



■ H1 2020 Half-Yearly Report

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COVID-19

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1.1 Lar España's response to the COVID-19 crisis

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- Measures adopted for the reopening of our centres

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Shopping Centre / Gran Vía (Vigo)

1.1

Lar España's response to the COVID-19 crisis

Measures adopted for the reopening of our centres

Lar España has **successfully guaranteed the implementation of all pertinent health-hygiene safety**, social distancing and customer communication measures.

Since the state of emergency was first declared, Lar España has been working in close collaboration with both tenants and customers to ensure that all the measures required by the “new normal” are in place across its entire property portfolio.

As such, an **action plan** has been drawn up and certified by SGS – a leader in the field of verification services – to ensure the optimal reopening of all its properties. The plan is **broken down into two parts**, the first part details general operational criteria and the second focuses on the general criteria for the daily running of the centres.

The points covered in the action plan relate to cleaning, security, maintenance, parking layout, pedestrian access control, opening hours, and the layout of food courts, among others.

6

General operational criteria for our shopping centres:



Enhanced cleaning of all areas in centres

- Disinfection via nebulisation programme for all areas of shopping centres.
- Review of cleaning protocols for high-risk areas.
- Application of new techniques and use of new machinery and cleaning products.
- Installation of various hand sanitising gel dispensers and sanitising stations.





Increased security

- Capacity limitations in walkways and stores.
- Ongoing communication with the main retailers to coordinate protocols for the opening and operation of stores.
- Automatic capacity control and alerting system (Shopper-track).
- Queue management in stores.
- Management of panic-induced situations.
- Delimitation of traffic lanes to maintain safety distance.



Maintenance of installations and protocols

- Review of maintenance protocols and installations.
- Works management.
- Verification of health and safety studies/projects.





Parking and pedestrian access

- Use of alternate parking spaces recommended.
- Limited number of entrances kept open/closed.
- Management of potential queues by affixing vinyl floor markings spaced 2 metres apart to ensure social distancing
- Capacity limitations:
 - Priority access for the disabled, people aged 65 and over and families with children below the age of 14.
 - Security personnel stationed at each open entrance to monitor capacity.
 - Hand sanitiser dispensers and gloves available at each open entrance.



General criteria for the daily running of our shopping centres:



Ongoing communication with customers

- QR code: this will welcome customers and be their core source of information.
- Real-time capacity updates for each of our centres.
- Vinyl floor markings at entrances.
- Digital screens and directories.
- Customer services personnel.
- Rules of conduct and security protocols.



Food court

In order to make the best use of the foodcourts, the terraces corresponding to each retailer have been individually marked out, ensuring that capacity limitations are observed at all times.

This ensures all current regulations, along with all hygiene and social distancing measures are continually met.



SGS Certification

In order to ensure the safe reopening of its shopping centres and compliance with all health and hygiene requirements, **Lar España has drawn up specific protocols** to guarantee the safety of all visitors. These protocols set out procedures which should be followed and implemented across all of the company's properties.

To validate and ensure these protocols are effective, Lar España entrusted their verification to a renowned firm in the field of **Authorised Monitoring Services**. The company selected was **SGS**, leaders in inspection, verification, testing and certification. The inspection covered **three key areas**:



Compliance with all regulations and best practices to be included in the design and drafting of all protocols.

The implementation of all procedures and best practices across all shopping centres in the company's portfolio.

Continued application of all measures in the months following the health crisis.

Following the favourable assessment regarding the design of the protocols, SGS will carry out on-site inspections at the shopping centres to certify that all protocols are being implemented correctly during the following months.



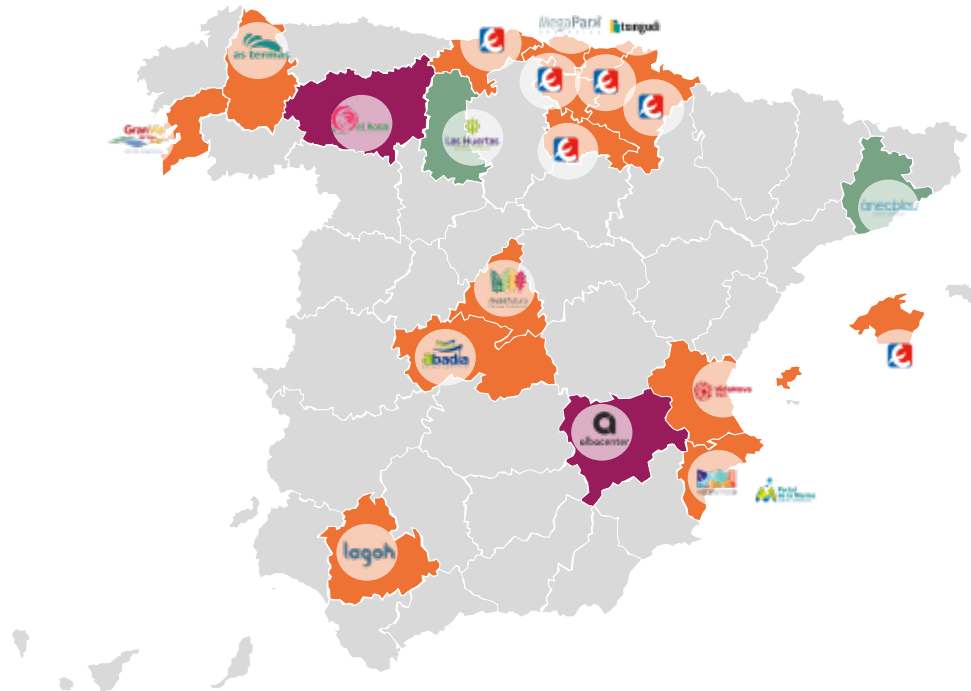


Shopping Centre / Portal de la Marina (Alicante)

1.2

Shopping Centres and Retail parks opening

The shopping centres and retail parks of the portfolio were reopened in accordance with the phases established in each autonomous region, as stipulated by the Spanish Government. As such, the **properties were reopened** as shown in the following map:



- Open from week 25.05 (*)
- Open from week 01.06
- Open from week 08.06

(*) Vistahermosa shopping park opened on 25/05/2020, while Portal de la Marina shopping center opened a week later on 01/06/2020.

More than 80% of contracts have been agreed based on one-on-one conversations, with closeness and permanent contact with the retailer. The company has managed each negotiation directly and without intermediaries, allowing it to reach rapid agreements adapted to the specific needs of each tenant and activity. The agreements have been reached for the most part under conditions that represent a **great commitment on both sides, strengthening the relations with tenants and reinforcing the duration and stability of the contracts, as well as that of all the shopping centres and parks.**

Contracts agreed based on one-on-one conversations for **more than 80%** of the gross leasable area of the portfolio

Since the end of May in some cases, and since the beginning of June in others, **Lar España's shopping centres and retail parks have been open and in operation, with a highly positive pickup in visitor numbers** and always respecting safety measures. In June 2020, visitor numbers at Lar España centres reached 92% of levels for the same month last year. From 1-12 July 2020, visitor numbers were 95% of those for the same period a year ago.

Despite COVID-19 and considering the strong relationship of Lar España with its retailers, the company's leasing activity has not stopped. Among other operations carried out during these months, Albacenter has opened a **new Mercado-na** corresponding to the new generation of efficient supermarkets. Ànec Blau has reopened following refurbishment undertaken in recent months with **ten new restaurants, Yelmo cinemas and an extension and refurbishment of Lefties.** At Portal de la Marina, the **Zara store** has been modernised, while Gran Vía de Vigo has a new **Oysho store.**

Since the beginning of the health crisis, Lar España has communicated openly and regularly with all of its tenants, across all its properties. The company has a strong relationship with all of them, whom they see as business partners. It has a **solid, diversified and high-quality tenant base.** Its top ten tenants account for 34% of its rental income, while **more than 60% of all the leases signed with retailers have a remaining term of over 2024.**

Solid, diversified and high-quality tenant base

In Q2 2020, a number of **leading chains opened stores** at some properties, such as:

**Mercadona Opening
SC ALBACENTER**



**Druni Opening
SC LAS HUERTAS**



Opening 12/06/2020



Opening 22/06/2020

**Quo Fitness Opening
RP RIVAS FUTURA**



Opening 01/07/2020

Bershka, Canel Rolls and Viena Openings SC ÀNEC BLAU



Opening 08/06/2020



Opening 19/06/2020



Opening 22/06/2020

Oysho Opening SC GRAN VÍA DE VIGO



Opening 25/05/2020

1.3

Social initiatives in our shopping centres and retail parks

ALBACENTER (Albacete)

Charitable initiatives at Albacenter

The Albacenter shopping centre donated €1,000 worth of basic essentials, to **Cotolengo, an Albacete Charity** which gives shelter to more than 40 homeless people, and to the **Charity Sagrado Corazón** which runs a soup kitchen that serves meals to those in need.

The great Cazacovid game

This interactive puzzle-based game – which can be downloaded via a mobile app – is a game designed for parents to play with their children and to raise awareness about the use of face masks and health and safety measures among children. The games are related to the **general rules of hygiene that they should be regularly following, such as handwashing, using face masks, etc.** Albacenter makes a **donation to the Albacete General Hospital** each time the game is downloaded.

TeAyudo App

Albacenter, Ànec Blau, As Termas, El Rosal, Gran Vía, Lagoh and VidaNova Parc shopping centres are **all actively promoting the App TeAyudo**, a platform which puts communities and those in need safely and securely in touch with volunteers looking to help. An effective way of encouraging **people to help others**, via the use of an app that puts willing volunteers in touch with those in need.



ÀNEC BLAU (Barcelona)

Collaboration with the Social Services department of Castelldefels City Council

Collaboration with the **Social Services department of Castelldefels City Council**, donating **€3,000** to support children at risk of exclusion from school and those without access to technological resources at home. They also offer child food grants to families in economic hardship.



EL ROSAL (León)

Blood drive

A blood drive in collaboration with the **El Bierzo and Lancia Blood Donors' Association**. For one week, a mobile blood donation unit was set up at the entrance to the shopping centre and all visitors were invited to give blood. El Rosal gave a free cinema entry to thank all donors for their participation.

This year, the drive coincided with Valentine's Day, with the shopping centre launching the following message to celebrate both events: **This Valentine's Day, give life.**



GRAN VÍA (Vigo)

Thanking key frontline workers

This was a moving moment during lockdown when **Vigo's National and Local Police drove up to the Shopping Centre entrance** in their cars and on their motorbikes to pay a special tribute to all key frontline workers.



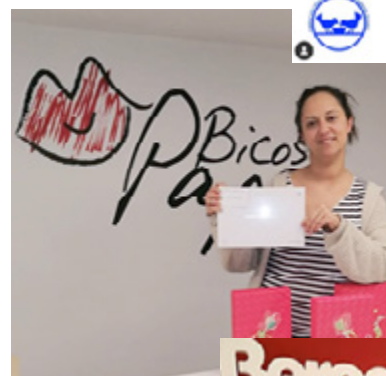
Sport during lockdown

With the aim of helping others and in collaboration with personal trainer Naza Tilve, Gran Vía de Vigo encouraged all customers to stay active during lockdown. The shopping centre donated 10 euros to the **Vigo Food Bank** for every thousand steps registered.



