



Real Estate

*Assets
in action!*

Corporate Presentation

Executive summary

June 2020

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, 8.9% 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



€1,555 Mn
Gross Asset Value



578,464
sqm GLA



€55 Mn
2019 Dividend paid



+19.7%
NOI
vs Q1 2019



17 quarters
Outperforming the
Spanish market



+75%
EPRA Earnings p.s.
vs Q1 2019

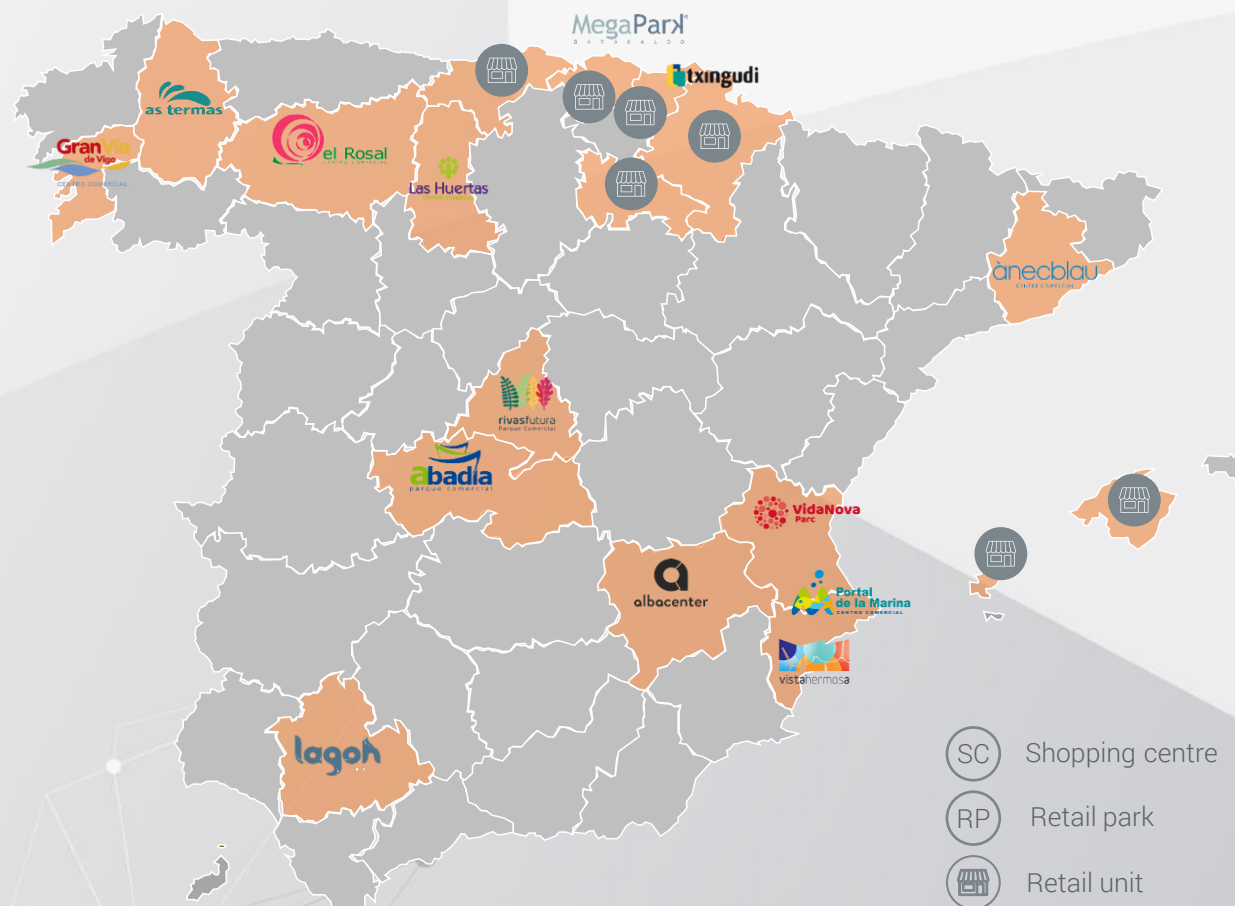


35%
Net
LTV

Diversified, multiproduct and dominant portfolio

To be the retail leaders in Spain

<p>69,720 sqm Visits: 2.6 Mn¹ Sales: €44.5 Mn¹ Dominant</p> <p>lagoh</p> <p>SC</p>	<p>Size: 41,453 m2 Visits: 7.3 Mn Sales: €109.6 Mn Dominant</p> <p>GranVía de Vigo</p> <p>SC</p>	<p>81,561 sqm Visits: 11.8 Mn Sales: €115 Mn Dominant</p> <p>MegaParx</p> <p>SC RP</p>
<p>29,032 sqm Visits: 4.8 Mn² Sales: €58.3 Mn² Dominant</p> <p>ànecblau</p> <p>SC</p>	<p>40,334 sqm Visits: 3.6 Mn Sales: €95.3 Mn Dominant</p> <p>Portal de la Marina</p> <p>SC</p>	<p>51,152 sqm Visits: 5.4 Mn Sales: €99.4 Mn Dominant</p> <p>el Rosal</p> <p>SC</p>
