



RETAIL
in action!



Corporate Presentation

Aug 2019



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RETAIL
in action!

01

Company Description



RETAIL
in action!

Snapshot

First IPO of a Spanish REIT listed on the Spanish Stock Exchange

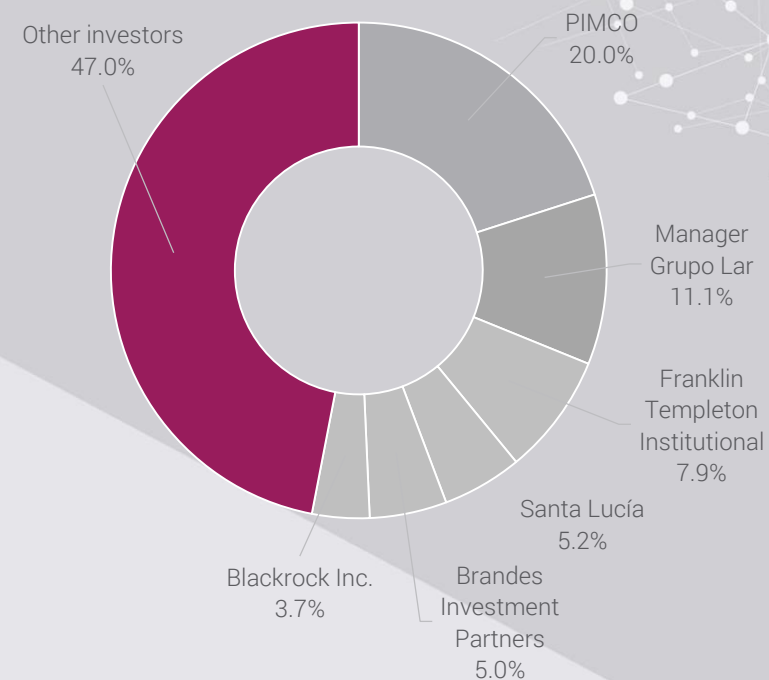
Focused on creating both sustainable income and strong capital returns for shareholders

Lar España is managed by Grupo Lar, private Real Estate Asset Manager, Investor and Developer with a 50-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 2019

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 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

