



RETAIL
in action!



Corporate Presentation

November 2019



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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, 10.7% 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.

16

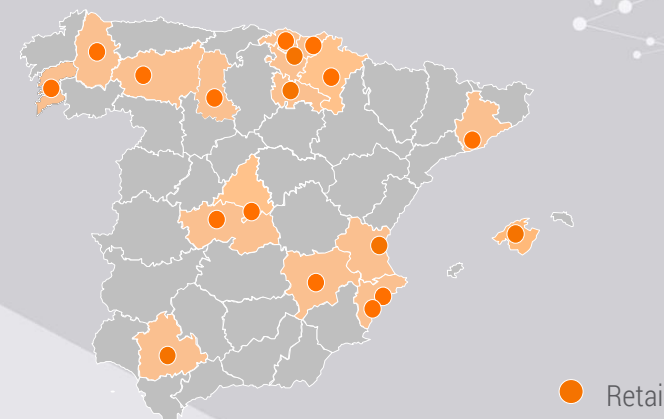
Assets

€1,562 Mn

Gross Asset Value

579,014

sqm GLA



15 quarters

Outperforming the Spanish market

+52.0%

Results from operations¹
vs 9M 2018

+51.8%

Profit for the Period¹
vs 9M 2018

+23%

Retail annualised topped up net rent
vs H1 2019

33%