Donation to the Álvaro Cunqueiro Hospital and the Bicos de Papel Association

Gran Vía de Vigo **donated tablets to the Álvaro Cunqueiro Hospital and the Bicos de Papel Association** to help make the time that sick and socially vulnerable children had to spend in hospital during lockdown that bit easier and more enjoyable.



Lockdown birthday

Birthday **goodie bags** were prepared and sent to various associations that work with children and families in less fortunate situations, such as **Fundación Meniños, Asociación de ayuda social Berce, Aldeas Infantiles and Arela Casas de Acogida**, so that no child missed out on celebrating their birthday during lockdown.



LAGOH (Seville)

Food Bank Donation

As a result of the social emergency caused by COVID-19, Lagoh donated €3,000 to the **Food Bank** to help provide families living in the vicinity of the shopping centre in Seville with basic essential goods.



PORTAL DE LA MARINA (Alicante)

Blood drive

Together with the Region of Valencia's Blood Transfusion Centre, Portal de la Marina organised a, **“blood drive-athon”**. The special campaign was advertised on- and offline by sending a press release to local media and the radio. Portal de la Marina also used its own marketing channels to inform the public of this charitable initiative. As a sign of their appreciation, the shopping centre entered all donors into a prize draw to win a €100 gift voucher.



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Executive Summary

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Shopping Centre / Ànec Blau (Barcelona)

2.1

Highlights H1 2020

Portfolio Information

GAV ⁽¹⁾

1,506

Million €

Assets

15

WAULT

3.3

years

GLA

578,460

sqm



Financial Information

EPRA NAV

905.3

Million €

(10.64 €/share) ⁽²⁾

Rental Income

47.9

Million €

Net LTV

41%

EPRA Earnings

26.9

Million €

(0.31 €/share)

Financial Debt

754.2

Million €

EBITDA

37.2

Million €

Average Cost of Debt

2.1%

Recurring Profit

28.1

Million €

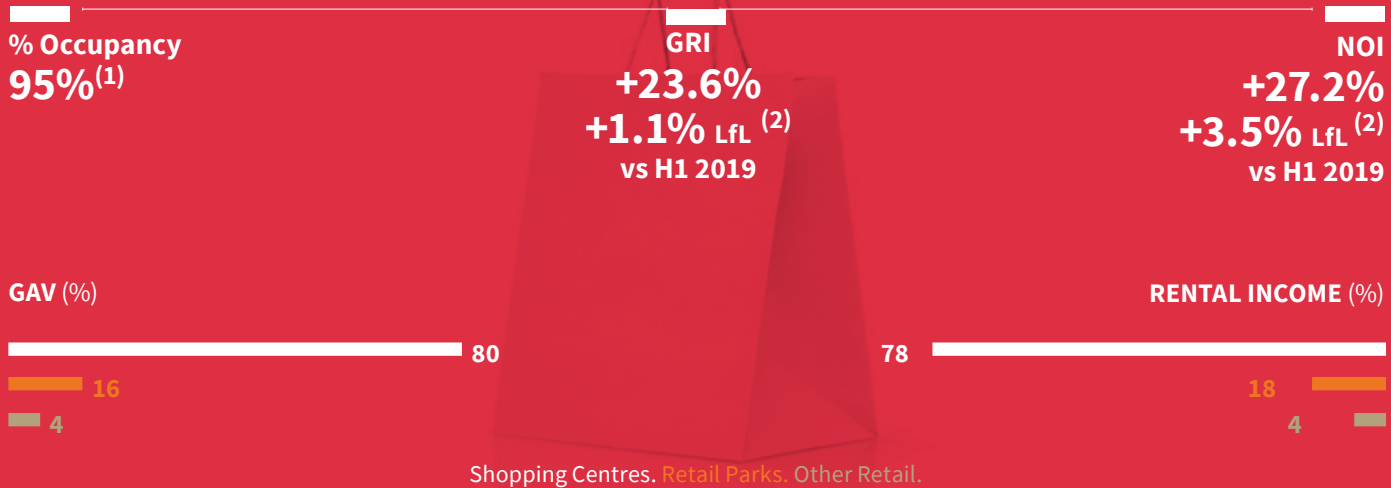


(1) Information based on valuations carried out by independent valuers on **30 June 2020**, reflecting the impact of the pandemic crisis and the declaration of the State of Alarm. /

(2) When analyzing this measure it is important to take into account the dividend paid in Q2 2020 (0.63€/share).

RETAIL PERFORMANCE

Operating Results



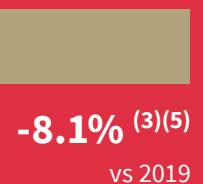
Leasing Activity



Footfall June 2020



Sales June 2020



(1) Ratio calculated according to EPRA recommendations / (2) Like for Like (excluding Lagoh shopping centre) / (3) Like for Like June 2020 vs June 2019 (excluding Lagoh and Ànec Blau shopping centres) / (4) Like for Like (excluding Lagoh, Lagoh and Ànec Blau) accumulated figures at 30 June 2020: **-33.7%** Lar España footfall and **-40.9%** Shoppertrak index / (5) Total sales. At the time of publication of this report, the Big Surfaces Spain Index has not published. / (6) Shoppertrak Index

2.2 Main Milestones

2020

JANUARY.

14.01.2020 New Share Buy-Back Program

A new share **buy-back programme** has been launched, with a maximum buy-back limit of **€45 million**. The maximum number of shares that the Company can buy back is **4,500,000 shares**, equating to 5% of share capital. The buy-back programme has been implemented by JB Capital Markets, S.V., S.A.U., and has a maximum term of **nine months**.

28.01.2020 Registration of share capital reduction in the Company Registry

Lar España reported the registration of a public deed in the Madrid Company Registry, relating to a **share capital reduction via the cancellation of treasury shares** granted on 20 December 2019. The Company reduced its share capital by €5,907,662 via the cancellation of **2,953,831 treasury shares**, with a par value of €2 per share. Following the reduction, **the Company's share capital** stood at **€175,267,460** equivalent to **87,633,730 shares**, with a par value of €2 per share.



MARCH.

17.03.2020 Annual General Shareholders Meeting

The Lar España **Annual General Shareholders Meeting** was held on 17 March 2020, to approve the agreements submitted for their consideration. It followed the emergency measures and recommendations of the Market Authority during the COVID crisis, and the meeting was streamed live online.



APRIL.

16.04.2020 Dividend

Following approval at the Annual General Shareholders Meeting, the shareholder **dividend payment** was distributed, amounting to a total of **€0.63 per share**.

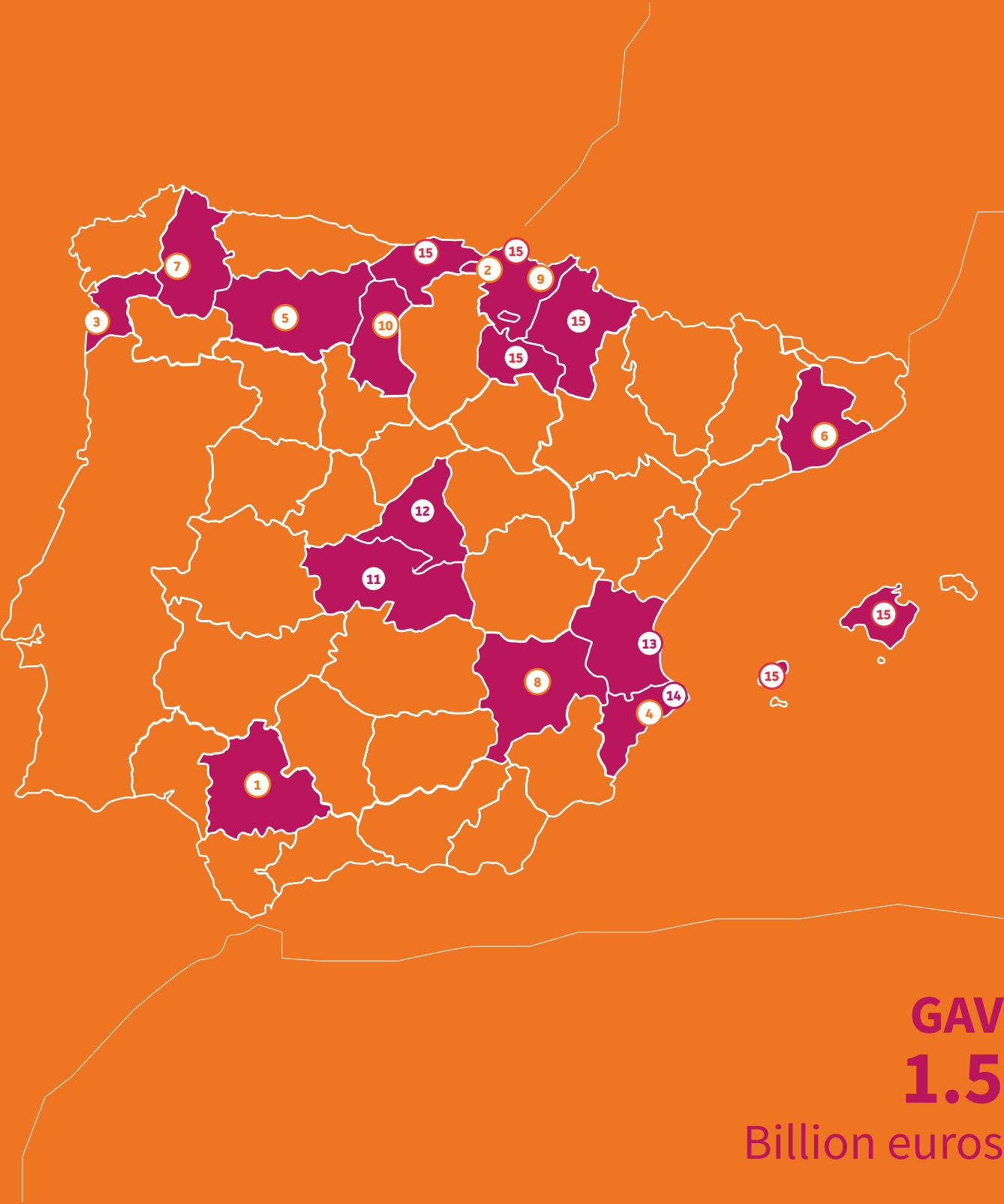


THLON
Sagunto

Retail Park | VidaNova Parc (Valencia)

2.3

Portfolio at 30 June 2020





Shopping Centres

1. Lagoh (Seville)
2. Megapark + Megapark Leisure Area (Vizcaya)
3. Gran Vía (Vigo)
4. Portal de la Marina + Hypermarket (Alicante)
5. El Rosal (León)
6. Ànec Blau (Barcelona)
7. As Termas + Petrol Station (Lugo)
8. Albacenter + Hypermarket and Retail Units (Albacete)
9. Txingudi (Guipúzcoa)
10. Las Huertas (Palencia)