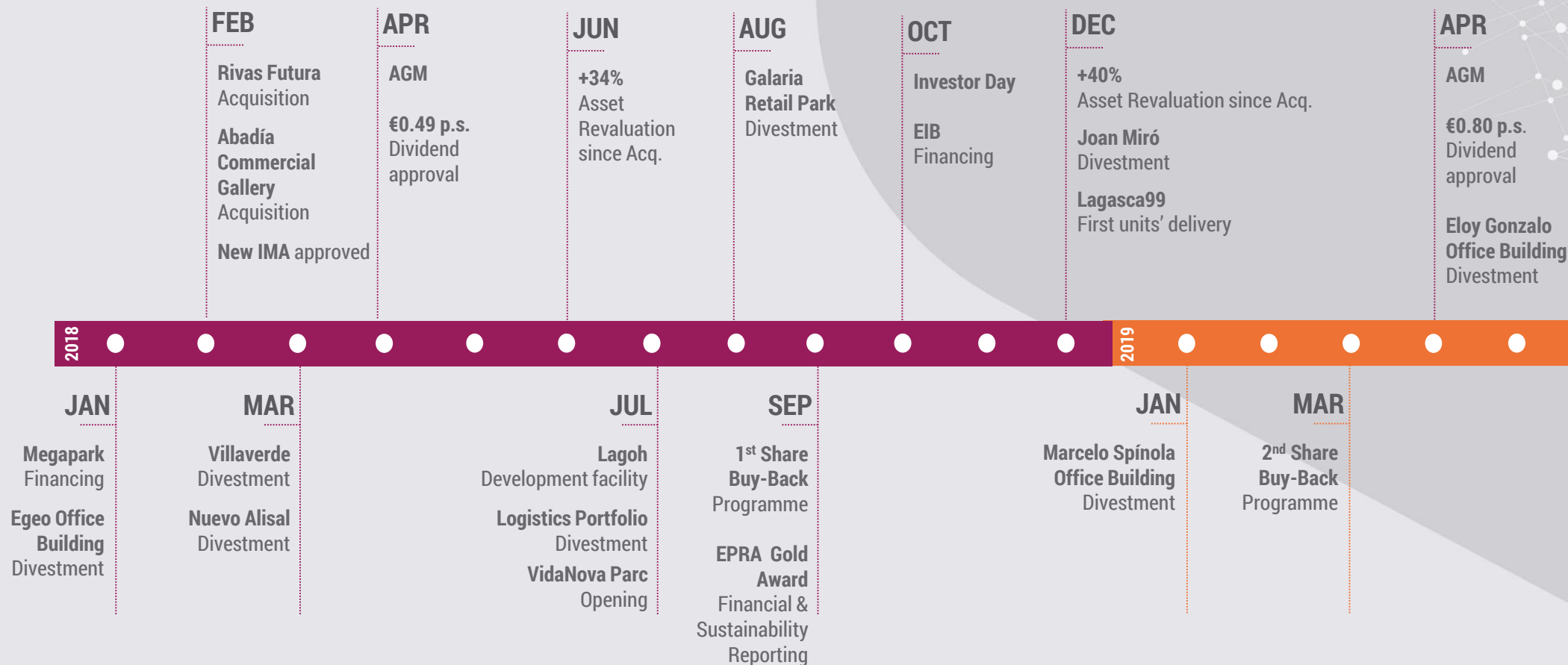
Legal
Manager

Hernán San Pedro

Head of Investor
Relations & Communications

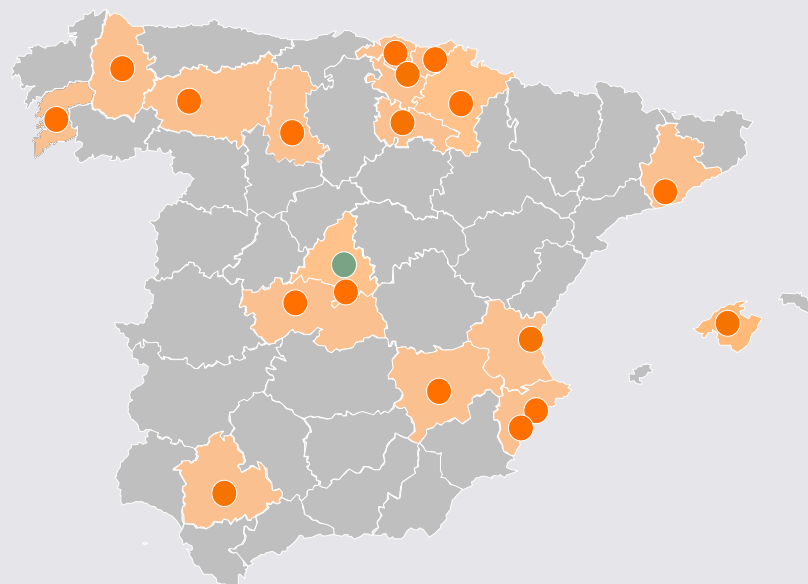
Internal
audit

Major corporate milestones in 2018 & H1 2019



Portfolio at a glance

99% of GAV concentrated in retail assets



- Retail
- Residential (1 asset): In process of delivery

Assets

16

1 divestment in H1 2019¹

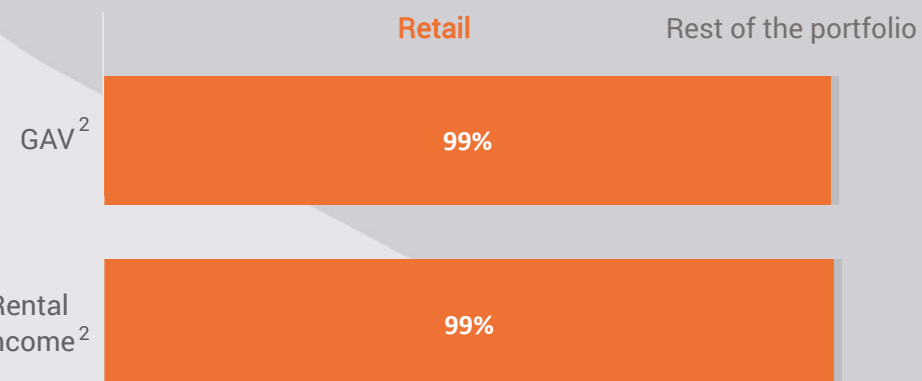
€1,462 Mn

Gross Asset Value¹

GLA

580,235

sqm



1. Eloy Gonzalo divestment in April 2019.
2. GAV and rental income as of 30th June 2019

Investment Strategy focused on retail

Unique shopping centres & retail parks

SHOPPING CENTRES & RETAIL PARKS MAIN CHARACTERISTICS

**Dominant in its
catchment areas**

**Value-creation
potential**