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

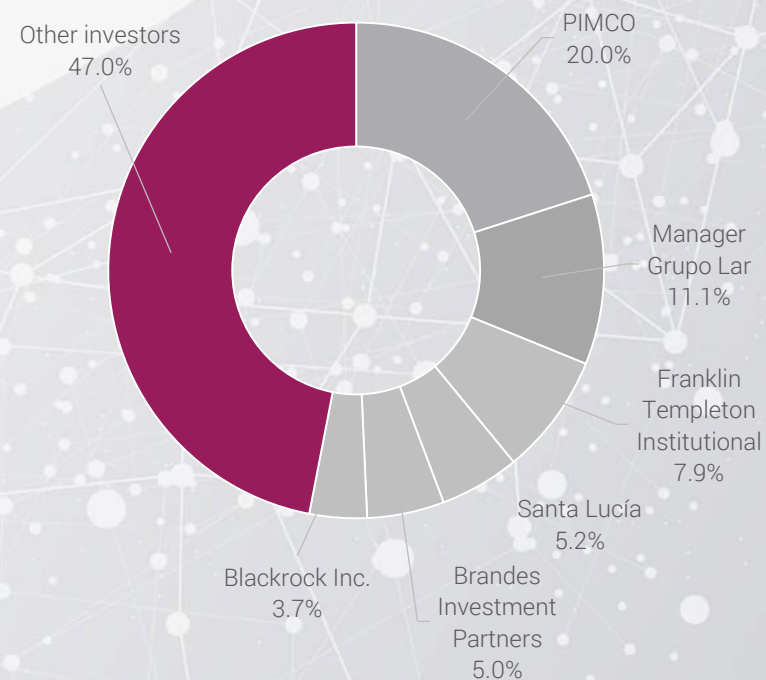
Critical Activities internalized

Jon Armentia
Corporate
Director & CFO

Susana Guerrero
Legal
Manager

Hernán San Pedro
Head of Investor
Relations & Communications

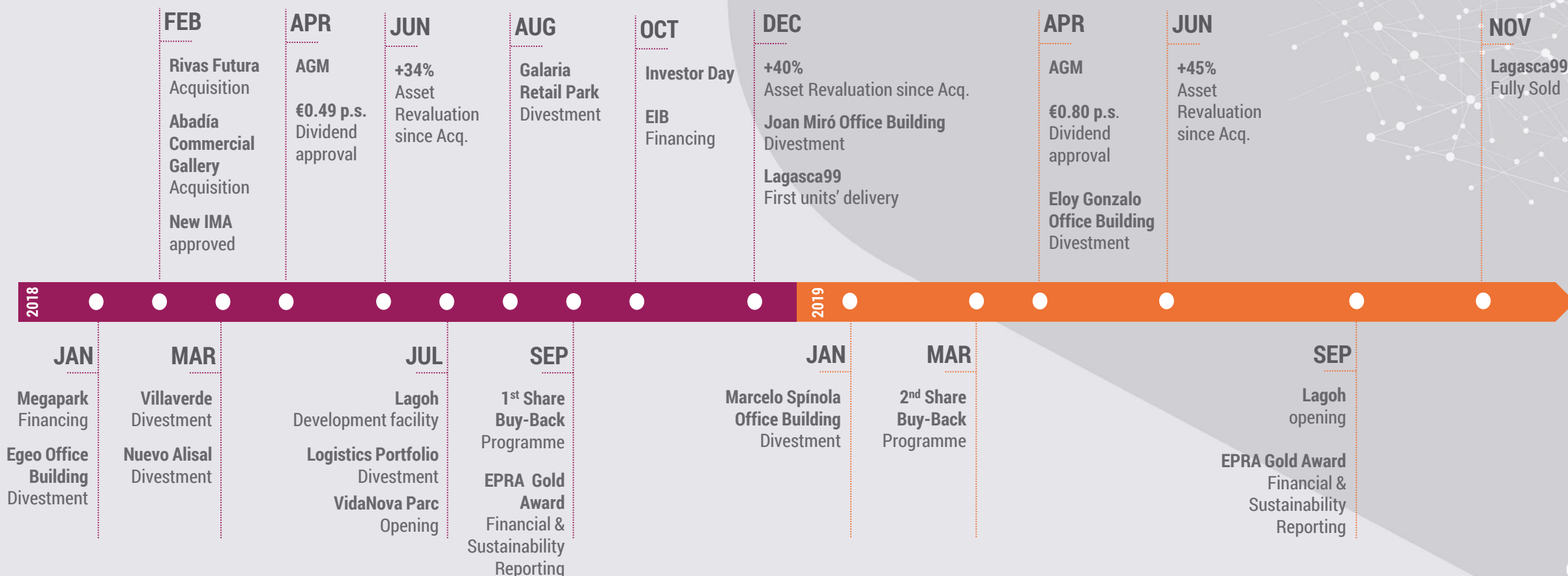
Shareholder Overview



Source: CNMV as of November 2019

Major corporate milestones in 2018 & 9M 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

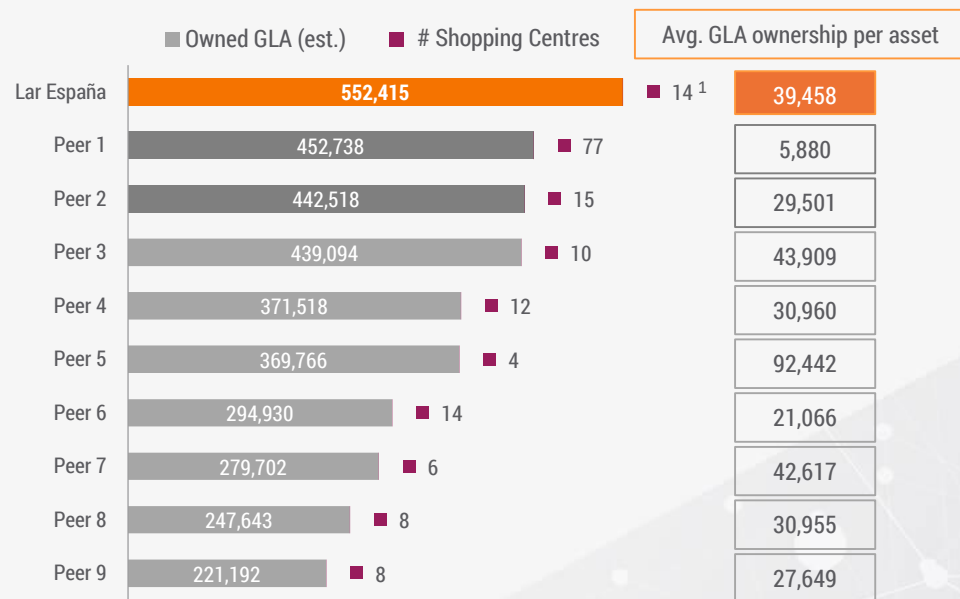
Acquisitions done at attractive capital values with **potential for revaluation**