Retail Parks

11. Parque Abadía and Commercial Gallery (Toledo)
12. Rivas Futura (Madrid)
13. VidaNova Parc (Valencia)
14. Vistahermosa (Alicante)



Other Retail

15. Supermarkets Portfolio (22 units) (Cantabria, Basque Country, La Rioja, Navarra and Baleares)



Lagoh Shopping Centre



ASSET CHARACTERISTICS

Location	Seville
GLA	69,720 sqm
Purchase Date	1 March 2016
Land Acquisition Price	€38.5 million
WAULT	4.7 years



Megapark + Megapark Leisure Area Shopping Centre



ASSET CHARACTERISTICS

Location	Barakaldo (Vizcaya)
GLA	81,560 sqm
Purchase Date	19 October 2015/ 27 October 2017
Acquisition Price	€178.7 million
WAULT	3.0 years



Gran Vía Shopping Centre



ASSET CHARACTERISTICS

Location	Vigo
GLA	41,453 sqm
Purchase Date	15 September 2016
Acquisition Price	€141.0 million
WAULT	1.8 years



Portal de la Marina and Hypermarket Shopping Centre



ASSET CHARACTERISTICS

Location	Alicante
GLA	40,334 sqm
Purchase Date	30 October 2014/ 30 March 2016/ 9 June 2015
Acquisition Price	€89.2 million
WAULT	2.5 years



El Rosal Shopping Centre



ASSET CHARACTERISTICS	
Location	León
GLA	51,152 sqm
Purchase Date	7 July 2015
Acquisition Price	€87.5 million
WAULT	2.5 years



Ànec Blau Shopping Centre



ASSET CHARACTERISTICS	
Location	Barcelona
GLA	29,028 sqm
Purchase Date	31 July 2014
Acquisition Price	€80.0 million
WAULT	4.1 years



As Termas + Petrol Station Shopping Centre



ASSET CHARACTERISTICS	
Location	Lugo
GLA	35,127 sqm
Purchase Date	15 April 2015/ 28 July 2015
Acquisition Price	€68.8 million
WAULT	2.0 years



Albacenter, Hypermarket and Retail Units Shopping Centre



ASSET CHARACTERISTICS	
Location	Albacete
GLA	26,310 sqm
Purchase Date	30 July 2014/ 19 December 2014
Acquisition Price	€39.9 million
WAULT	3.0 years



Txingudi Shopping Centre



Las Huertas Shopping Centre



ASSET CHARACTERISTICS

Location	Irún (Guipúzcoa)
GLA	10,712 sqm
Purchase Date	24 March 2014
Acquisition Price	€27.7 million
WAULT	2.2 years

ASSET CHARACTERISTICS

Location	Palencia
GLA	6,267 sqm
Purchase Date	24 March 2014
Acquisition Price	€11.7 million
WAULT	1.5 years



Parque Abadía and Commercial Gallery Retail Park



Rivas Futura Retail Park



ASSET CHARACTERISTICS

Location	Toledo
GLA	43,109 sqm
Purchase Date	27 March 2017/ 20 February 2018
Acquisition Price	€77.1 million
WAULT	1.6 years

ASSET CHARACTERISTICS

Location	Madrid
GLA	36,447 sqm
Purchase Date	6 February 2018
Acquisition Price	€61.6 million
WAULT	2.4 years



VidaNova Parc Retail Park



ASSET CHARACTERISTICS	
Location	Sagunto (Valencia)
GLA	45,568 sqm
Purchase Date	3 August 2015
Land Acquisition Price	€14.0 million
WAULT	3.1 years



Vistahermosa Retail Park



ASSET CHARACTERISTICS	
Location	Alicante
GLA	33,763 sqm
Purchase Date	16 June 2016
Acquisition Price	€42.5 million
WAULT	4.5 years



Supermarkets Portfolio Other Retail

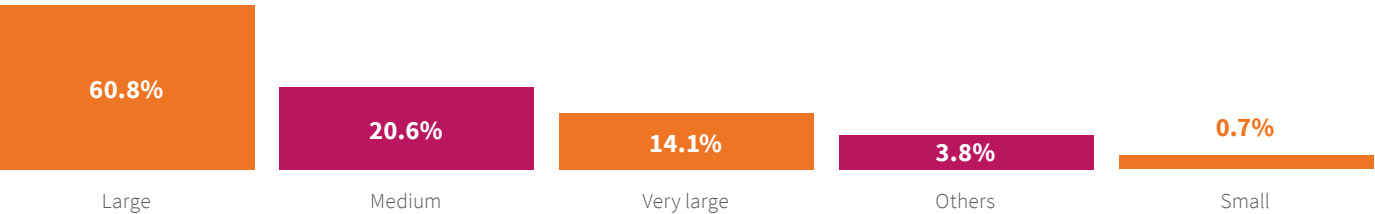
ASSET CHARACTERISTICS	
Location	Cantabria, Basque Country, La Rioja, Navarra and Baleares
GLA	27,909 sqm
Purchase Date	27 March 2017
Acquisition Price	€47.6 million
WAULT	10.8 years

Our retail portfolio at a glance

Dominant prime shopping centres and retail parks in their catchment area in relevant locations

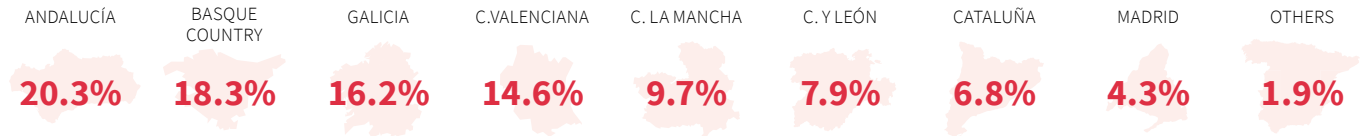


By size^(*) (GAV)



(*) According to Spanish Association of Shopping Centres (AECC):
Very Large (>79,999 sqm) / Large (40,000-79,999 sqm) / Medium (20,000-39,999 sqm) / Small (5,000-19,999 sqm)

By geography (GAV)



OTHERS: Balears 0.8% / Cantabria 0.5% / Navarra 0.4% / La Rioja 0.2%

By type (GAV)



 **75%** of our retail assets are classified as Large or Very Large

(1) Ratio calculated according to EPRA recommendations.



Shopping Centre / As Termas (Lugo)

2.4

Key Indicators

 **+24%**
Revenues
vs H1 2019

 **+60%**
EBITDA
vs H1 2019

In the first six months of 2020 Lar España generated revenues of **47,943 thousand Euros** and a EBITDA of **37,158 thousand Euros**, being the most relevant figures the following:

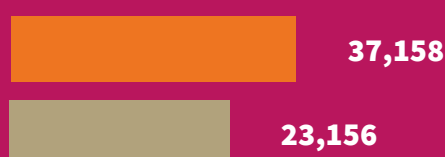
Revenues

(Thousands of euros)



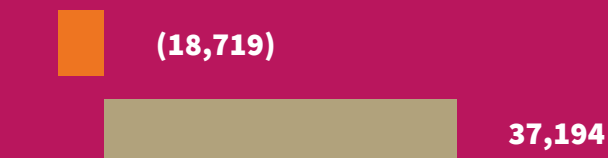
EBITDA

(Thousands of euros)



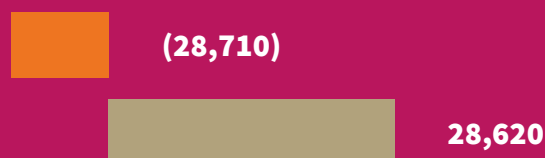
EBIT^(*)

(Thousands of euros)



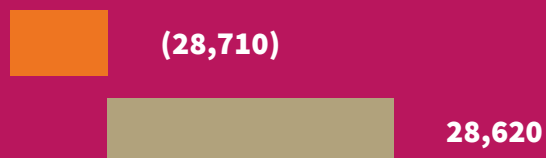
EBT^(*)

(Thousands of euros)



Net Profit^(*)

(Thousands of euros)



 H1 2020

 H1 2019

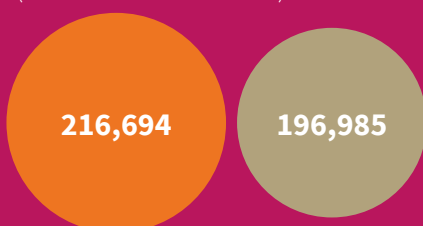
(*) **Recurring EBIT** as of 30 June 2020 amounts to **37,939 thousands of euros, 42% higher** than that registered the same period of the previous year.

Recurring EBT and Net Profit as of 30 June 2020 amounts to **28,123 thousands of euros, 65% higher** than that registered the same period of the previous year.

For more clarity as regards these figures, see the Consolidated Income of Financial Position.

The Group presents the following financial indicators:

Working capital
(Thousands of euros)



Liquidity ratio
(%)



Solvency ratio
(%)



Net LTV
(%)



ROE
(%)



ROA
(%)



● 30/06/2020

● 31/12/2019

At 30 June 2020, and 31 December 2019, the Group exhibited ratios related to liquidity (working capital and liquidity ratio) with very high values, showing that the Group has sufficient liquidity and a high safety margin to meet its payments.

At 30 June 2020, the **ROE (“Return on Equity”)**, which measures Group’s profitability as a percentage of shareholders equity, amounted to **2.44%** (8.21% at 31 December 2019), whilst the **ROA (“Return on Assets”)**, which measures the efficiency of Group’s total assets regardless of the sources of financing used, i.e. the ability of a company’s assets to generate income, was **1.34%** (4.70% at 31 December 2019).

2.5

Business Performance

a. Income Distribution

Rental income reached **47,943 thousand Euros** in the first half of 2020 (versus 38,540 thousand Euros in the same period of the year before), which means an increase of **24%** versus the same period the previous year.