Core+

**100%
ownership**

**Target levered
IRR>12%**

Unique exposure to real estate retail assets, the Spanish consumer and tourism recovery

Resilient prime dominant shopping centers in attractive catchment areas

Recurrent cash flow generation
@ 5.2% Net Initial Yield

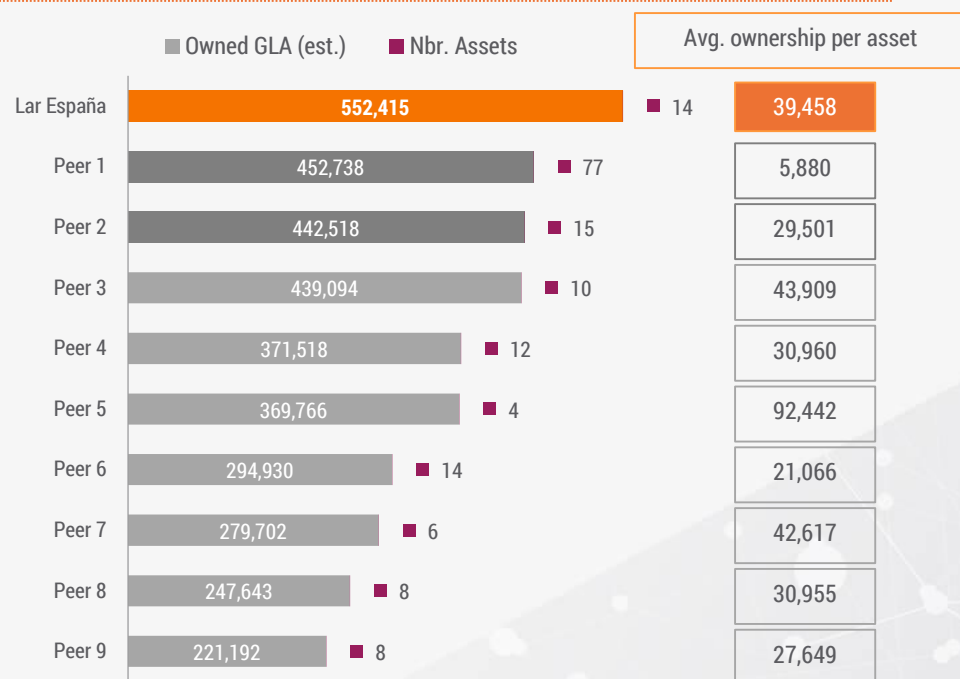
Acquisitions done at attractive capital values with **potential for revaluation**

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

Top management team with strong track record and delivering results

The value of a retail platform

Main market players by owned GLA, including GLA under development¹



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 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
sqm GLA¹

