

LAR ESPAÑA records a recurrent profit of 12.8 million euros (+67%) in the first quarter of 2020, with revenues 24% higher

- **It distributed a dividend of 55 million euros on April 16**
- **In January and February this year, its shopping centres and parks received 13.9 million visits (+6.7%) and generated sales of 143.6 million euros**

Madrid, May 14, 2020 - Lar España, pioneer and national leader in Spain's shopping centre sector, obtained total revenues of 24.1 million euros in the first quarter of 2020, up 24% on the 19.4 million obtained in the first three months of 2019. Recurring net profit rose 67% to 12.8 million euros compared to 7.7 million euros in the first quarter of last year.

José Luis del Valle, Chairman of the Board of Directors of Lar España, expressed satisfaction at management decisions taken by the company in this period: *"Increased revenues and profits in the first quarter of this year highlight our ability to achieve stable and recurring returns over the long term. Faced with the sudden arrival of the pandemic, we have at all times ensured maximum safety measures are implemented for employees, tenants and retail customers. In the financial field, our balance sheet and liquidity position reinforce the high level of corporate resilience of Lar España. Thanks to this position, we will emerge strengthened from the current crisis, creating value for our shareholders and better prepared to lead the recovery of the sector and its contribution to the Spanish economy."*

In the first quarter of 2020, total net profit was 12.5 million euros compared to 17.6 million euros in the first quarter of 2019. This reflects an increase of 10.4 million euros in the first quarter of 2019 in the valuation of Lagoh, then under development, and not recurrent this quarter as the complex is now in operation. Lar España's total recurrent and non-recurrent operating profit (ebitda) rose 43% to 17.1 million euros, up from 12.0 million euro in the first quarter last year.

In January and February, Lar España's centres received 13.9 million visits, up 6.7% on the same period last year, compared with a sector average increase of only 0.5%. Sales rose 7.2% in those two months to 143.6 million, compared to first two months of last year, well above the average rise of 4.3% in the sector index.

By location and dominance in its respective areas of influence, Lar España's assets make the difference in each of its locations. Lar España has a solid, diversified and high quality tenant base. The company maintains a strong and regular relationship with all of them, especially so in the current situation. As of March 31, 2020, nearly 60% of Lar España's total portfolio of current contracts had a term of more than 5 years. The company had an occupancy rate of 96%, almost equivalent to full technical occupation. The company's 10 main lessors contributed 33.8% of total revenues, while 78% of these revenues came from shopping centres, 18% from retail parks and the remaining 4% from other retail areas.

Financial strength

In its quarterly report, Lar España reports low leverage of barely 35% of asset value with an average financial cost of 2.1%, of which 83% is fixed rate and with no significant maturities in the next two years. Cash position stands around 200 million euros, after deducting dividend payment for 2019, which was distributed on April 16. This cash strength enables the company to meet all its expenses, including financial costs, for the next four years.

Lar España decided to maintain the planned dividend payment schedule after detailed liquidity analysis by the Board of Directors. The company is aware that in times of uncertainty such as the present, it is especially important to follow, as far as possible, the planning established before the outbreak of the health crisis. The company has paid a dividend of 0.63 euros per share, placing it for the third consecutive year among the leading Spanish listed companies in terms of direct shareholder remuneration.

Similarly, it has maintained its current share buyback program for a total of 5% of share capital, which is now 50% completed. All repurchased shares will be redeemed at the end of the program in order to increase profit per share and contribute to shareholder returns.

According to analysts, at the end of the quarter Lar España shares had revaluation potential of 102.2%, with an average target price of 8.15 euros per share. All analysts recommend buying or holding the shares, without no sell recommendations.

Reopening plan and social aid

In its results presentation, the company is clear that it is ready to reopen the rest of its commercial assets, which, if the conditions are met, could take place in a staggered manner from Monday 25 May. It already has an action plan for a reopening under optimum conditions, consisting of a first part dedicated to general operating criteria and a second to the operational functioning of each centre, with specific protocols for cleaning, safety, maintenance, car park distribution, control of pedestrian entrances, timetables, transport, space transfers, and organisation of common areas and food courts, among others.

Lar España has also agreed to collaborate with SGS, a world leader in inspection, verification, analysis and certification, to develop a certificate to verify all health and safety measures against Covid19. It will serve to open its shopping centres and parks with the maximum guarantees of hygiene and safety for clients and employees.

Lar España also includes in its results report the numerous solidarity and social aid campaigns promoted at its centres during the state of alarm. Among other initiatives, it has carried out weekly food distributions, provided digital educational resources for children, established children's food grants, donated bedding, dry cleaning and food to different municipal homeless services, distributed breakfasts for emergency and UVIS personnel, and collaborated with Military Emergency Units.

It has collaborated with initiatives for providing emergency medical material, donated technological material, distributed tablets to hospital inpatients, collaborated in projects such as the Royal Foundation of the Hospital de la Reina to encourage children to wear masks, and donated birthday packs for children's homes.



About LAR ESPAÑA Real Estate SOCIMI S.A.

LAR ESPAÑA REAL ESTATE SOCIMI, S.A. is a company quoted in the Spanish Stock Exchanges, constituted as SOCIMI "Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario" in March 2014. The company has the objective of investing in the Spanish real estate sector, especially in the retail segment. At its IPO, it raised initial capital of 400 million euros and in January 2015 completed the first bond issue made by a SOCIMI in Spain for an amount of 140 million. Today, it is the leader in the Spanish retail market, with nearly 600,000 square meters of leased space and 1,552 million euros in asset value.

In 2015 LAR ESPAÑA was included in the FTSA EPRA/NAREIT Global index, a selective global index designed to represent general trends of real estate companies quoted around the world. Likewise, in 2018 it was included in the Ibex Top Dividend index. In September 2019, for the fifth consecutive year, Lar España was awarded the EPRA Gold Award for the quality of the financial information made available to its main stakeholders. With regard to the information published on Corporate Social Responsibility and Sustainability, Lar España has obtained the highest distinction from EPRA, winning the Gold Award for the second consecutive year.

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