<p>35,127 sqm Visits: 3.7 Mn Sales: €61.6 Mn Dominant</p> <p>as termas</p> <p>SC</p>	<p>26,310 sqm Visits: 4.4 Mn Sales: €34.1 Mn Dominant</p> <p>albacenter</p> <p>SC</p>	<p>10,712 sqm Visits: 3.6 Mn Sales: €22.2 Mn Dominant</p> <p>txingudi</p> <p>SC</p>
<p>6,267 sqm Visits: 2.1 Mn Sales: €8.7 Mn Convenience</p> <p>Las Huertas</p> <p>SC</p>	<p>43,109 sqm Visits: 6.7 Mn Sales: €32.4 Mn Dominant</p> <p>abadia</p> <p>RP</p>	<p>45,568 sqm Visits: 2.2 Mn Sales: €35.1 Mn Dominant</p> <p>VidaNova</p> <p>SC</p>
<p>36,447 sqm Visits: 2.7 Mn Sales: €23.8 Mn Dominant</p> <p>rivasfutura</p> <p>RP</p>	<p>33,763 sqm Visits: 3.4 Mn Sales: €74.8 Mn Dominant</p> <p>vistahermosa</p> <p>RP</p>	<p>22 retail units anchored by supermarkets</p> <p></p>



1. Not full year. Lagoh opened on September 2019.
2. Under refurbishment.

Retail leadership in Spain

Lar España has consolidated its position among the top retail operators in Spain

Main shopping centres and retail parks market players



Source: CBRE & Lar figures. June 2020.

1. Excluding supermarkets portfolio

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

Company structure & shareholder overview

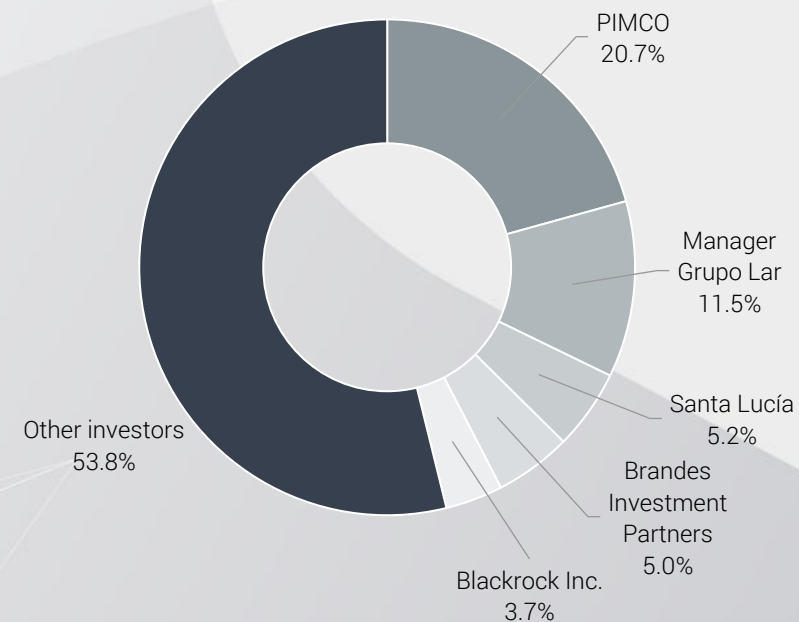
INDEPENDENT AND EXPERIENCED BOARD: 5 INDEPENDENT DIRECTORS (OUT OF 7)