#1 IN SPAIN
Asset stake owned

#1 OWNER IN SPAIN
retail parks

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

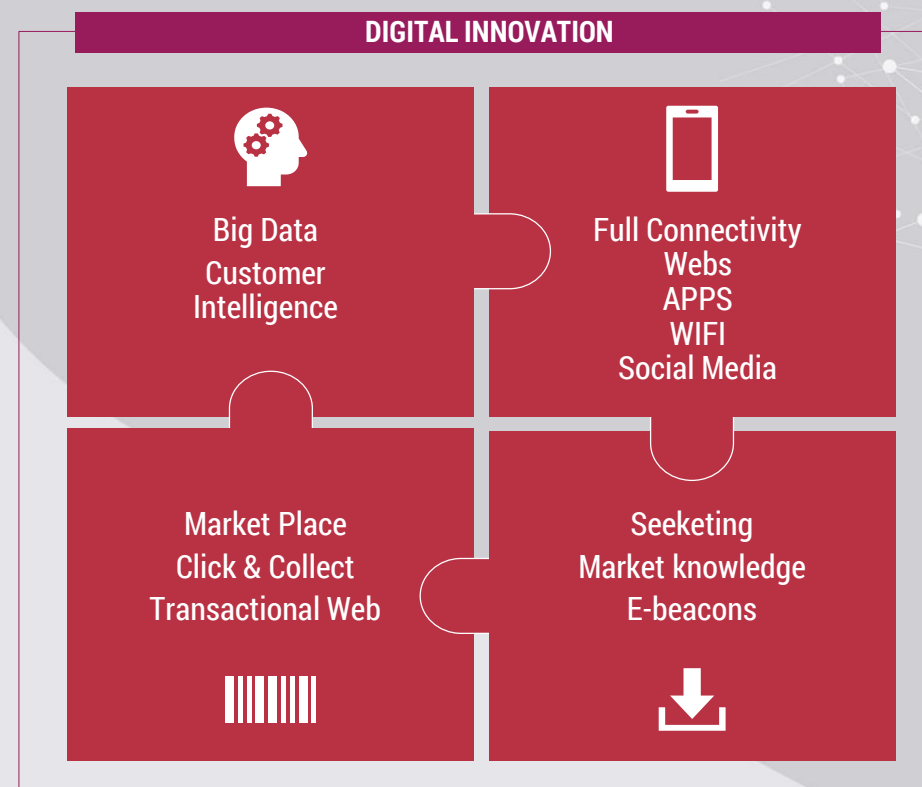
1. Considering opening date of assets under development until 2020. Source: CBRE & Lar figures at September 9th, 2018.

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



ATTRACT NEW AND INNOVATIVE TENANTS



CREATE A WELL-BALANCED TENANT MIX

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 Tiers 1
- 4 Geographical Diversification
- 5 Product Diversification
- 6 Strong Balance Sheet



02

Investment Highlights



RETAIL
in action!

Lar España

Investment highlights

1
Focused and
unique offering



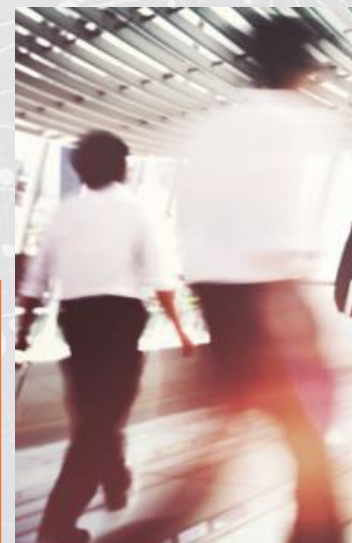
2
Highly attractive
income profile

3
Positive
operational trends
driving growth



4
Capex and
development
deliver further
income growth

5
Best-in class
manager



6
Leading the digital
transformation in
retail

Lar España

Investment highlights

1 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 performance

Full decision capacity over assets

2 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

Ordinary dividend from rental income represents a 6.5% cash yield on current share price