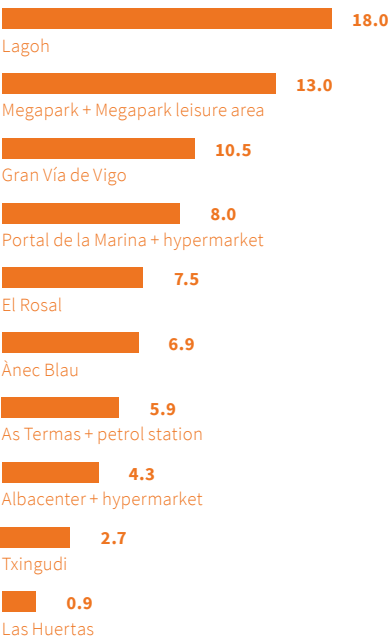
The relative weigh of rental income by line of business at 30 June 2020 is as follows:

Rental Income by asset class H1 2020

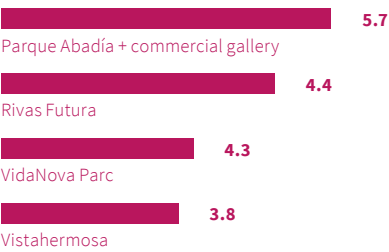


The breakdown of **income per asset type** during the first six months of 2020 is as follows:

Income by Shopping Centre (%)



Income by Retail Park (%)

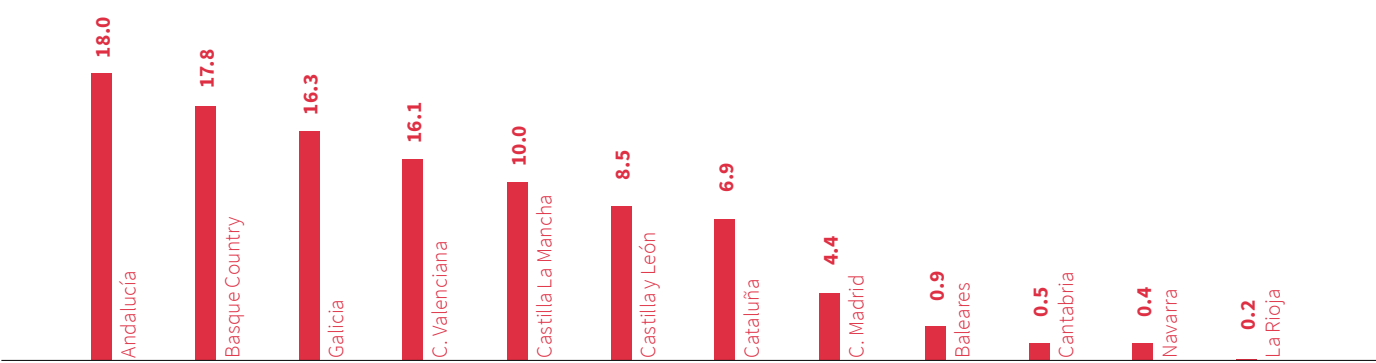


Income by Other Retail (%)

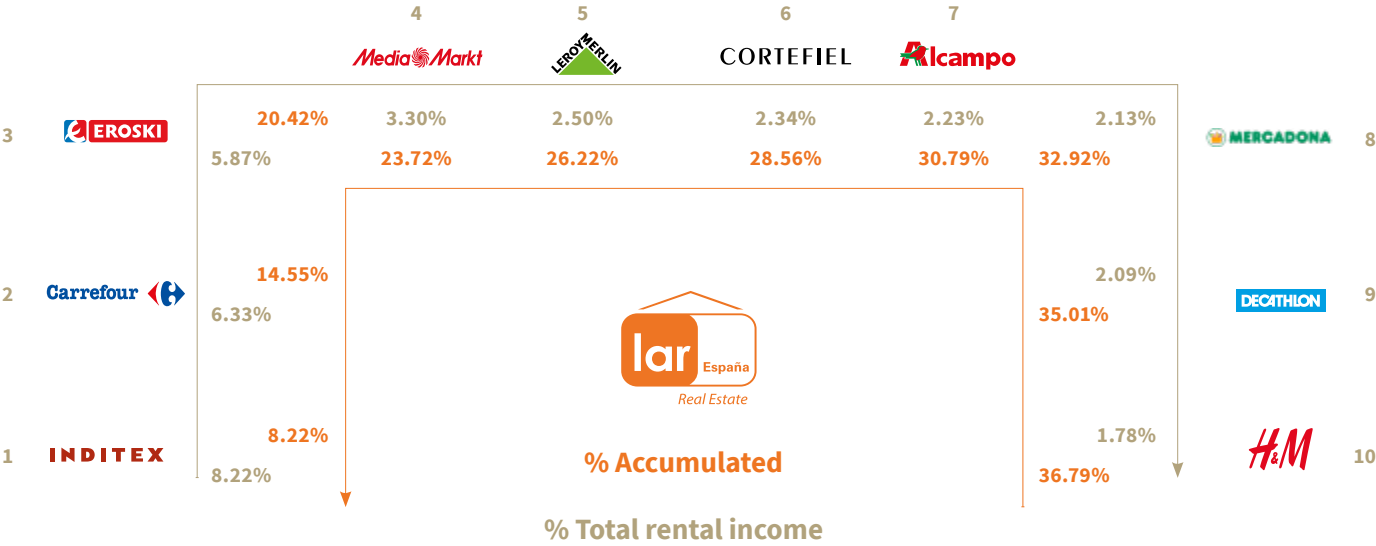


This graph details the **breakdown of rental income per region** for H1 2020:

Income per region H1 2020



Below are the **ten tenants that have generated the most revenue** during the first six months of 2020:

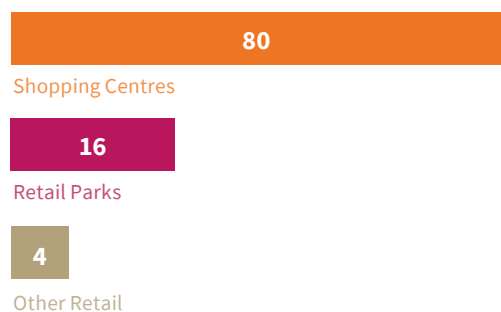


b.

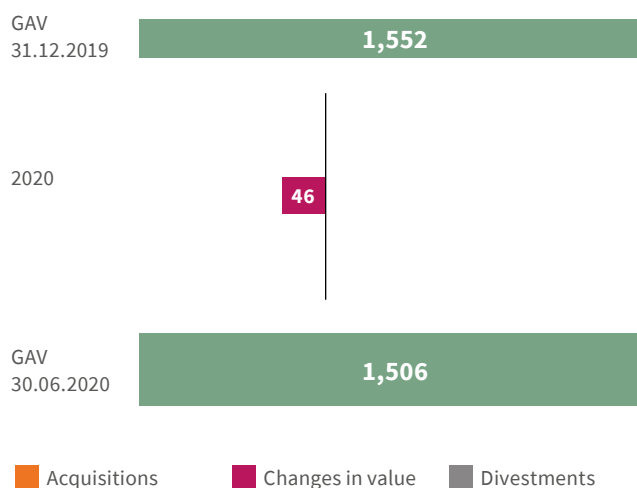
Value of Lar España's portfolio at 30.06.2020

As at 30 June of 2020, the total value of Lar España's portfolio amounts to **EUR 1,506 million**:

GAV by asset class (%)



GAV reconciliation 30.06.2020 (millions of euros)



In the first half of 2020 Lar España has not carried out new acquisitions or divestments. The change in the fair value of investment properties for an amount of Eur 46 thousands corresponds to information based on valuations carried out by independent valuers on 30 June 2020, reflecting the impact of the pandemic crisis and the declaration of the State of Alarm.

Change in the portfolio value at 30 June 2020 (*)



+50.0%
vs purchase
price



+3.7%
vs June
2019



-2.9%
vs December
2019

(*) Excluding CAPEX invested the percentages would be: +21.3%, -2.0% and -3.6% respectively.

C.
CAPEX

The company has continued revamping its portfolio of assets in order to generate more value, investing close to **€11 million** during the first half of 2020.

The breakdown of investment by asset class is as follows:

CAPEX investment (Thousands of euros)



With an amount close to **€6.6 million** invested, Ànec Blau and Megapark shopping centres have led the way in terms of retail investment.

Ànec Blau shopping centre (Barcelona) after the completion of part of the refurbishment works.



d.
Lease expiration and WAULT

The proactive management carried out by Lar España allows us to have a **solvent and diversified tenant base**.

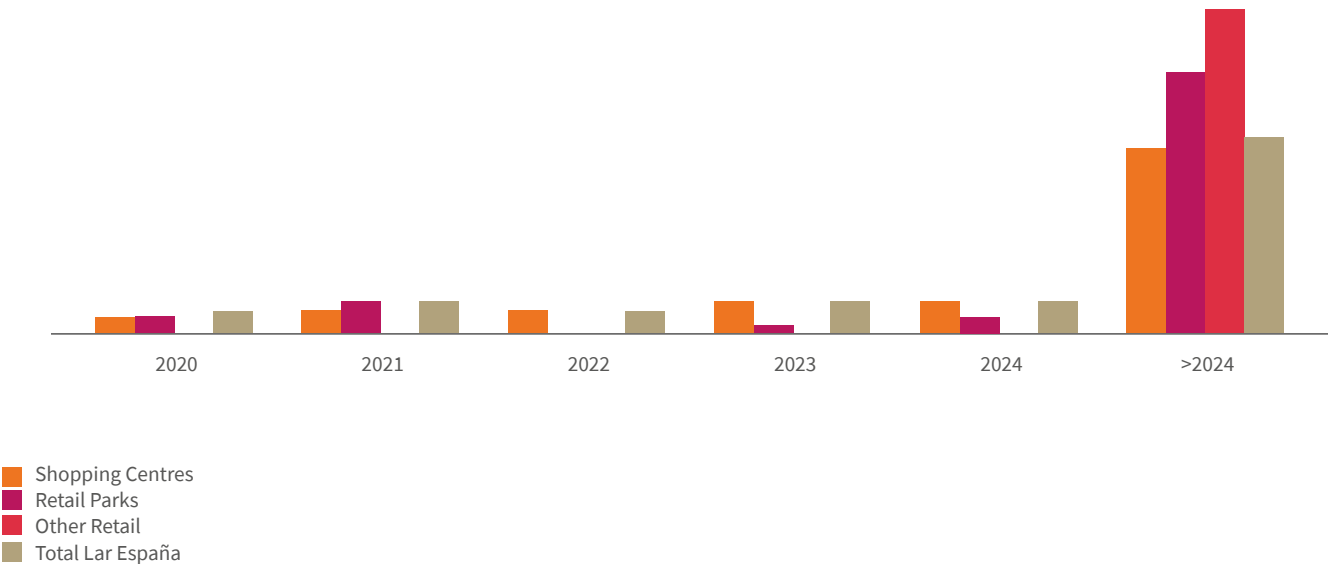
Renovations have been carried out at the properties occupied by our key tenants, thereby prolonging the lease terms, allowing us to have a significant level of guaranteed minimum rents. During Q2 2020 new long-term lease agreements have been signed with new tenants and negotiations has been carried out according to the current situation. We note that as of 30 June 2020, **more than 60% of all Lar España's active lease agreements** have lease expiries beyond 2024.



At 30 June 2020, **over 60% of retailer leases** had expiration dates beyond 2024.