<u>José Luis del Valle</u> Chairman and Independent Director	<u>Roger Cooke</u> Independent Director	<u>Leticia Iglesias</u> Independent Director	
<u>Alec Emmott</u> Independent Director	<u>Isabel Aguilera</u> Independent Director	<u>Laurent Luccioni</u> PIMCO Director	<u>Miguel Pereda</u> Grupo Lar Director
	<u>Juan Gómez-Acebo</u> Secretary Non Member	<u>Susana Guerrero</u> Deputy Secretary Non Member	

CRITICAL ACTIVITIES INTERNALIZED

<u>Jon Armentia</u> Corporate Director & CFO	<u>Susana Guerrero</u> Legal Manager	<u>Hernán San Pedro</u> Head of Investor Relations & Communications
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SHAREHOLDER OVERVIEW



Strong management capacity

External manager: Grupo Lar, real estate reference with 50y track-record



Investment Management
Agreement

New IMA signed in 2018

Grupo Lar now owns a 11.5% stake
in Lar España, subject to a lock-up period

- 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

Whitehall



THE BAUPOST GROUP®



GREENOAK



MSREF



Well positioned for the new times with new assets

Safe and integrated spaces

SECTOR NEEDS

LAR ESPAÑA'S OFFERING

1	Get clients to go to shopping centres	Dominant and prime assets in each of its catchment areas
2	Assets that guarantee all health and hygiene safety measures and social distancing	Large areas that avoid crowding, ample retail outlets, best practices in accessibility and security personnel
3	Customized and adapted assets	Big data, roll-out of new technologies, optimizing the customer journey and initiatives targeted at our users
4	Experiential / leisure assets	Unique response to prevailing sector trends and needs: Tier-1 brands for shopping and entertainment destinations
5	Integrated assets	Omnichannel retailing (physical and digital player), transactional web and logistics capacity in our shopping centres

The results of our strategy:

A different company for a changing market

STRONG BALANCE SHEET & OPERATING RESULTS



Leaders in Spain with a dominant and diversified portfolio of shopping centres and retail parks

17 quarters outperforming the Spanish market

Top & loyal retailers

PREPARED FOR THESE NEW TIMES



Assets c.100% owned, delivering flexibility and full decision capacity

Shopping centres refurbished and adapted to latest retail trends

Grupo Lar real track record of +50y and experience in past crisis

TECHNOLOGICAL DEVELOPMENT



TES Project implemented

Big data analytics

Full connectivity in all shopping centres

Physical and online coexistence and convergence

FOCUS ON FINAL CUSTOMER & RETAILERS



"Customer journey" in operation

Assets have its own "experiential plan" creating personalized customer experiences

Optimal mix of commercial, dining and leisure offering

ESG AS ANOTHER ESSENTIAL BUSINESS METRIC



1st in class ESG company

Two EPRA Gold Awards

Responsible management of assets

Investment highlights

"Assets in Action"