Attractive dividend + SBB programme

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 thanks to active management

Positive leasing momentum with a +12.4% rental uplift achieved on 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 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 Capex and development deliver further 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)

Through technology Lar España improves customer experience, by combining physical and digital strategies. Thanks to new technology, Lar can evaluate and quantify visitor experiences, optimizing management and customer relations

Omnichannel
strategy
implemented

Through customer engagement Lar España provides visitors with unique and tailored experiences, turning shopping centres into places where they can really enjoy shopping and entertainment

Unique and
differentiated
value offer

Sustainability: Clear focus on the environment, accessibility and interaction with society as a whole when it comes to the management of each and every property

Shared value for
economic &
social progress

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
(3,091,141 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).

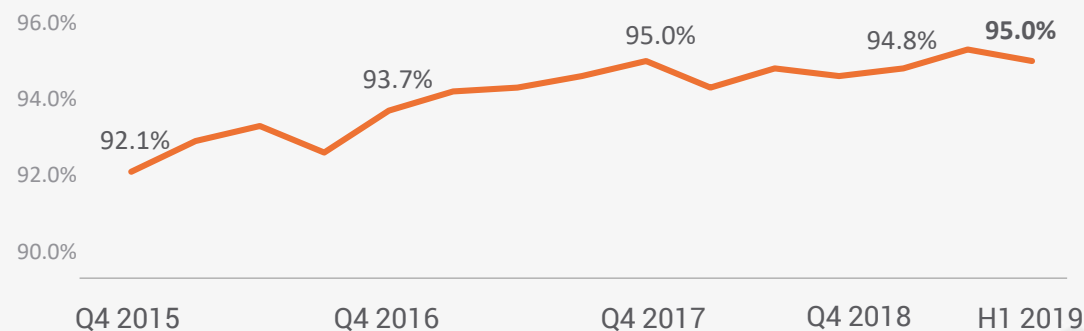
2. As of July 2019

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

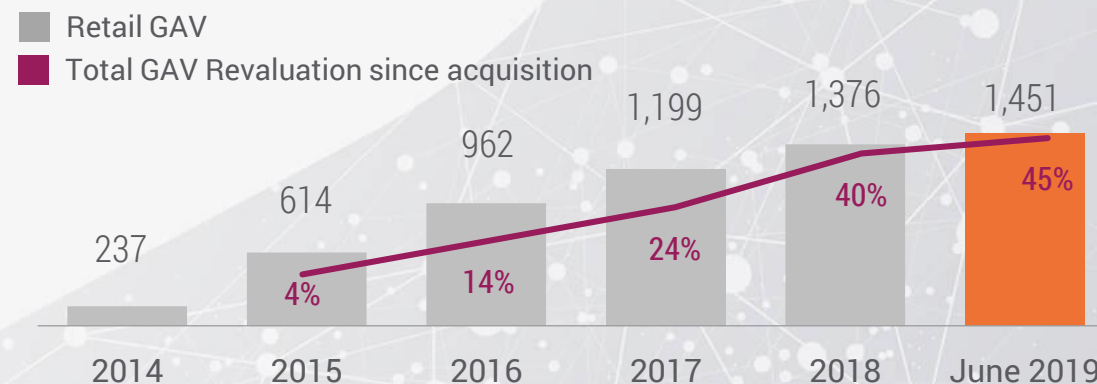
Lar España performance

A story of growth

Retail Occupancy Rate



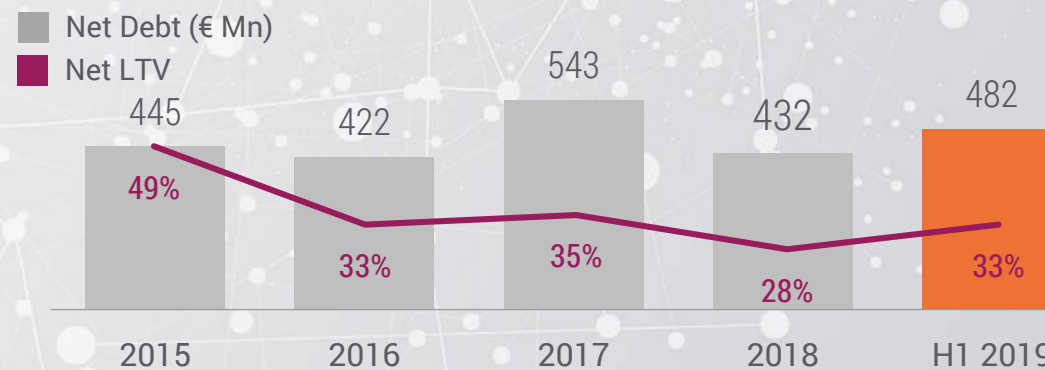
RETAIL GAV (€ Mn)





Retail EPRA NIY



Net Debt & Net LTV



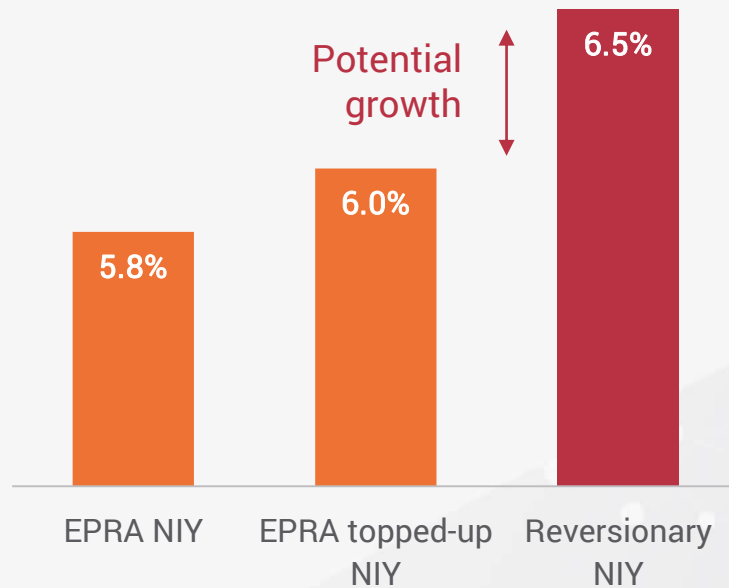
Successful & strong financial key figures delivered in H1 2019

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

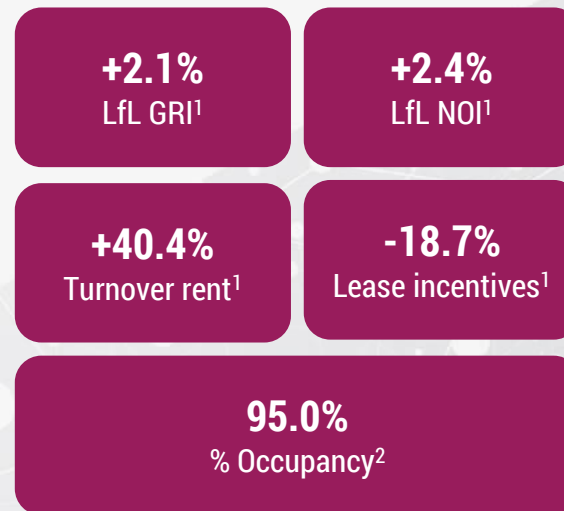
1. Anec Blau's data has not been taken into account because the asset is going through a comprehensive refurbishment project and Albacenter's data due to the division of the hypermarket into four retail units
2. When analyzing this measure it is important to take into account the dividend paid in Q2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