40

Annual lease expiration (end of contract)





Over 1,000
existing contracts

Thus, the **WAULT^(*)** (weighted average unexpired lease term) at 30 June 2020 of Lar España's portfolio is **3.3 years**. Below you will find the detail by asset class:



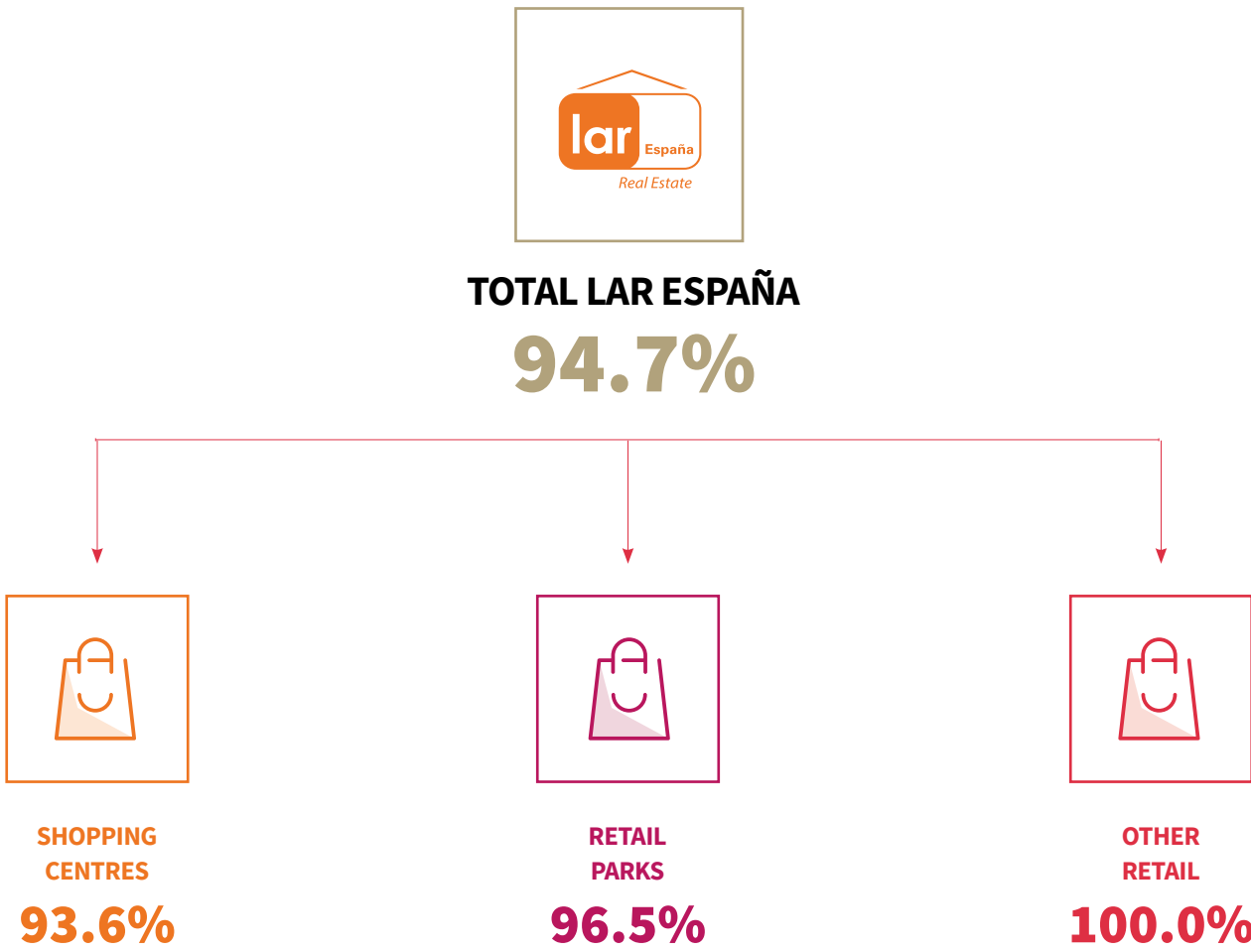
(*) Calculated as the number of years from the current date to the first break option, weighted by the gross rent for each lease. The WAULT of each asset is detailed in section 2.3 "Portfolio at 30 June 2020".



e.
Occupancy (in sqm)

The gross leasable area (GLA) of Lar España’s income producing assets at 30 June 2020 stood at **578,460 sqm**, whilst the average occupancy rate stood at **94.7%**.

The occupancy rate by asset class at 30 June 2020 is shown below:



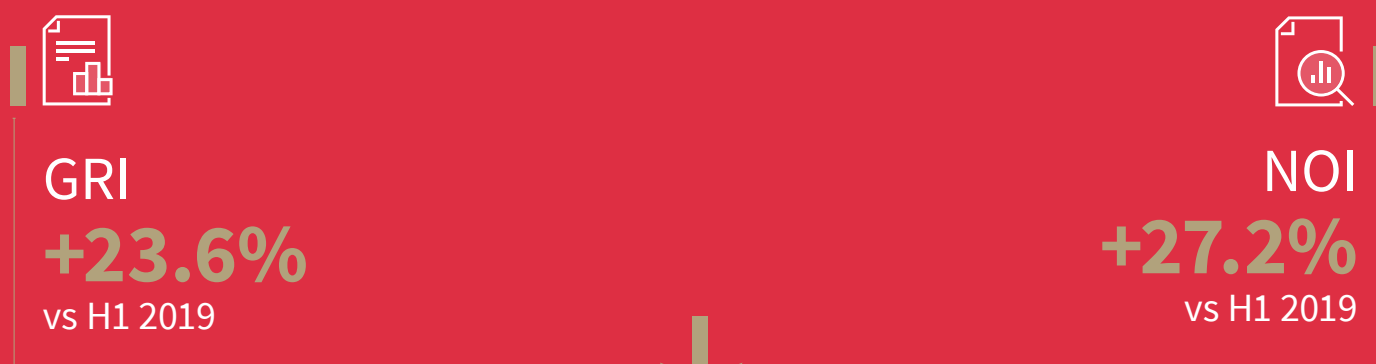
d.

Main milestones

The performance of the key indicators during the first semester of 2020 is detailed below:

RETAIL

Key indicators evolution



Key indicators evolution LfL (*)



(*) Like for Like (excluding Lagoh shopping centre).

Major operative milestones

During the first six months of 2020 Lar España continued to actively manage its retail portfolio. It closed **46 operations** including renewals, relocations, relettings and new lettings, resulting in an annualised tenant rotation rate of **4%** for the portfolio.

	<i>Renewals</i>	<i>Relocations and Relettings</i>	<i>New lettings</i>	<i>Total</i>
Number of operations	26	9	11	46
sqm	6,251	2,151	2,356	10,758

 **10,758 sqm**
Rotated

 **8%**
Rent uplift

 **€2.7 million**
negotiated rent

 **46**
Operations

Footfall 2020

Footfall indicator in our shopping centres LfL June 2020 vs June 2019.



-8.9%⁽¹⁾⁽²⁾
vs 2019

-36.9%

Average Spanish Footfall ⁽²⁾⁽⁴⁾

Sales 2020

Sales performance LfL June 2020 vs June 2019.



-8.1%



-8.1% ⁽¹⁾⁽³⁾
vs 2019

(1) Like for Like June 2020 vs June 2019 (excluding Lagoh and Ànec Blau shopping centres) / (2) Like for Like (excluding Lagoh and Ànec Blau) accumulated figures at 30 June 2020: **-33.7%** Lar España footfall and **-40.9%** Shoppertrak Index / (3) Total sales. At the time of publication of this report, the Big Surfaces Spain Index has not published. / (4) Shoppertrak Index



Some of the main operations during the period between 1 April and 30 June 2020 are detailed below:



Main operations

Relettings

Primarix (971 sqm)

New lettings

Al Punto (915 sqm)



More than **€316,200** annual negotiated rent

2 operations

1,887 sqm



Main operations

New lettings

New Balance (281 sqm)

Renewals

London (183 sqm)

Maxcolchon (172 sqm)

Festina (113 sqm)



More than **€286,200** annual negotiated rent

5 operations

807 sqm



Main operations

New lettings

Vodafone (49 sqm) at Lagoh

Renewals

Siroco (95 sqm) at El Rosal

Tramas + (125 sqm) at Portal de la Marina



More than **€213,300** annual negotiated rent

7 operations

396 sqm

Retail Tenant Mix

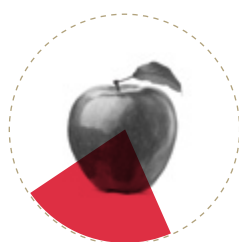
Below we display the **tenant mix** of Lar España's retail portfolio at 30 June 2020 by space let. The food & beverage and health sectors account more than **20%** of the retail offering in Lar España's assets.



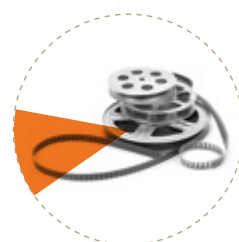
29.3%
Fashion



18.5%
Home



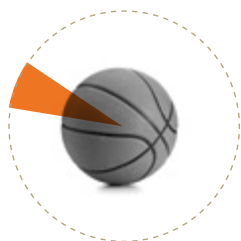
17.7%
Food & Beverage



14.0%
Leisure and
Entertainment



6.7%
Dining



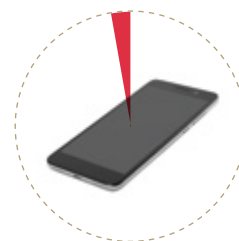
6.8%
Sports and
Adventure



3.8%
Services



2.8%
Health and Beauty



0.3%
Culture,
Technology
and Multimedia

3

ESG

p.48

3.1 Committed to the Environment

p.51

3.2 Contributing to Society

p.54

3.3 Leaders in Governance

p.57





Shopping Centre / Lagoh (Seville)

Corporate Social Responsibility

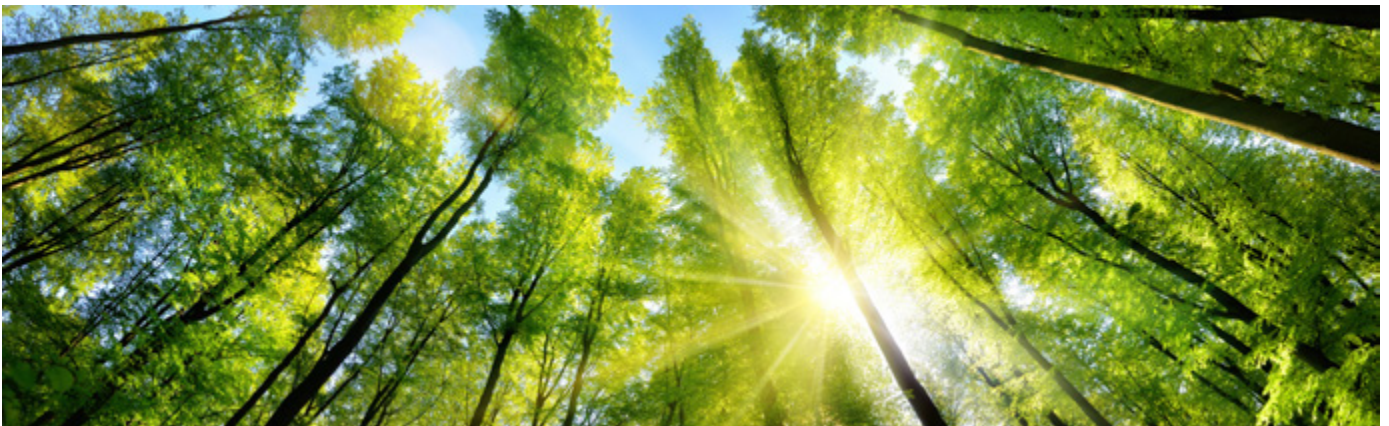
Corporate social responsibility forms a fundamental part of all our transactions and decision-making processes at Lar España, helping to ensure our business activity is carried out **ethically, responsibly and sustainably**, while also making a positive contribution to society and the environment.