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

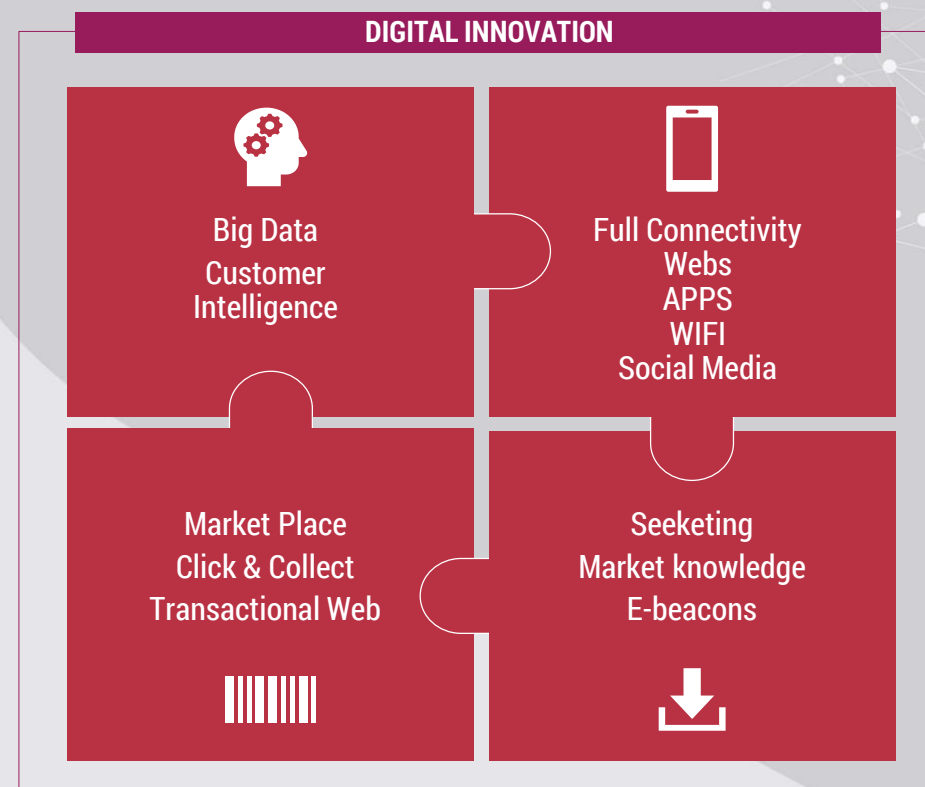
Source: CBRE & Lar figures at September 9th, 2018.

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 9M 2019

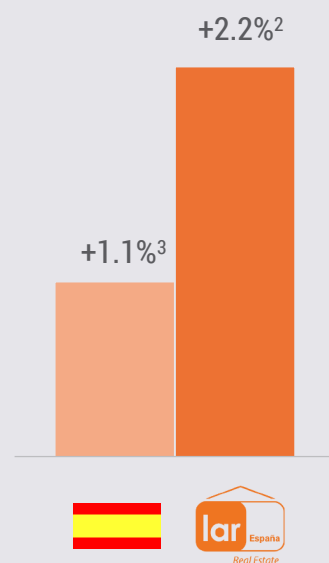
49.8 Mn visits

Vs 9M 2019



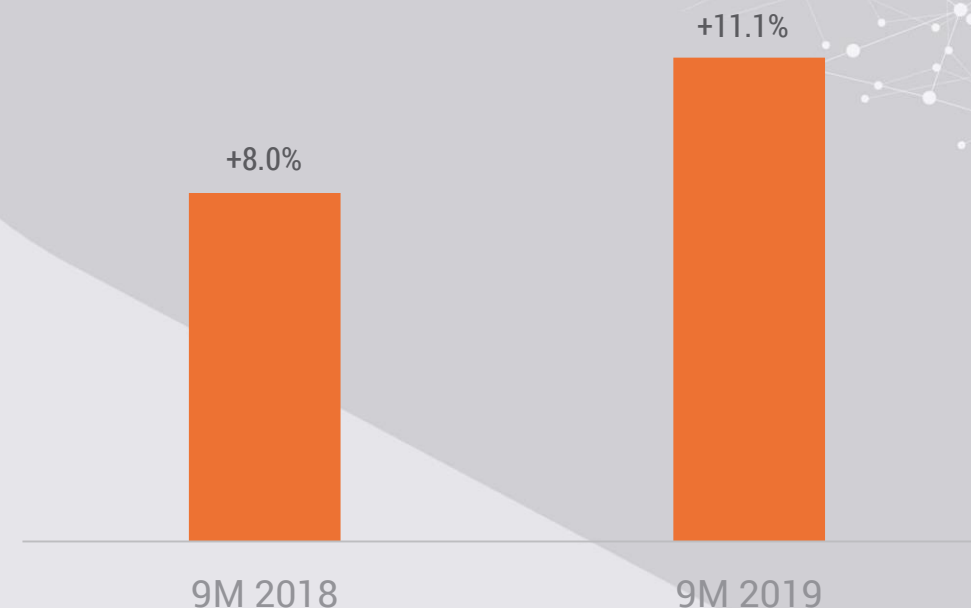
Sales 9M 2019

€529.2 Mn



Rental uplift from reletting activity

Recurrent growth rates in new rents from re-tenanting



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

Adding value to our portfolio with the latest retail trends

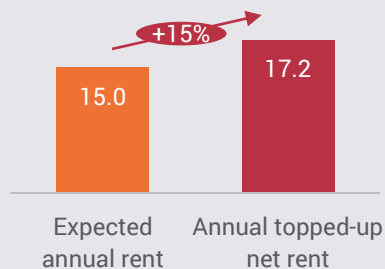
Through our developments and refurbishments

LAGOH



SUCCESSFULLY OPENED IN
SEPTEMBER 2019 WITH RENTAL
INCOME ABOVE ESTIMATES

Lagoh:
the future is here



RETAIL
EXPERIENCE
F&B

Full
occupancy

AS TERMAS



AS TERMAS REFURBISHMENT
FEEL AT HOME

- ✓ Renovated image
- ✓ Sustainable design
- ✓ New dining area
- ✓ 6 new contracts signed
- ✓ 8 screen cinema complex