Solid retail performance driven by robust operating results in H1 2019

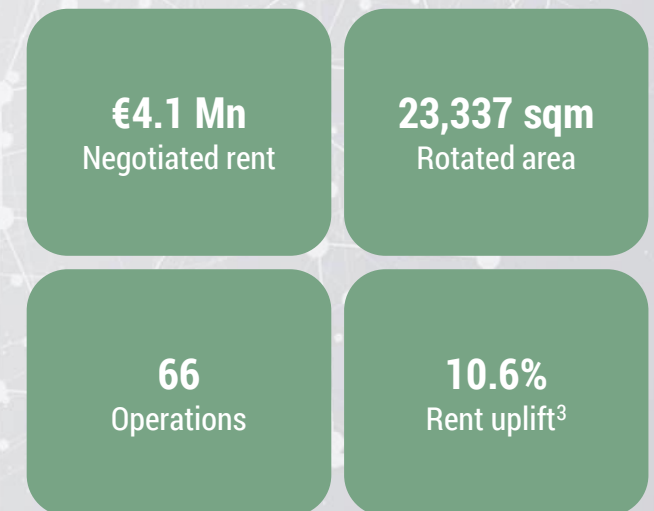
Retail yields



Operating results



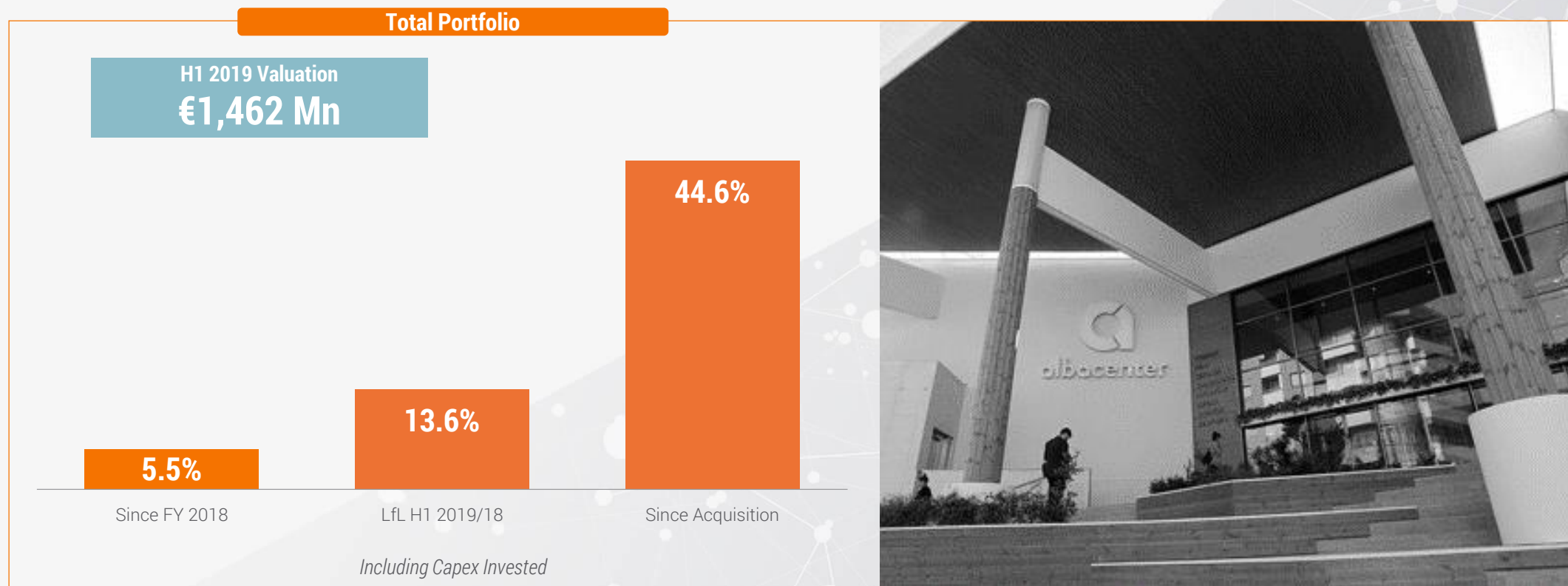
Commercial activity



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)
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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