As such, the company has set itself the goal of improving people's quality of life, bolstering **socioeconomic progress** in Spain and sustainably generating a financial return for investors.

During the recent health crisis, Lar España has remained committed to **creating shared value**, remaining in continual contact with its various stakeholders. It has also continued to work towards achieving the targets set out in its CSR Master Plan in order to comply with the relevant sustainability standards and best practices in terms of **environmental considerations, social issues and corporate governance**.



Creating value via Corporate Social Responsibility is one of the cornerstones of Lar España's strategy. The company ensures it actively listens to its stakeholders, responsibly manages its assets and creates wealth in the communities in which it operates.



3.1

Committed to the Environment

Data automation in shopping centres

During the first half of 2020, Lar España continued to develop an automated platform that facilitates the analysis and dynamic visualisation of data relating to the use of recorded resources at its shopping centres and retail parks (water, energy, waste management and GHG^(*)). This will basically allow for **more regular analyses, greater standardisation of data and time savings**, as well as increasing the capacity of the relevant teams involved in the management of these assets, thus allowing them to implement corrective measures more rapidly.

By the end of 2020, Lar España will have an automated system for the collection of operational data from the shopping centres in its portfolio.

Building projects have a **significant impact on their natural surroundings**. The building certifications Lar España is in the process of obtaining provide a roadmap for minimising their impact in the short, medium and long term. In parallel, the company **safeguards the economic viability of and financial returns on its investments**, while striving to boost aspects that benefit society.



(*) Greenhouse gas emissions.

Energy efficiency plan

The purpose of developing an Energy Efficiency Plan is to identify opportunities to reduce energy consumption and any associated costs. This information can then be used to develop a **strategic plan** which, in addition to setting out the steps required to implement these measures in accordance with the marketing strategy, will allow energy efficiency to become an integral part of Lar España's corporate culture.



Waste Management Plan

This Plan includes actions to optimise the **collection, transportation and treatment of waste**, based on an internal and external analysis directed at establishing a road map for achieving the proposed aims. Analysis and examination of this plan continued during the first half of 2020 – taking into account the adjustments required as a result of the “new normal” that we have now entered into – with the aim of establishing a strategy at portfolio level by the last quarter of the year.



Analysing the impact on the waste generation caused by COVID-19
(gloves, face masks, etc.)

Carbon Footprint

Lar España is fully aware of the need to **reduce the greenhouse gas emissions** generated by its activities and remains committed to supporting the fight against climate change. In this regard it is working to calculate and record its carbon footprint in 2020, based on the emissions data collected in 2019. **Lar España aims to become carbon neutral (zero CO2 emissions).**



National Level Certification
(Ministerio para la Transición Ecológica, MITECO)



BREEAM Certifications

Lar España undertakes to **participate in assessment and certification** schemes in order to guarantee that the operation of all its properties is as sustainable as possible. Given that the majority its current certifications will expire this year (each one is valid for 3 years), the company is working on a **renewal plan** to obtain new certifications in place of those that expire in 2020. **100% of the company's shopping centres** are BREEAM-certified with a “very good” or “good” rating.

100%
Certified shopping centres



BREEAM-certified buildings



3.2

Contributing to Society

Improved air quality

The health and well-being of visitors is a central consideration in Lar España's business model. With this in mind, some of the measures on which work has continued during the first six months of 2020 have been those aimed at **improving air quality and regulating ambient interior temperatures inside the company's properties:**

- A study is currently being carried out with a view to joining forces with the company "Aire Limpio" to help improve air quality.
- A pilot study has already been completed for rolling out the plan at Abadía retail park.
- Temperature policy: all Lar España's properties comply with the Spanish regulations on thermal equipment in buildings (RITE).

Accessibility

Lar España is firmly committed to promoting social integration and is working to achieve and maintain **high levels of accessibility via a people-centric design**. It therefore continues to pursue its aim of obtaining the universal accessibility seal for each and every one of its centres.

All renovation projects that are carried out meet the required accessibility standards and best practices, while universal accessibility certification has now been obtained for the VidaNova Parc and Vistahermosa retail parks.



100% of the portfolio audited for universal accessibility



67% of the portfolio currently undergoing the UNEEN170001 certification process



Lar España is firmly committed to promoting social integration: working to reach and maintain the highest accessibility standards by designing projects with people in mind.

AENOR



Sustainable Development Goals

Lar España's stance regarding the sustainable development goals is firm, and the company is working in line with the recommendations contained in the UN Global Compact in the following areas:

- **Identifying in the 2019 Annual Report the SDGs**, that are particularly important for Lar España, with an emphasis on the activities engaged in throughout the year. The company thus underlines its commitment to the SDGs and the progress made towards their achievement.



- Combining the activities and initiatives that Lar España is pursuing in support of each SDG and making them a part of its corporate strategy.

SGS Certification

In order to ensure the safe reopening of its shopping centres and compliance with all health and hygiene requirements, **Lar España has drawn up specific protocols** to guarantee the safety of all visitors.

To validate and ensure these protocols are effective, Lar España entrusted their verification to a renowned firm in the field of **Authorised Monitoring Services**. The company selected was **SGS**, leaders in inspection, verification, testing and certification. The inspection covered **three key areas**:

- Compliance with all regulations and best practices to be included in the design and drafting of all protocols.
- The implementation of all procedures and best practices across all shopping centres in the company's portfolio.
- Continued application of all measures in the months following the health crisis.

Following the favourable assessment regarding the design of the protocols, SGS will carry out on-site inspections at the shopping centres to certify that all protocols are being implemented correctly during the following months.

Green leasing clauses

One of Lar España's aims is to ensure that its suppliers and tenants are committed to the Principles of ESG. With this in mind, the company's association policy is rigorous, only working with suppliers who are known to be reliable and that have **internal monitoring processes and a code of conduct in place** to ensure compliance throughout each operational phase.

During the first half of 2020, the company issued invitations to tender for the cleaning, security and maintenance services for all of its centres. All new agreements have been updated to include **clauses that establish social and environmental conditions that are in line with Lar España's social commitment strategy.**



3.3 Leaders in Governance

Due to the situation caused by the COVID-19 health crisis, both Lar España Real Estate SOCIMI and its management company Grupo Lar, have shown their commitment to the company:

- Grupo Lar has **reduced the base fee** that it charges.
- Lar España's Board of Directors has decided to take a **cut in their remuneration for 2020**.

GRESB

For the third year running, Lar España has taken part in the GRESB (Global Sustainability Real Estate Benchmark) assessment process, which has become the benchmark for assessing commitment to environmental, social and governance (ESG) issues in the real estate sector.

As part of its participation, an internal comparative analysis was made between the company's performance this year and its previous assessment, **identifying a series of key areas to be improved over the course of the year**.

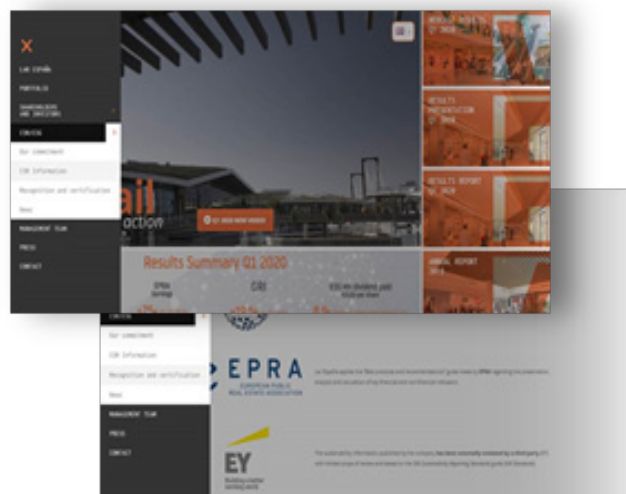


New ESG section on the corporate website

In 2019 Lar España added a new section dedicated to ESG-related information to its website.

This section details information relating to Lar España's ESG strategy, offering up to date information for areas such as consumption, social initiatives, public acknowledgements and property certifications. This is yet another example of Lar España's commitment to Corporate Social Responsibility and transparency with its various stakeholders.

www.larespana.com



4

Consolidated Financial Statements

p.58

4.1 Company Chart 30.06.2020

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4.2 Consolidated Statement of
Comprehensive Income

p.62

4.3 Consolidated Statement of
Financial Position

p.64

4.4 Consolidated Statement of
Cash Flows

p.70





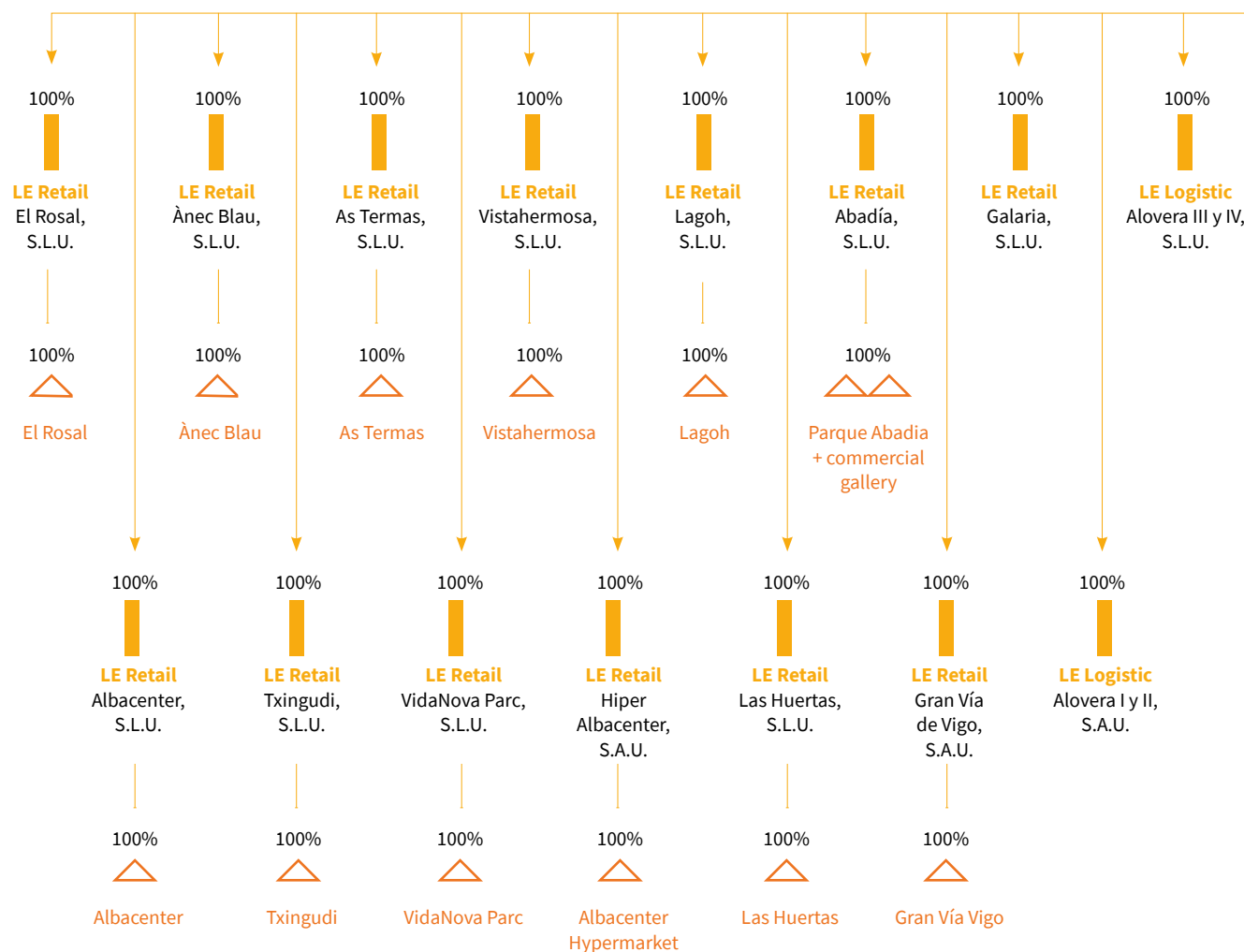
Shopping Centre / Las Huertas (Palencia)