EL ROSAL



EL ROSAL REFURBISHMENT
NEW AND ATTRACTIVE IMAGE

- ✓ Renovated F&B area
- ✓ Exterior terrace
- ✓ Hammocks area to enjoy in Summer
- ✓ Interior vegetation: Tree over six meters high
- ✓ Children's area

MEGAPARK



MEGAPARK FOC AND RETAIL PARK REFURBISHMENT
TRANSFORMATION INTO AN URBAN,
MODERN AND ATTRACTIVE SPACE

- ✓ Improved image
- ✓ New exterior garden integrated with its surroundings
- ✓ Vegetation diversity
- ✓ New children's area

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 topped-up net rent of €92 Mn (€99 Mn reversionary)

€114 Mn rent potential

Delivering an EPRA topped-up NIY of 5.9%, with significant upside (6.2% reversionary yield)

Revaluation through active management

24% of rental growth potential in our retail portfolio from €92 Mn to €114 Mn (reversionary potential of the existing assets + future investments)

+23% in annualised topped up net rent vs H1 19

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 579k 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 +1.8% increase in LfL GRI and +2.0% in LfL NOI in 9M 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, +11.1% rental uplift achieved on the 42k sqm of rotated area in 9M 2019

Tenant mix enhancing

Healthy growth in footfall and underlying tenant sales (+2.4% and 2.2% respectively over 9M 2019 vs 9M 2018)

15 quarters beating the Spanish market

High occupancy of 96% due to attractive sites and catchment areas

Increasing average dwell time

4 Selective capex & development deliver enhanced income growth

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

Smart mix of retailers, leisure and F&B

Lagoh, successfully opened in September with full occupancy, adds €17.2 Mn of annual topped-up net rent, +15% above expectations

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 >11% 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

Engagement: 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

10.7%
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

89%
2º SBB
programme
completed

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

90%
assets
accessibility
audited

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

CSR
Master Plan

03

Financial Results 9M 2019



RETAIL
in action!

Strong operational results in 9M 2019



RESULTS

+9%
EBITDA
vs 9M 2018

+19%
EPRA Earnings p.s.
vs 9M 2018

+12.8%
Portfolio revaluation LfL
since Dec 2018

+54.6%
Portfolio revaluation LfL
since acquisition

+131.8%
Lagoh revaluation
since Dec 2018

+45.7%
Lagoh revaluation
since Jun 2019

€11.40
EPRA NAV p.s.¹
+10%²
vs 31 Dec 2018



ASSETS

15
quarters outperforming
the Spanish market
in sales and footfall

+11.1%
Rent uplift
leasing activity

+23%
Annualised
topped-up net rent
vs H1 2019

86 min
Avg. stay

Lagoh
Successfully opened
in September
fully occupied



CORPORATE

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

Dividend yield
10.7% over market cap³

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

89%
2nd SBB programme
completed

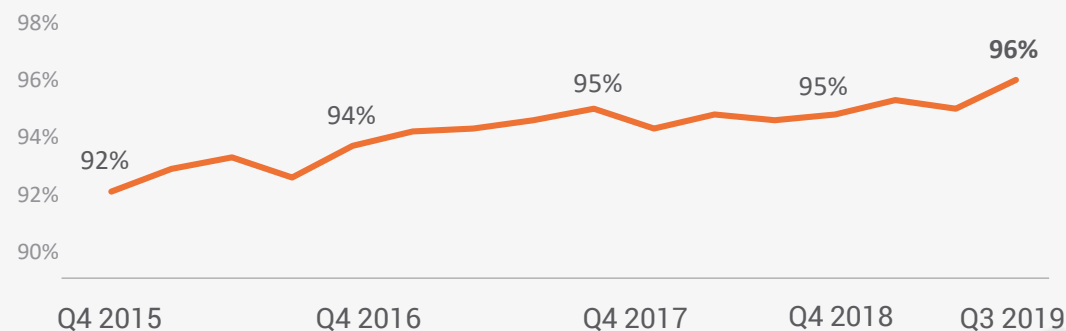
Net LTV
33%
Avg. cost of debt
2.2%

1. When analyzing this measure it is important to take into account the dividend paid in Q2 2019 (0.80€/share)
2. Including the dividend paid in Q2 2019.
3. Market cap at 31 Dec 2018.