ASSETS

1	SAFE	<ul style="list-style-type: none"> • Large areas to avoid crowding • Technology to control flows • Best practices in accessibility
2	INTEGRATED	<ul style="list-style-type: none"> • Optimal mix of stores • Omnichannel and transactional web • Logistics capacity
3	CUSTOMIZED	<ul style="list-style-type: none"> • Technological leadership • Customer journey • Big data
4	EXPERIENTIAL	<ul style="list-style-type: none"> • Destinations • F&B & leisure offering • Flagship stores
5	PRIME & DOMINANT	<ul style="list-style-type: none"> • Tier-1 tenant base (70 Inditex stores) • 40,000 sqm Avg. GLA • Prime assets in dominant catchment areas
6	REFURBISHED	<ul style="list-style-type: none"> • 4.0 retail • Optimized and differentiated assets • Adapted to latest trends

IN ACTION

1	OPTIMAL MANAGEMENT	<ul style="list-style-type: none"> • Grupo Lar +50y track-record • Retail experience in past crisis • Active management
2	SOLID BALANCE SHEET	<ul style="list-style-type: none"> • 35% LTV • Capex minimized • Costs reduced by 35%
3	SELF-SUFICIENCY	<ul style="list-style-type: none"> • Cash position: c.€200 Mn • Cash strength to cover expenses in 4y. • Income generation sustainability
4	OUTPERFORMING THE MARKET	<ul style="list-style-type: none"> • 17 quarters outperforming Spain • Sales & footfall remain solid • Successful transformation rate
5	PROFITABLE	<ul style="list-style-type: none"> • At least 80% profits distributed • Attractive dividend yield • Permanent liquidity analysis
6	ESG & TRANSPARENCY	<ul style="list-style-type: none"> • Most stringent ESG & transparency • Responsible management • Actions over fees & Board remunerations

Operational results in Q1 2020



RESULTS

+19.7%
NOI vs Q1 2019

+2.7%
LfL NOI vs Q1 2019

+43%
EBITDA
vs Q1 2019

+75%
EPRA Earnings p.s.
vs Q1 2019

1,555
GAV¹
+5%
vs 31 Mar 2019

€11.72
EPRA NAV p.s.²
+2.2%
vs 31 Dec 2019



ASSETS

**Outperforming the
Spanish market**
in sales and footfall

+9%
Rent uplift
leasing activity

96%
Occupancy³
31 Mar 2020


89 Mn
Avg. Stay
+2%
vs Q4 2019





1. Information based on valuations as of 31 December 2020, prior to COVID19. Consequently, the data do not reflect the potential impact of the crisis caused by the pandemic and the declaration of the State of Alarm, which as of this date is not yet quantifiable.


2. €11.09 per share adjusted by dividend effect.

3. Ratio calculated according to EPRA recommendations and excluding Anec Blau because it is under comprehensive reform.

Corporate results in Q1 2020

 CORPORATE	<p>€55 Mn dividend¹ €0.63 p.s.</p> <p>Dividend paid</p>	<p>3rd SBB programme maintained 5% share capital</p>	<p>c. €200 Mn liquidity Expenses covered over the next 4 years</p>	<p>Net LTV 35%</p> <p>Avg. cost of debt 2.1%</p>
 ESG	<p>100% recommendations of the CNMV Good Governance Code complied</p>	<p>AENOR Univesal Accesibility Certification VidaNova Parc & Vistahermosa</p>	<p>100% Shopping centres BREEAM certified</p>	<p>+20% GRESB scoring annual improvement</p>