4.1

Company chart 30.06.2020

At 30 June 2020, the consolidated financial statements of the Group were presented in accordance with the accounting principles established in the International Financial Reporting Standards adopted by the European Parliament (EU-IFRS) up until this date.

The **scope of the Group's consolidation** is as follows:

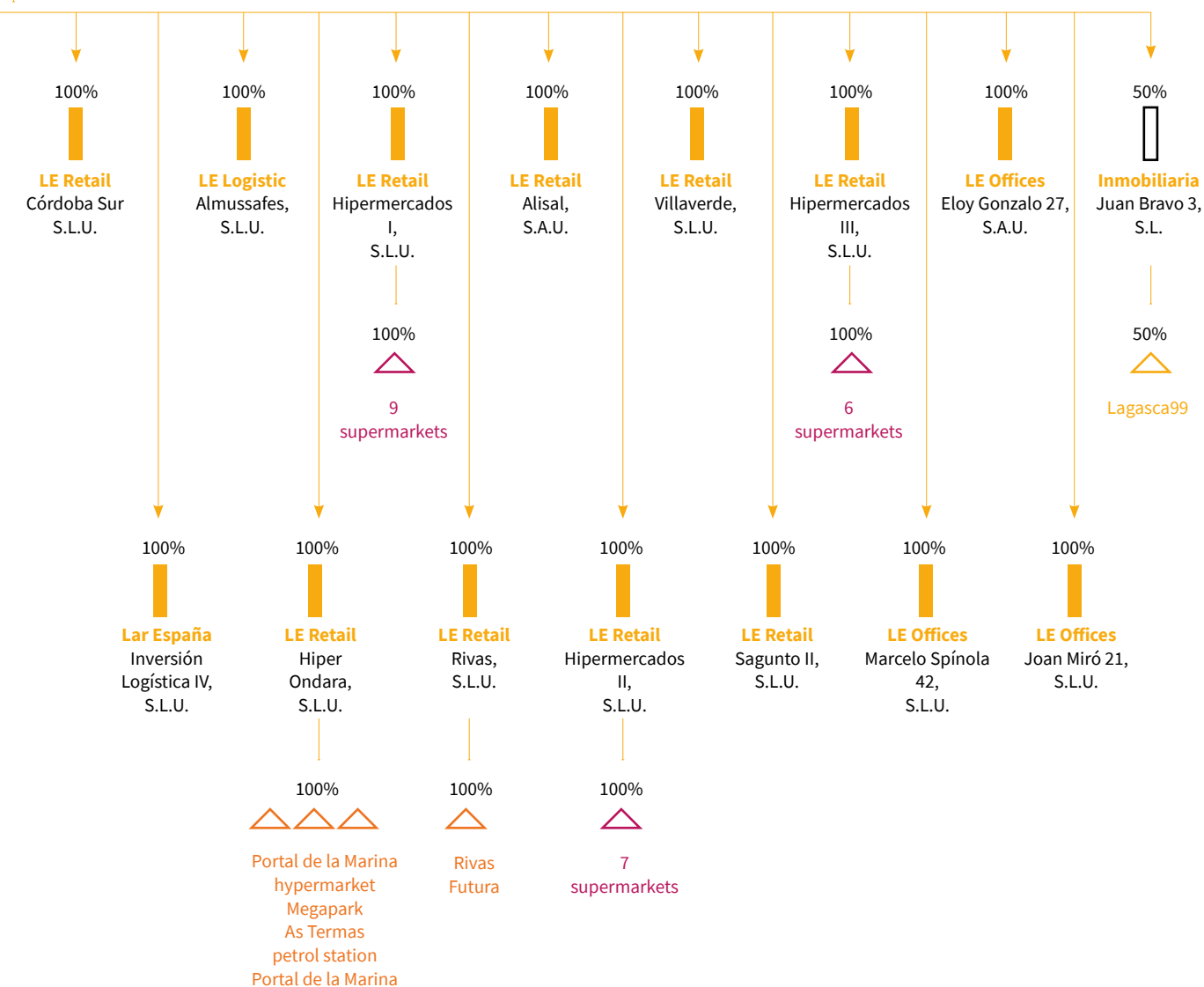


Company.

Full Consolidation

Equity Method

For comparative purposes, the balances of the Consolidated Comprehensive Income Statement are shown together with those for the same period the year before, whilst for the Consolidated Statement of Financial Position they are shown together with those corresponding to 31 December 2019.



Asset Class.

Shopping Centres & Retail Parks
 Retail Units
 Residential

4.2

Consolidated Statement of Comprehensive Income

	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
(Thousands of euros)	Recurring		Non-recurring		TOTAL	
Revenues	47,943	38,540	-	-	47,943	38,540
Other income	1,107	1,154	-	-	1,107	1,154
Personnel expenses	(223)	(194)	-	-	(223)	(194)
Other expenses	(10,888)	(12,761)	(781)	(3,614)	(11,669)	(16,375)
Changes in the fair value of investment properties	-	-	(55,877)	14,038	(55,877)	14,038
Results of disposals of investments properties	-	-	-	31	-	31
RESULTS FROM OPERATIONS	37,939	26,739	(56,658)	10,455	(18,719)	37,194
Financial income	39	1	-	-	39	1
Financial expenses	(9,855)	(9,745)	-	-	(9,855)	(9,745)
Share in profit (loss) for the period of equity-accounted companies	-	-	(175)	1,170	(175)	1,170
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	28,123	16,995	(56,833)	11,625	(28,710)	28,620
Income tax	-	-	-	-	-	-
PROFIT/(LOSS) FOR THE PERIOD	28,123	16,995	(56,833)	11,625	(28,710)	28,620



Recurring result
from operations
37,939
thousands of euros
+42% vs H1 2019



Recurring profit for
the period
28,123
thousands of euros
+65% vs H1 2019

Result from operating activities

At 30 June 2020, the Group presented a positive **recurring result for its operations** amounting to **37,939 thousand Euros** (26,739 thousand Euros at 30 June 2019) which means an increase of **42%** versus the same period the previous year. Meanwhile the **recurring profit for the period** amounts to **28,123 thousand Euros**, which means an increase of **65%** versus the same period the previous year.

Revenues

Revenues during the first half of 2020 amounted to **47,943 thousand Euros** (revenue of 38,540 thousand Euros during the first half of 2019), which means an increase of **24%** versus the same period the previous year.

Other expenses

At 30 June 2020, the Group incurred other expenses amounting to **11,669 thousand Euros**, mainly related to:

- Recurrent services that are directly linked to the ordinary management of the assets (supplies, IBI -property tax-, etc.) in the amount of 5,873 thousand Euros.
- Management fees (fixed fee included) for management services provided to the Company by Grupo Lar Inversiones Inmobiliarias ("Grupo Lar") totals 3,604 thousand Euros, discounting indirect fees paid in subsidiary companies (978 thousand Euros) and other expenses incurred by Grupo Lar and paid by Lar España (98 thousand Euros). In addition, exceptionally, there has been a reduction of 334 thousand euros in the fees charged by the manager Grupo Lar during the first half of 2020, due to the crisis caused by the COVID-19 virus pandemic.

Change in the fair value of investment properties

On 30 June 2020, the negative amount in this entry, **55,877 thousand Euros**, is made up of the difference in the fair value of investment properties following the latest valuations conducted by independent experts (C&W and JLL).

Net Financial Result

The **financial result** was a negative balance of 9,816 thousand Euros at 30 June 2020 (negative balance of 9,744 thousand Euros at 30 June 2019).

Financial expenses mainly comprises the interest accrued on loans taken out by the Group with financial institutions and the bonds issued by the Group in February 2015.



4.3

Consolidated Statement of Financial Position

<i>Assets (Thousands of euros)</i>	30/06/2020	31/12/2019
Intangible assets	2	2
Investment properties	1,403,975	1,449,344
Equity-accounted investees	650	5,100
Non-current financial assets	14,281	13,149
Trade and other receivables non-current	4,949	3,857
NON-CURRENT ASSETS	1,423,857	1,471,452
Non-current assets held for sale	103,754	103,790
Trade and other receivables	38,542	14,644
Other current financial assets	240	189
Other current assets	2,739	2,650
Cash and cash equivalents	130,889	160,527
CURRENT ASSETS	276,164	281,800
TOTAL ASSETS	1,700,021	1,753,252

<i>Equity and liabilities (Thousands of euros)</i>	30/06/2020	31/12/2019
Capital	175,267	175,267
Share premium	475,130	475,130
Other reserves	281,005	254,358
Retained earnings	(28,710)	80,730
Treasury shares	(14,238)	(762)
Valuation adjustments	(1,798)	(1,943)
EQUITY	886,656	982,780
Financial liabilities from issue of bonds and other marketable securities	139,528	139,376
Loans and borrowings	573,260	506,641
Deferred tax liabilities	17,201	17,201
Derivatives	2,852	2,846
Other non-current liabilities	20,054	19,593
NON-CURRENT LIABILITIES	752,895	685,657
Liabilities related to non-current assets held for sale	1,534	1,570
Financial liabilities from issue of bonds and other marketable securities	1,435	3,482
Loans and borrowings	33,870	41,127
Derivatives	1,934	2,393
Other financial liabilities	-	3,199
Trade and other payables	21,697	33,044
CURRENT LIABILITIES	60,470	84,815
TOTAL EQUITY AND LIABILITIES	1,700,021	1,753,252

Non-current assets

Investment properties

At 30 June 2020, **investments properties** are classified as non-current assets, at a fair value of **1,403,975 thousand Euros** (1,449,344 thousand Euros at 31 December 2019), except for the shopping centres Las Huertas, Txingudi and the Eroski's hypermarkets amounting to 102,220 thousand Euros which is classified under "Non-current assets held for sale".