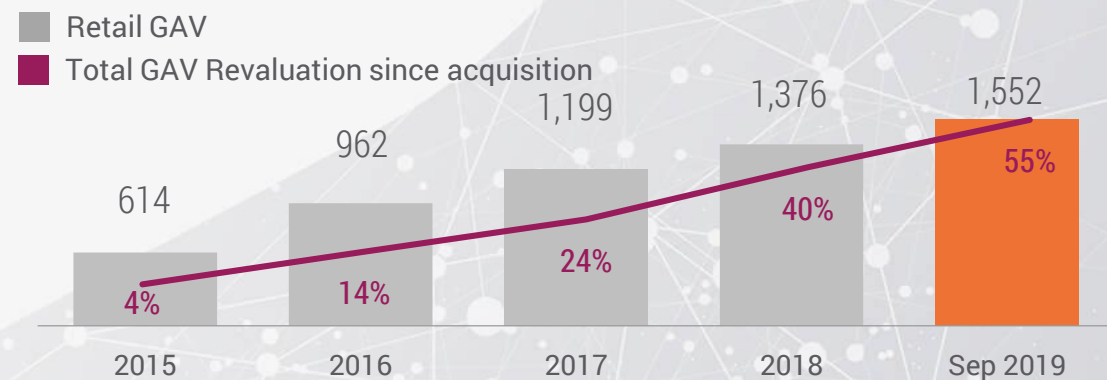
Lar España performance

A story of growth

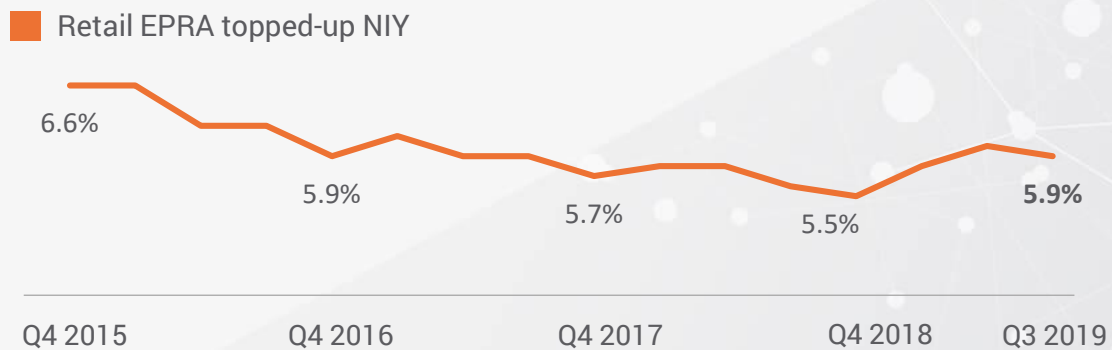
Retail Occupancy Rate



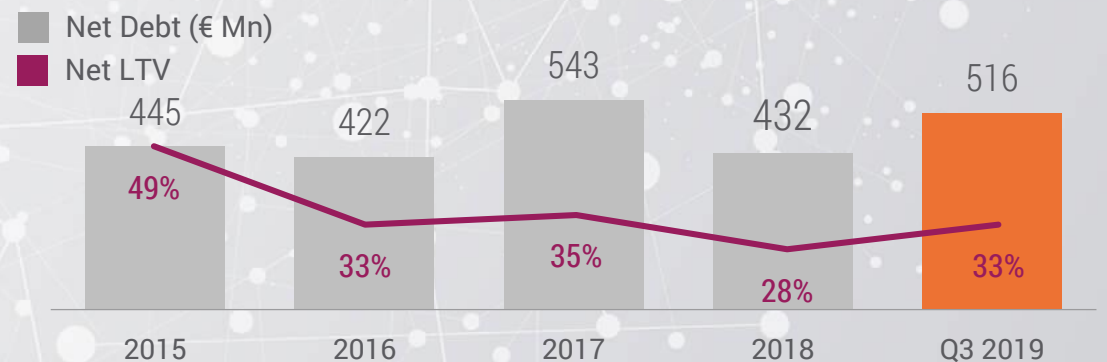
RETAIL GAV (€ Mn)





Retail EPRA topped-up NIY



Net Debt & Net LTV



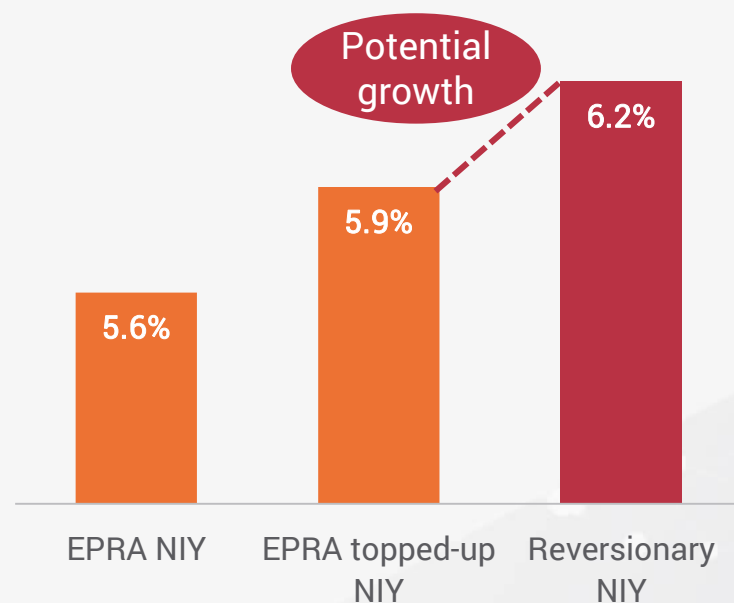
Successful & strong financial key figures delivered in 9M 2019