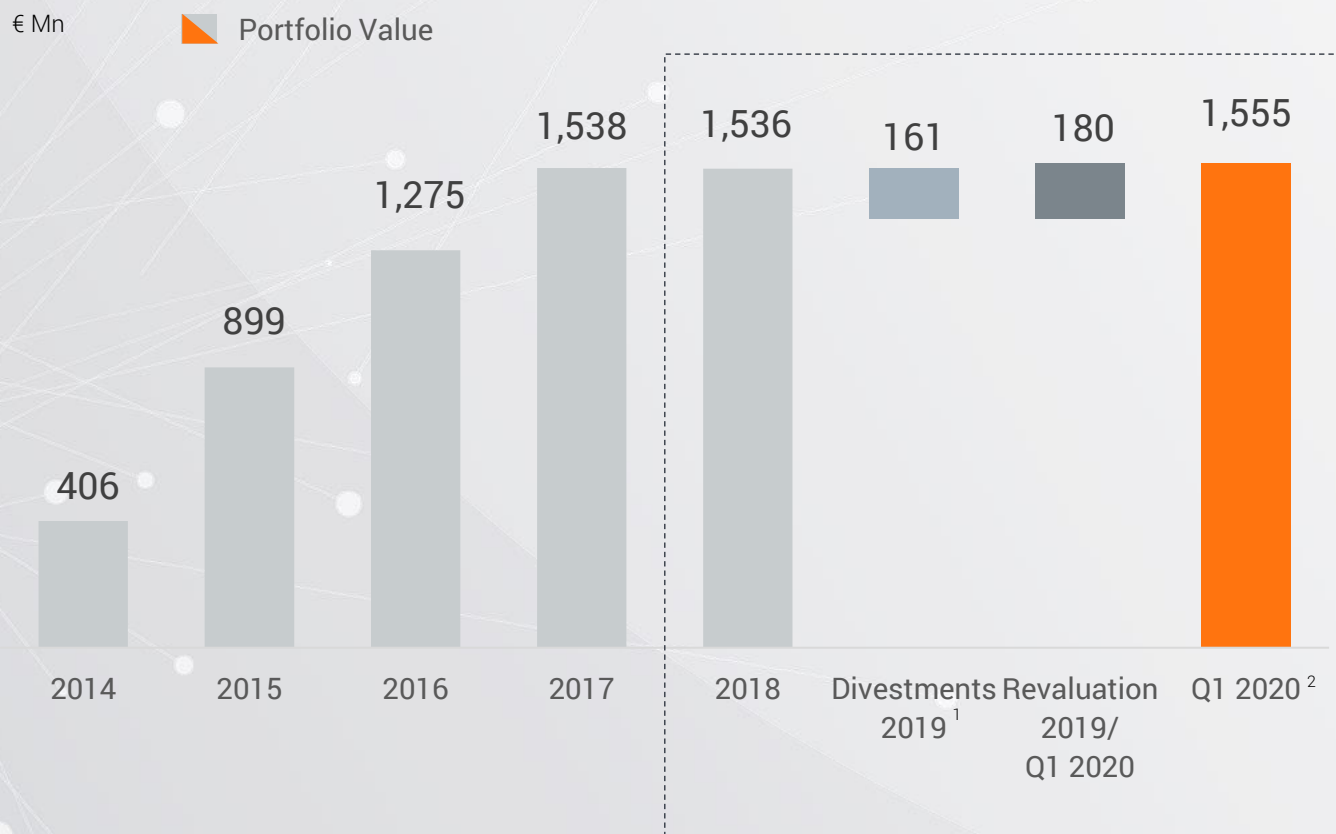
EPRA Gold Award - Financial Reporting
 2015
  2016
  2017
  2018
  2019

EPRA Gold Award - Sustainability Reporting
 2018
  2019

1. Dividend paid on April 16th

Asset valuation

Our assets make the difference in each of their locations



▪ A resilient portfolio of dominant shopping centres in attractive catchment areas

▪ Cherry-picked portfolio, assets carefully analysed and selected without buying portfolios

▪ Assets c.100% owned, delivering flexibility, control and full decision capacity

▪ Solvent and diversified tenant base with a WAULT of 3.4 years, effort rate of 9.5%³ and close medium- and long-term relationships

▪ Grupo Lar real estate experience of +50 years and proved retail management experience in past financial crisis

