record

European JVs
real estate
reference

Highly motivated and aligned – Grupo Lar holds >10% shareholding in Lar España, which they recently increased

Top &
experienced
management
team

6 Leading the digital transformation: TES Project (technology, engagement and sustainability)

Technology improves customer experience, by combining physical and digital strategies. It also helps to evaluate and quantify visitor experiences, optimizing management and customer relations

Omnichannel
strategy
implemented

Engagemnt: Lar España provides visitors with unique and tailored experiences

Unique and
differentiated
value offer

Sustainability: Clear focus on the environment, accessibility and interaction with society as a whole

Shared value for
economic &
social progress

Lar España

Investment highlights

7 Attractive dividend policy + SBB programmes

Ordinary dividend:
5% of NAV

Maximise distributions with special dividends:
Linked to divestments of assets

11.7%
dividend yield
over
market cap

Maximizing value for our shareholders through SBB
programmes with the purpose of reducing Lar
España's share capital through the amortization of
shares

2 SBB
programmes
already
launched

8 ESG through a responsible management of our assets

Environmental: Responsible management,
sustainability certifications, environmental awareness
and innovation

100%
shopping
centres
BREEAM
certified

Social: Active listening, social initiatives, accessibility
and wealth creation

87%
retail assets
audited

Governance: Ethics and integrity, independent Board,
risk management and transparency

CSR
Master Plan

03

Financial Results H1 2019



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
(3.1 Mn shares)

57%
2nd SBB programme
completed
(over total 4.1 Mn shares)

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).

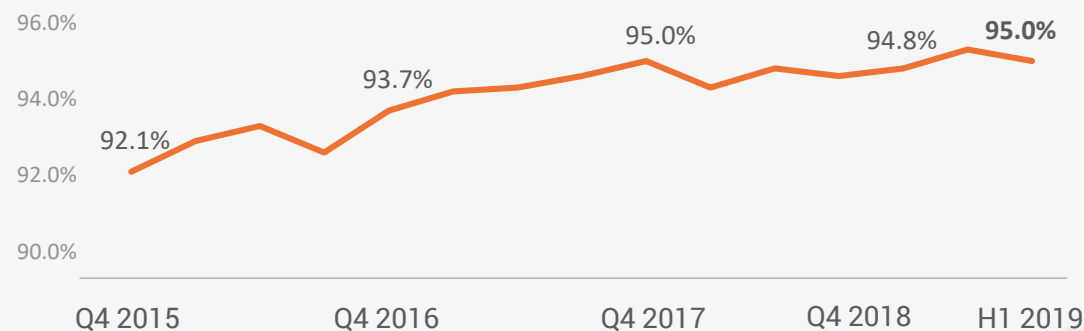
2. As of July 2019

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

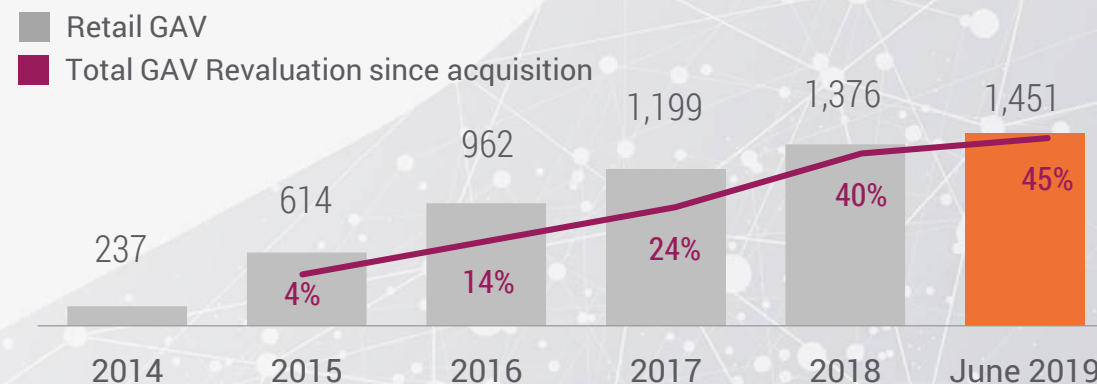
Lar España performance

A story of growth

Retail Occupancy Rate



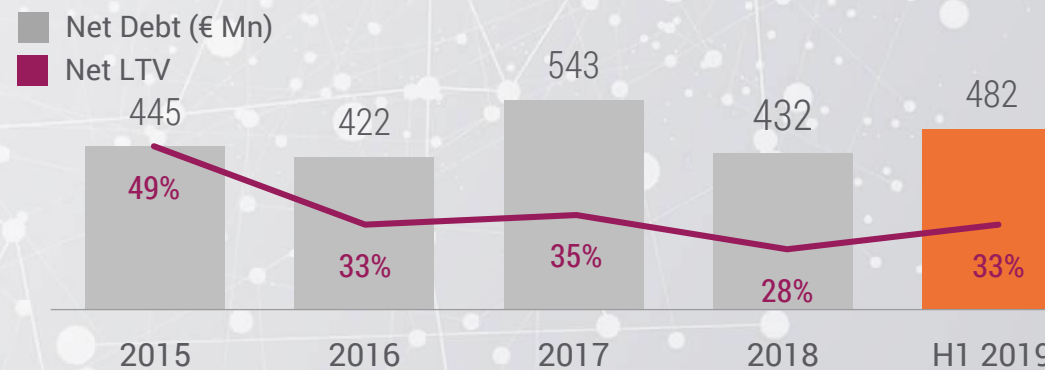
Retail GAV (€ Mn)