16 Assets	€57.8 Mn GRI	+1.8% LfL ¹ vs 9M 2018	 	
€1,562 Mn GAV	€37.8 Mn EBITDA	+9% vs 9M 2018	€1,010.6 Mn EPRA NAV	12.9% ROE
579,014 GLA sqm	€671.4 Mn Financial debt	2.2% Cost of Debt	€11.4 ² EPRA NAV per share	7.5% ROA
€92 Mn Annualised "topped-up" net rent	€516.2 Mn Net financial debt	33% Net LTV	5.9% EPRA "topped-up" NIY	1.0% Solvency ratio

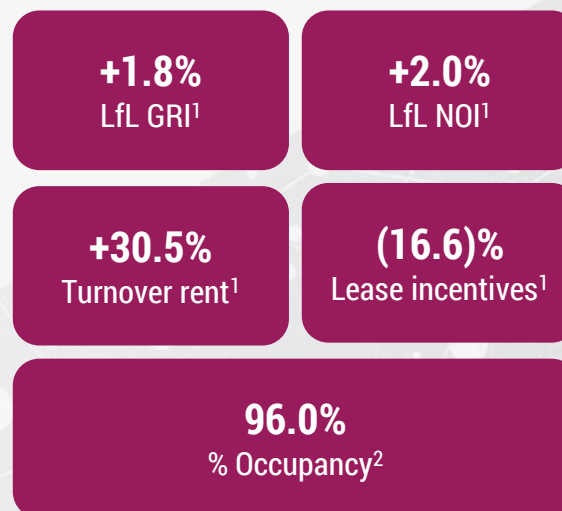
1. Anec Blau's data has not been taken into account because the asset is going through a comprehensive refurbishment project and Albacenter's data due to the division of the hypermarket into four retail units
2. When analyzing this measure it is important to take into account the dividend paid in Q2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