04

ESG Summary



RETAIL
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Lar España's approach to ESG

Environmental

Responsible management
Sustainability certifications
Environmental awareness
Innovation

100%
shopping centres

BREEAM® ES
el certificado de la construcción sostenible

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

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

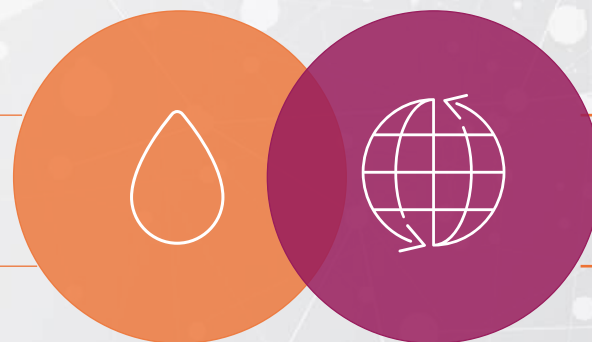
Alternative energy sources



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 mostly 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



05

Appendix



RETAIL
in action!

Retail Assets

Megapark
Bilbao



Lagoh
Seville
Development



G. Vía
Vigo



P. Marina
Alicante



El Rosal
Ponferrada



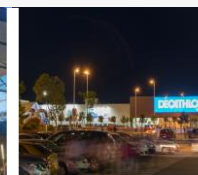
Anec Blau
Barcelona



As Termas
Lugo



Abadía
Toledo



Market Value (Jun 2019)	€222.5 Mn	€210.0 Mn	€172.8 Mn	€128.1 Mn	€110.5 Mn	€96.8 Mn	€87.6 Mn	€84.2 Mn
GLA (Sqm)	83,148	100,000 ²	41,444	40,332	51,152	28,921	35,127	43,120
Acquisition Date	19 Oct '15 27 Oct '17	1 Mar 16	15 Sep '16	30 Oct '14 9 Jun '15 30 Mar '16	7 Jul '15	31 Jul '14	15 Apr '15 28 Jul '15	27 Mar '17 20 Feb '18
Acquisition Price	€178.7 Mn	€38.5 Mn	€141.0 Mn	€89.2 Mn	€87.5 Mn	€80.0 Mn	€68.8 Mn	€77.1 Mn
EPRA NIY ¹	5.4%	>8% ³	5.5%	5.7%	5.6%	- ⁴	6.1%	5.9%
Occupancy Rate ¹	88.9% ⁴	-	99.3%	95.3%	96.1%	- ⁴	95.3%	93.3% ⁵

1. Based in EPRA standards
2. Retail and family leisure space
3. Expected Yield on Cost based on company's estimates
4. The property is undergoing significant refurbishments meaning that some units are being vacated temporarily
5. Large unit temporarily unoccupied. Negotiations with a replacement tenant are at an advanced stage

Retail Assets

Rivas
Madrid



Albacenter
Albacete



Vidanova Parc
Valencia



Vistahermosa
Alicante



Other Assets²

Market Value (Jun 2019)	€67.5 Mn	€60.0 Mn	€58.7 Mn	€50.0 Mn	€102.3 Mn
GLA (Sqm)	36,447	26,335	45,568	33,763	44,888
Acquisition Date	6 Feb '18	30 Jul '14 19 Dec '14	3 Aug '15	16 Jun '16	NA
Acquisition Price	€61.6 Mn	€39.9 Mn	€14.0 Mn	€42.5 Mn	€87.0 Mn
EPRA NIY ¹	6.2%	5.4%	5.7%	5.7%	7.1%
Occupancy Rate ¹	99.1%	95.3%	96.5%	94.5%	98.5%

1. Based in EPRA standards
2. Includes 22 retail units, Txingudi and Las Huertas

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