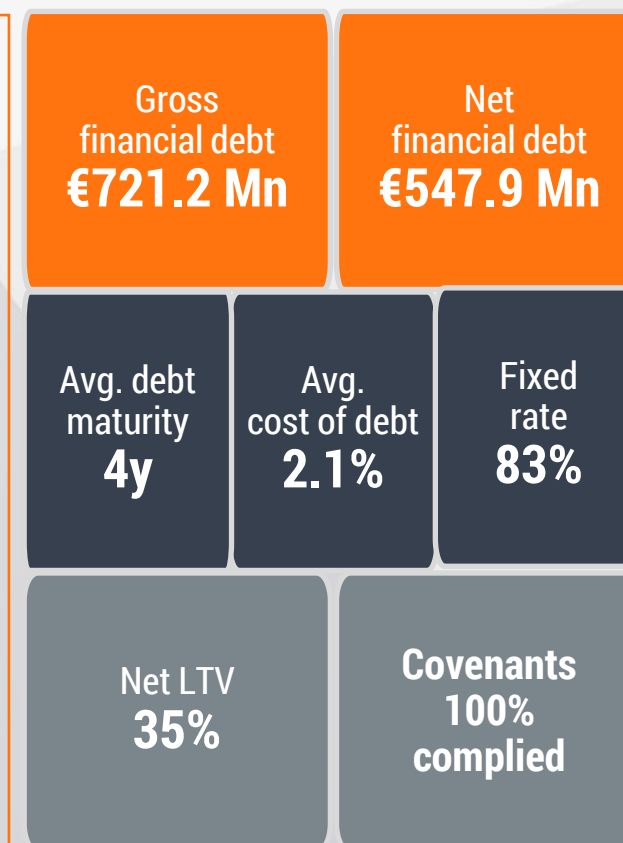
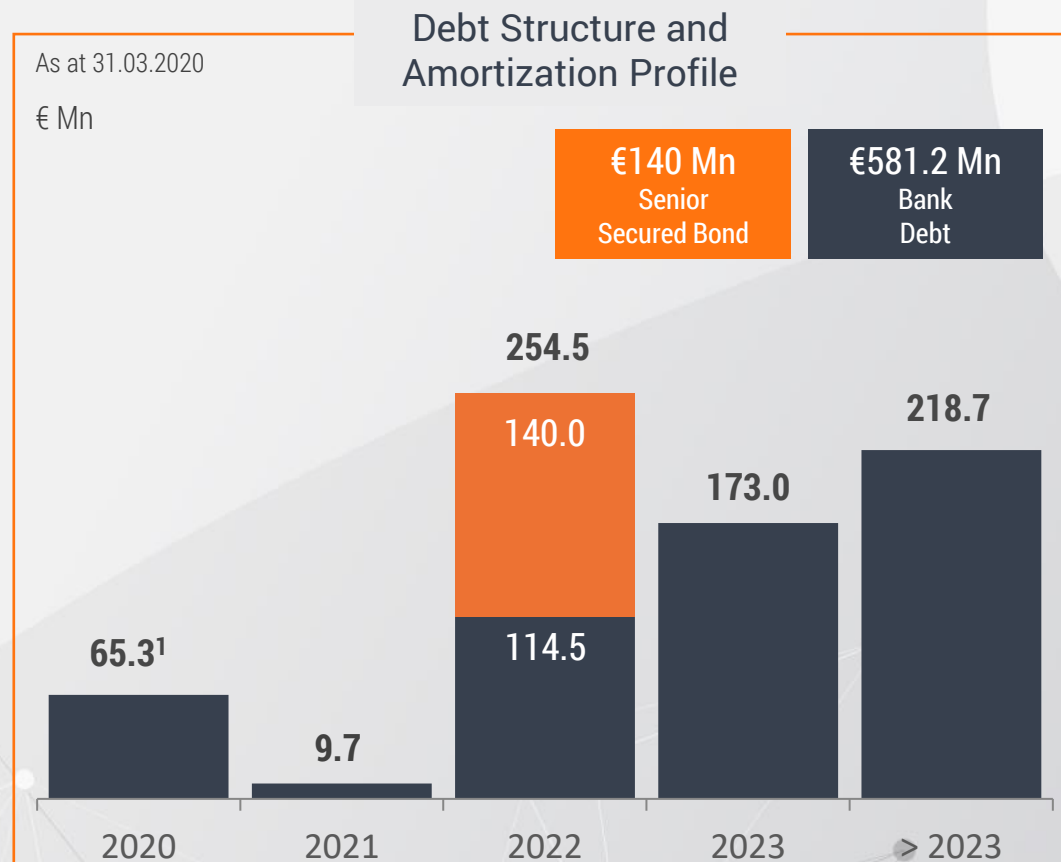
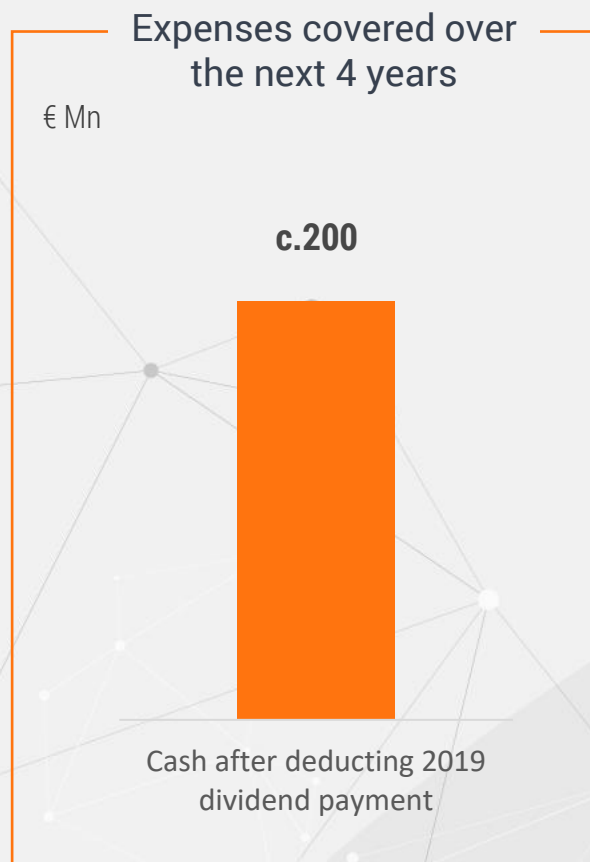
1. During 2019 Lar España sold Marcelo Spínola and Eloy Gonzalo office buildings for a total sum of €77 Mn, which represents an aggregate of 142.9% with respect to the purchase price. Additionally, Lar España has already completed and delivered all residential units of Lagasca99.