Solid retail performance driven by robust operating results in 9M 2019

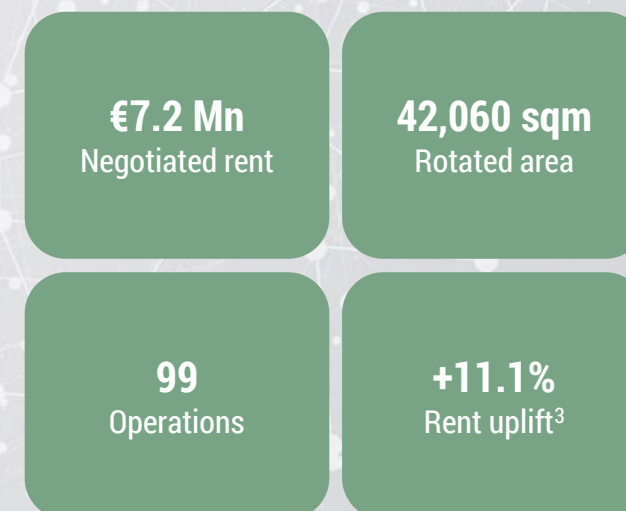
Retail yields



Operating results



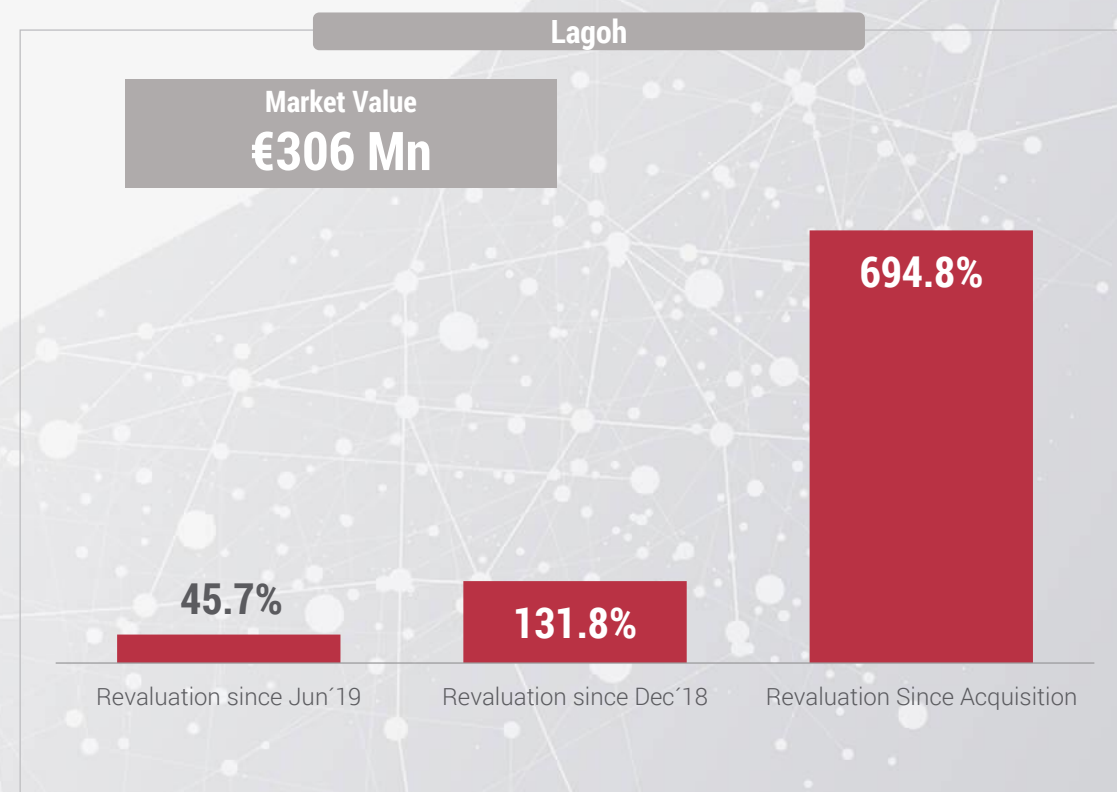
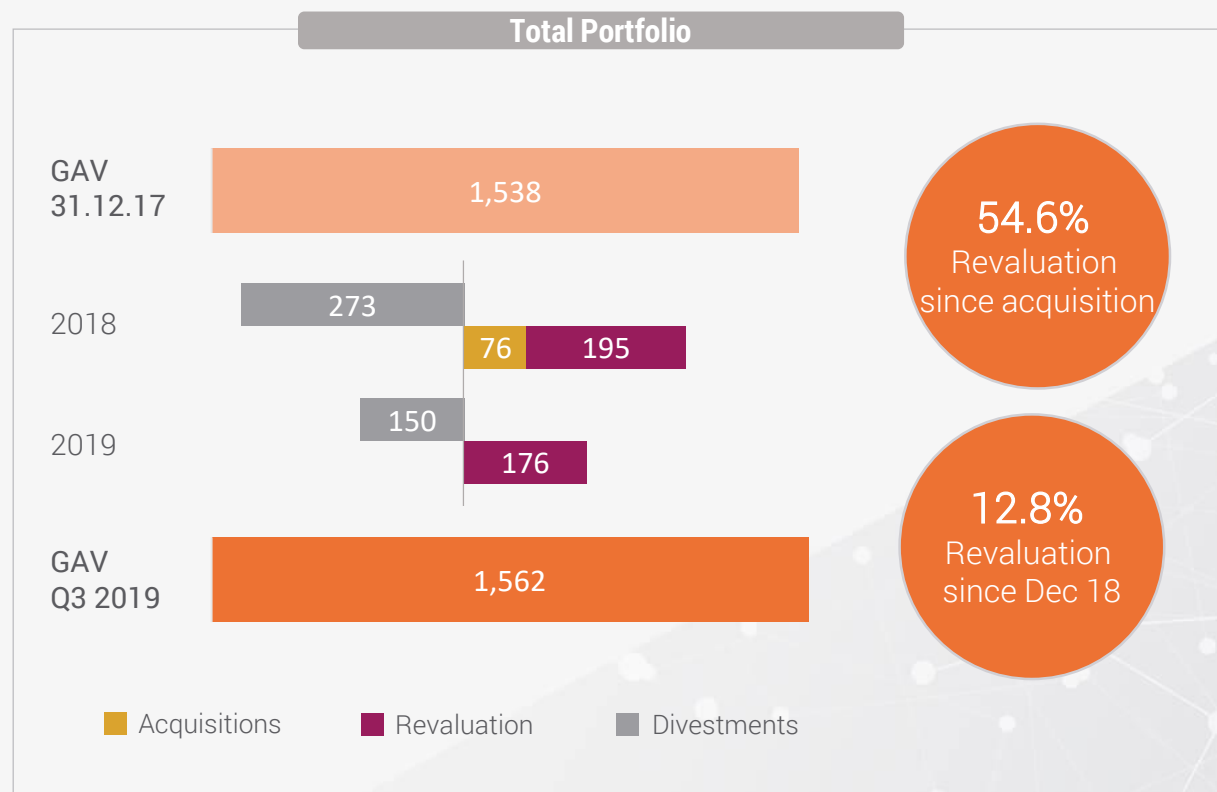
Commercial activity