Retail EPRA NIY



Net Debt & Net LTV



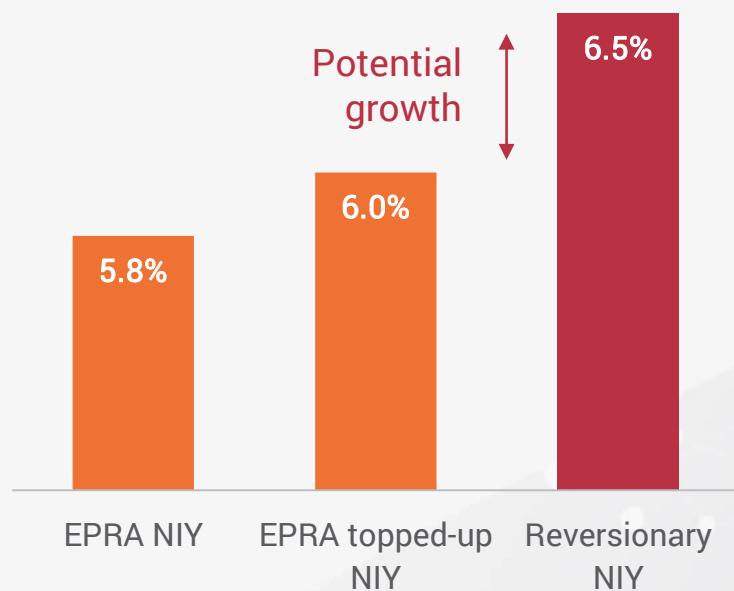
Successful & strong financial key figures delivered in H1 2019

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

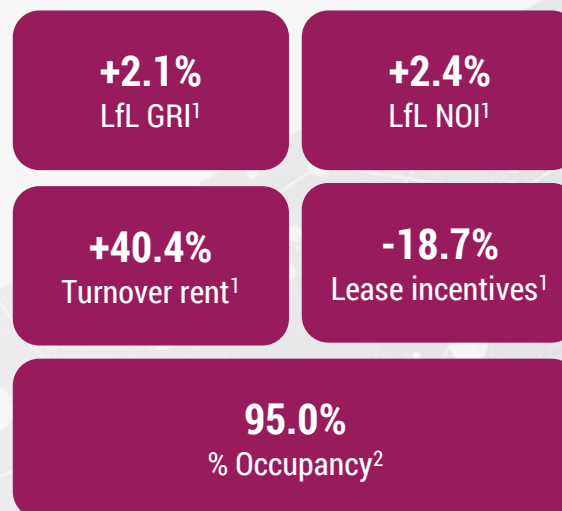
1. Anec Blau's data has not been taken into account because the asset is going through a comprehensive refurbishment project and Albacenter's data due to the division of the hypermarket into four retail units
2. When analyzing this measure it is important to take into account the dividend paid in Q2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