2. Information based on valuations as of 31 December 2020, prior to COVID19. Consequently, the data do not reflect the potential impact of the crisis caused by the pandemic and the declaration of the State of Alarm, which as of this date is not yet quantifiable

3. Figure as of February 2020.

Financial pillars and liquidity

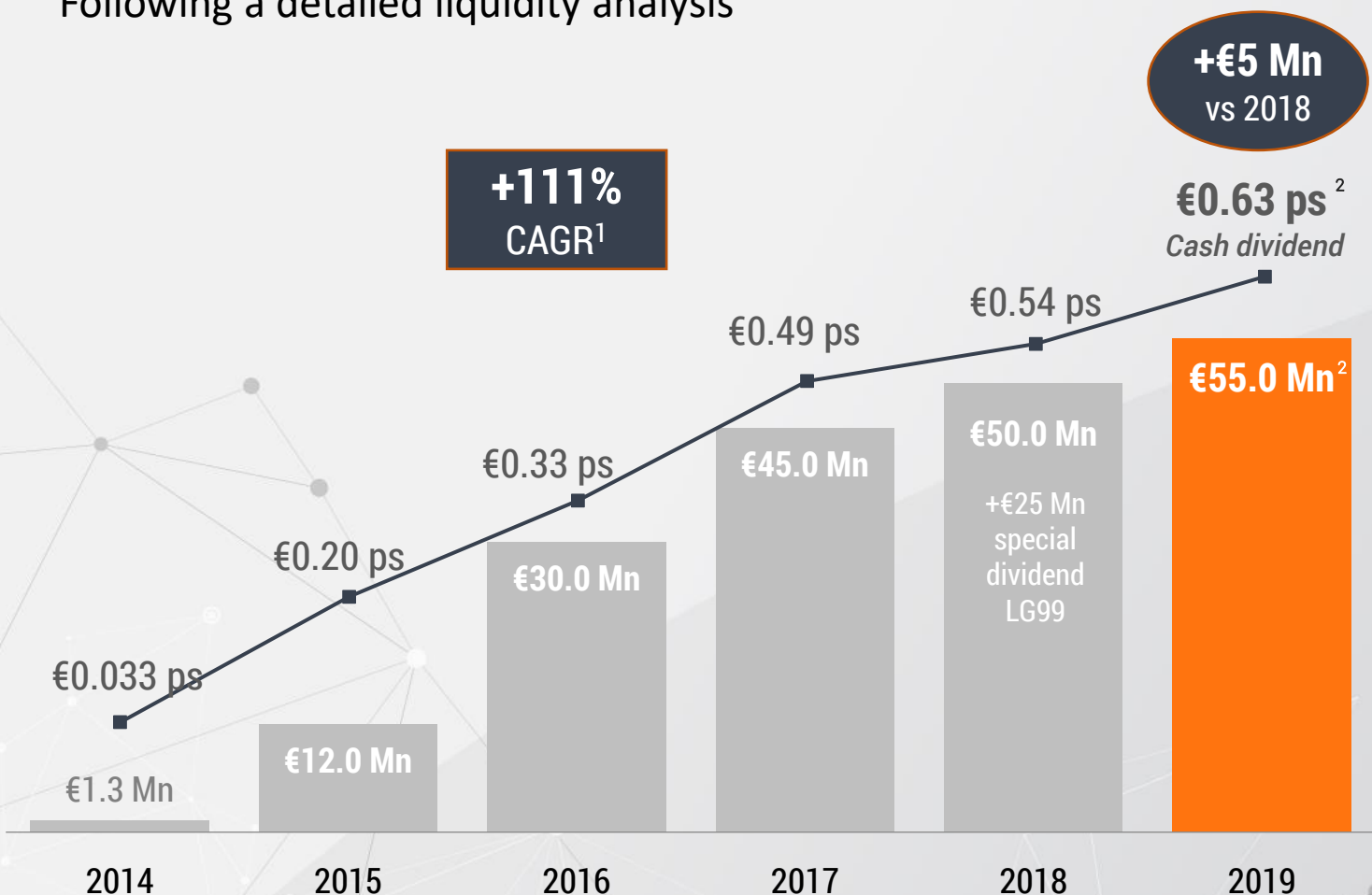
No significant maturities in the next two years



1. Within this amount, €25 Mn corresponds to Bankinter's corporate loan. With date 14/05/2020 the renewal has been signed, becoming the new maturity date in May 2021.

Capacity to maintain the planned dividend payment schedule

Following a detailed liquidity analysis



Among the leading Spanish listed companies in terms of direct shareholder remuneration

2019 dividend paid on April 16th

5.5%

Dividend Yield
on NAV³

8.9%

Dividend Yield
on Market Cap³

**IBEX
TOP DIVIDENDO**

Appointed in
2018, 2019 & 2020

10.14%

Return to
shareholders⁴

1. Compound annual growth rate
2. Dividend paid on April 16th
3. EPRA NAV and Market Capitalization as of December 31st, 2019
4. To calculate the rate of return, we use the growth per share (NAV + Dividend) over the financial year divided by EPRA NAV per share 31.12.2018

Lar España's approach to ESG



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