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

Lar España Asset Appraisal

Developments boost valuations despite the advanced RE cycle



Last asset appraisals carried out by independent experts (C&W and JLL) as of 30 June 2019, except Lagoh carried out as of 30 September 2019

Consolidated Income Statement




(€ Millions)

	P&L	
	9M 2019	9M 2018
Revenues	57.8	58.6
Other income	1.7	3.1
Personnel expenses	(0.3)	(0.4)
Other expenses	(21.5)	(47.1)
Amortization expenses	-	(0.3)
Change in the fair value of investment properties	55.1	59.6
Results of disposals of investment properties	0.0	20.6
RESULTS FROM OPERATIONS	92.8	94.1
Financial result	(14.6)	(10.6)
Share in profit (loss) for the period of equity-accounted companies	1.2	(0.8)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	79.3	82.7
Income Tax	(0.2)	(2.0)
Profit for the Period	79.1	80.7

Despite the change in the perimeter, following the non-core assets divestment plan, P&L 9M 2018 and 9M 2019 results remain at same levels

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





Divested in 9M 2019

Lagasca99	 Residential	
Eloy Gonzalo	 Office building	April 2019
Marcelo Spínola	 Office building	January 2019

Divested in 4Q 2018

Joan Miró	 Office building	December 2018
-----------	-----------------------------------------------------------------------------------------------------	---------------

Divested in 9M 2018

Galaria	 Retail park	August 2018
Logistics portfolio & Cheste	 Logistics	July 2018
Villaverde & Alisal	 Retail Parks	March 2018
Egeo	 Office building	January 2018

Consolidated Income Statement

(€ Millions)

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Pro-forma Retail Portfolio Consolidated Income Statement

(€ Millions)

	Retail portfolio P&L		Chg% 9M 2019/18
	9M 2019	9M 2018	
Revenues	57.5	54.2	+6.1%
Other income	1.7	3.1	
Personnel expenses	-	-	
Amortization expenses	-	(0.3)	
Other expenses	(16.5)	(38.9)	
Change in the fair value of investment properties	54.1	42.2	
Results of disposals of investment properties	-	3.1	
RESULTS FROM OPERATIONS	96.8	63.7	+52.0%
Financial result	(14.5)	(9.4)	
Share in profit (loss) for the period of equity-accounted companies	-	-	
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	82.4	54.3	+51.8%
Income Tax	-	-	
Profit for the Period	82.4	54.3	+51.8%

Note: May not foot due to rounding

04

ESG Summary



RETAIL
in action!

Lar España's approach to ESG

E

Lar España promotes **Sustainability certification measures**. In parallel, the Company safeguards the economic **viability and financial returns on its investments**, while striving to boost aspects that benefit society

S

Lar España's portfolio assets generate **social impacts** that transform and build **shared value** in the communities in which they are located. The Company implements measures designed to **enhance building accessibility**

G

Lar España continues to make great strides forward in terms of **transparency, ethics and regulatory compliance**, thereby guaranteeing **good governance** both in terms of the company and its governing bodies

Environment



Corporate Governance



Creating shared value for our shareholders and investors, as well as the environment we operate in



Social Capital



Assets

Environmental Responsible management

BREEAM®

Sustainable Management

92% of fully managed assets are BREEAM® certified

100% of SCs are BREEAM® certified. Most of them are rated "Very good"



New developments

are designed and developed in line with the specifications required to obtain the prestigious BREEAM® quality and sustainability certification

Energy consumption
40.2 kWh/sqm
-3.7%
Vs. 2017

Electricity consumption
20,323,705 kWh
-3.8%
Vs. 2017

Gas consumption
1,813,015 kWh
-3.4%
Vs. 2017

Recycled waste
55%
+4%
Vs. 2017

GHG emissions
1,516,646 kg CO₂ eq
-2.9%
Vs. 2017

GHG emissions
2.75 kg eq CO₂/sqm
-2.9%
Vs. 2017

Water consumption
109,326 m³
0%
Vs. 2017

water consumption
2.0 l/person
0%
Vs. 2017



Energy

PV solar panels in retail assets
Home automation systems to maximise energy efficiency in residential properties



Water

Water saving programmes for irrigation systems and WC and common areas in retail properties



Air quality

Indoor Air Quality measurements in retail and office buildings

Social

Society-based initiatives in our communities

AACESIBILITY



SOCIETY



Governance

A key factor for the Company's CSR Strategy

- ✓ New appointments to the Board of Directors
28.6% of the board are women, close to the 30% goal set for 2020.
- ✓ Board of Directors Assessment for FY18 carried out by an independent third-party.



- ✓ Review and approval of different policies:



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