Solid retail performance driven by robust operating results in H1 2019

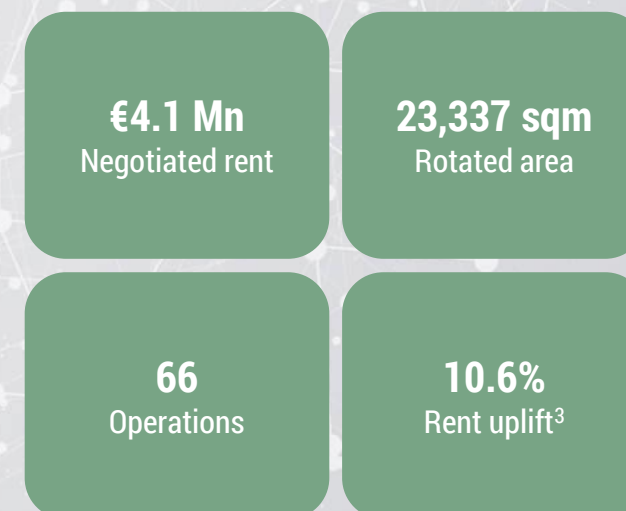
Retail portfolio yield



Operating results



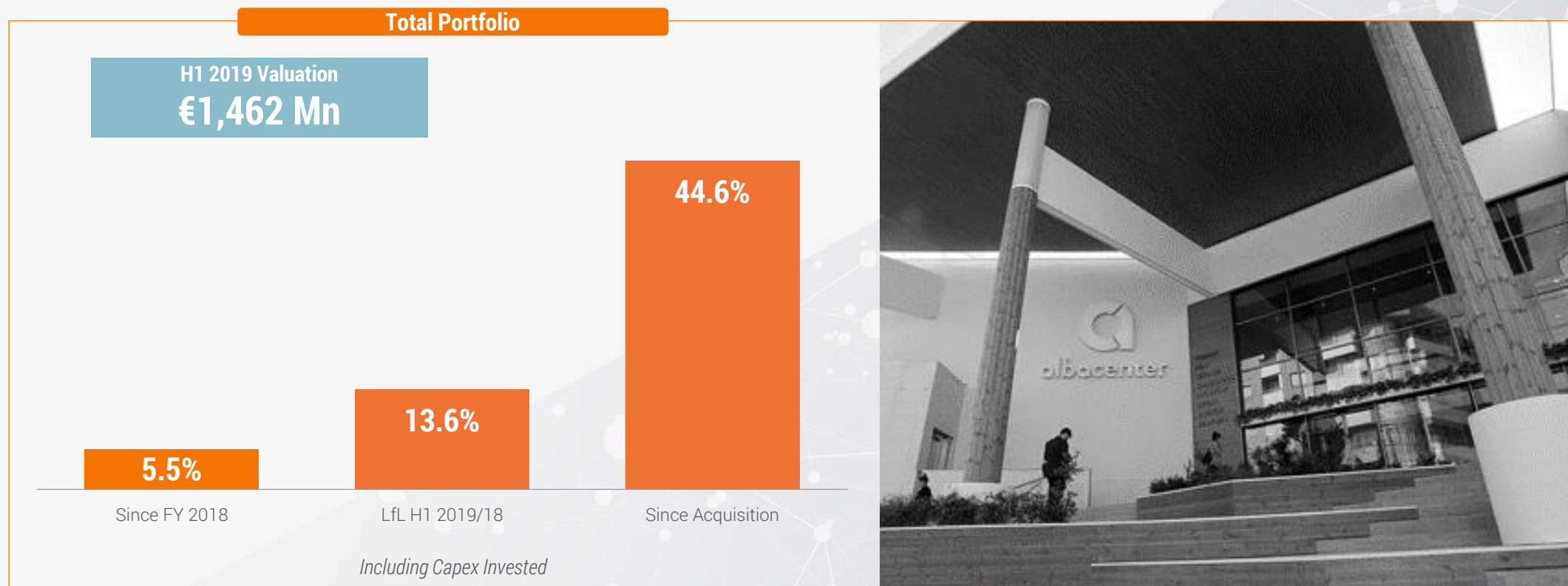
Commercial activity



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
EPRA Earnings	15.7	15.3 ¹
EPRA Earnings per share	0.17	0.17 ¹

1. Adjusted EPRA earnings



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

Asset	Type	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

Note: May not foot due to rounding

Consolidated Income Statement

(€ Millions)

	P&L	
	H1 2019	H1 2018
Revenues	38.5	39.8
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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

04

ESG Summary



RETAIL
in action!

Lar España's approach to ESG

Environmental

Responsible management
Sustainability certifications
Environmental awareness
Innovation

Energy efficiency

Solar power

Air quality

Water management

New lines of initiative

Social

Active listening
Social initiatives
Accessibility
Wealth creation

87%
retail assets audited

Governance

Ethics and Integrity
Independent Board
Risk Management
Transparency

CSR
Master Plan

100%
shopping centres

BREEAM® ES
el certificado de la construcción sostenible



Environmental Innovation



Energy efficiency

Lighting
Climate control
Building systems



Water management

Presence detector
Watering systems
Cooling towers



Air quality

Complex control systems for ventilation
Air purifier systems



Solar power

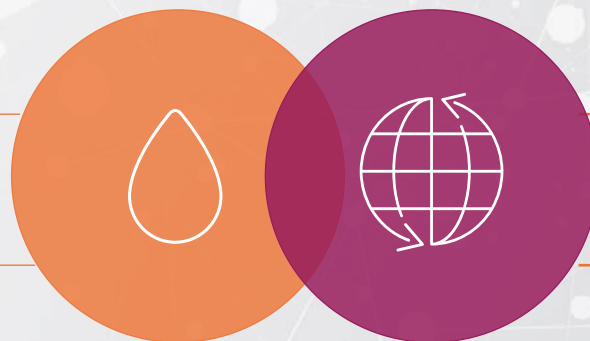
Alternative energy sources



Other lines of initiative

Tri-generation
Guided parking
Eco-friendly transportation

Reduce Expenditures
Become more environmentally friendly in its business communities



Impact on the natural surroundings
Economic viability

Social Society-based initiatives

Business opportunities



Citizen participation



Social climate & values



Health and well-being



Lar España's properties in operation and under construction create more than
25,000 jobs

Activities/Partnerships implemented by the Company



Governance Action plan

- ✓ Experienced and majority independent Board of Directors (5 of 7 members):
16 meetings in 2018
- ✓ Action Plan main objectives:



Strong governance

Transparency, business ethics, corporate social responsibility and regulatory compliance



More advanced management and enhanced transparency

Director activities selection, remuneration and training



Furthering the process of evaluating and improving the Board's performance

Complying with the best practices in the corporate governance field



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