The Group's investment properties, including the assets classified under "Non-current assets held for sale", consist of ten shopping centres, four retail parks and twenty-two retail units.

Net Investment (Thousands of euros)	30/06/2020	31/12/2019
Shopping Centres	1,201,360	1,235,479
Retail Parks	249,715	260,965
Other Retail	54,120	54,120
Others	1,000	1,000

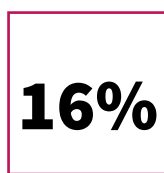
INVESTMENT PROPERTIES (*)	1,506,195	1,551,564
----------------------------------	------------------	------------------

(*) This amount includes Las Huertas, Txingudi and the Eroski's Hypermarkets investment properties for an amount of 102,220 thousand Euros, which has been reclassified to "Non-current assets held for sale"

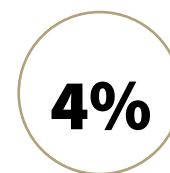
Investment properties by asset class



Shopping Centres



Retail Parks



Other Retail

Equity-accounted investees

At 30 June 2020 and 31 December 2019, the amount reflects investment of 50% held by the Group in Inmobiliaria Juan Bravo 3, S.L. that is accounted for using the equity method.

In addition, at 30 June 2020 the investee Inmobiliaria Juan Bravo 3, S.L. **has repaid the shareholders contributions from the Group**, amounting to 4,275 thousand euros (corresponding to 50% of the Group's investment), thereby decreasing the value of the equity-accounted investment held by the Group. This repayment of shareholders contributions has not affected the percentage of interest held by the Group held in said company.

Non-current financial assets

At 30 June 2020 and 31 December 2019, the Group has recognised as non-current financial assets mainly security deposits received from tenants, which the Group has deposited with the corresponding public bodies.

Current assets

Assets and liabilities held for sale

At 30 June 2020 and 31 December 2019, this heading includes the assets and liabilities of the company **LE Retail Las Huertas, S.L.U., LE Retail Txingudi, S.L.U., LE Retail Hipermercados I, S.L.U., Hipermercados II, S.L.U. and LE Retail Hipermercados III, S.L.U.**, which were classified as held for sale as per IFRS 5. (*)

At 30 June 2020 assets and liabilities held for sale are as follows:

Non-current assets held for sale

(Thousands of euros)	30/06/2020
Investment properties	102,220
Non-current financial assets	1,102
Cash and cash equivalents	432
TOTAL NON-CURRENT ASSETS HELD FOR SALE	103,754

Liabilities related to non-current assets held for sale

(Thousands of euros)	30/06/2020
Other non-current liabilities	1,534
TOTAL LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE	1,534

(*) IFRS (International Financial Reporting Standards).

Trade and other receivables

As at 30 June 2020, this heading mainly reflects the outstanding invoiced income for April and May, as well as the invoices for the month of June that are pending collection. Additionally it reflects the claims with public administration credits in the amount of 6,966 thousand Euros.

At 31 December 2019, this heading mainly reflects claims on public administration credits amounting to 10,639 thousand Euros.



Net Equity

At 30 June 2020, the **Company's share capital** consisted of **87,633,730 registered shares** represented by book entries with a par value of 2 Euros each, fully subscribed and paid up, giving their holders equal rights.

On 17 March 2020, the General Shareholders' Meeting approved the **distribution of a maximum dividend** of EUR 55,000 thousand or EUR 0.63 per share (considering all outstanding shares) with a charge to 2019 profit.

The total pay-out was **54,094 thousand euros** (after deducting the amount corresponding to treasury shares, which does not leave the Parent Company's equity and totals EUR 924 thousand in dividends charged to profit), given the amount per share approved and shares outstanding at the time of approval by the General Shareholders' Meeting on 17 March 2020. The dividend pay-out was settled in full on 16 April 2020.

During the first six months of 2020, the Company has carried out its own share sale and purchase transactions, as described below:

	<i>Number of shares</i>	<i>Thousands of euros</i>
31 December 2019	103,820	762
Additions	2,453,699	13,649
Disposals	(23,668)	(173)
30 June 2020	2,533,851	14,238

The negative balance arising from the sale of own shares during the first half of 2020 amounted to 6 thousand Euros, recorded under "Other reserves".

Financial liabilities

Loans & Borrowings

The characteristics of the Loans & Borrowings at 30 June 2020 are as follows:

Type	Project	Entity	Interest rate ⁽¹⁾	Maturity date	Nominal amount (Thousands of euros)	Current (Thousands of euros)	Non-Current (Thousands of euros)
Mortgage Loan	El Rosal	 CaixaBank	EUR 3M + 1.75%	07/07/2030	50,000	2,456	47,033
Mortgage Loan	VidaNova Parc	 BBVA	EUR 3M + 1.85%	31/12/2024	28,000	-	27,336
Mortgage Loan	Megapark + Megapark leisure area	 Santander  NATIXIS  CREDIT AGRICOLE	EUR 3M + 1.70%	24/02/2023	105,250	224	101,295
Mortgage Loan	Portal de la Marina	 Santander  NATIXIS  CREDIT AGRICOLE	EUR 3M + 1.70%	24/02/2023	60,000	140	58,691
Mortgage Loan	Vistahermosa	 BBVA	EUR 3M + 1.85%	02/03/2022	21,550	33	21,358
Mortgage Loan	Parque Abadia + commercial gallery	 Santander	1.80% and 1.93%	23/05/2024	42,060	1,340	40,109
Mortgage Loan	Gran Vía de Vigo	 ING	EUR 3M + 1.75%	14/03/2022	82,400	-	81,425
Mortgage Loan	Rivas Futura	 BBVA	1.90%	19/12/2024	34,500	-	34,307
Developer's Loan	Lagoh	 Santander  Liberbank  Unicaja  Sabadell	EUR 3M + 2.00%	29/06/2025	98,500	4,342	91,806
Corporate Loan	LRE	 bankinter	EUR 12M + 1.60%	16/05/2021	30,000	25,150	-
Corporate Loan	LRE	 European Investment Bank	1.67%	04/05/2027	70,000	185	69,900
LOANS AND BORROWINGS						33,870	573,260

(1) The 56% of the principal is covered by derivatives.

Financial liabilities from the issue of bonds and other securities

Corresponds to the bonds issued by the Group amounting to 140,000 thousand Euros in 2015.

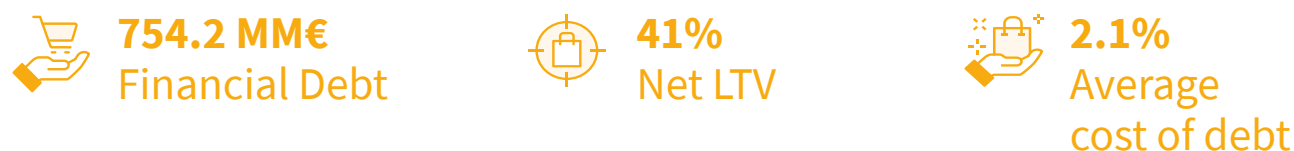
Below you will find the net Loan To Value calculation as at 30 June 2020:

(Thousands of euros)	30/06/2020
GAV	1,506,195
Full Consolidation Gross Debt	753,957
Equity Method Gross Debt	212
Total gross debt	754,169
Cash (Full Consolidation and Equity Method) ^(*)	133,235
Total net debt	620,934
NET LTV ^(**)	41%

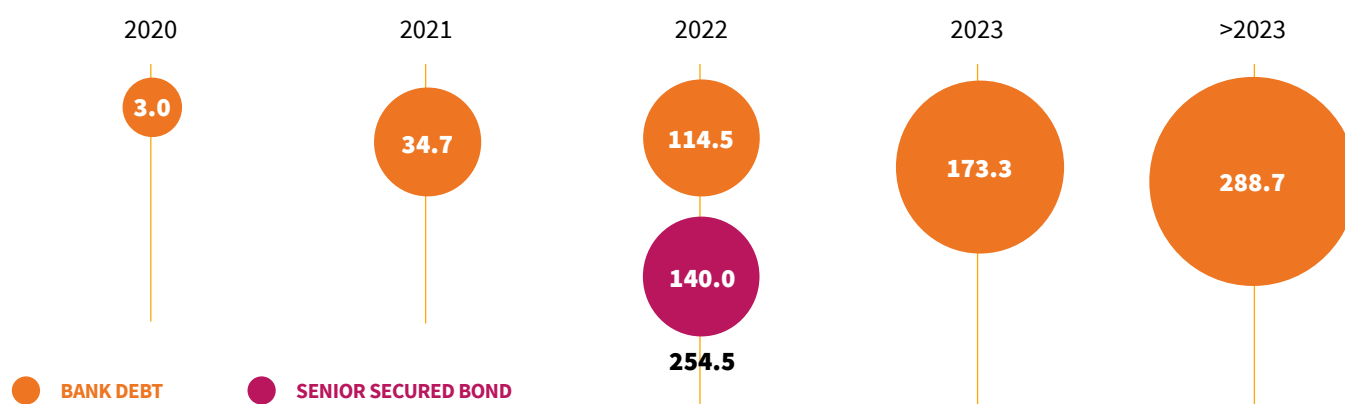
(*) Only available cash considered | (**) Result of Total net debt/GAV

At 30 June 2020, Lar España's debt stood at **754,169 thousand Euros**, with an **average cost of 2.1%** and a **net LTV ratio of 41%**. The average debt maturity stood at 3.4 years.

The main debt indicators and the amortisation schedule is detailed below:



Back-Loaded Amortisation Profile (€ Million)



Deferred tax liabilities

At 30 June 2020, this entry included deferred tax liabilities deriving from the business combination carried out by the acquisition of the subsidiary LE Retail Rivas, S.L.U. as well as the acquisitions of the subsidiaries LE Retail Abadía, S.A.U., LE Retail Hipermercados I, S.A.U., LE Retail Hipermercados II, S.A.U., LE Retail Hipermercados III, S.A.U. and LE Retail Gran Vía de Vigo, S.A.U. in 2017 and 2016. These amounts correspond to the tax effect derived from the difference between the fair value and the fiscal value of the acquired real estate investments.

Other non-current liabilities

Correspond to security deposits received by way of guarantee from the tenants of the company's assets.

4.4

Consolidated Statement of Cash Flows

	30/06/2020 ^(*)	30/06/2019 ^(*)
A) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(12,206)	(11,086)
1. Profit/(loss) for the period before tax	(28,710)	28,620
2. Adjustments for:	65,868	(5,421)
Profit / (loss) from adjustments to fair value of investment properties (+/-)	55,877	(14,038)
Impairment (+/-)	-	74
Financial income (-)	(39)	(1)
Financial expenses (+)	10,164	8,637
Changes in Fair value of financial instruments (+/-)	(309)	1,108
Share in profit (loss) for the period of equity-accounted companies (+/-)	175	(1,170)
Results of disposal of investments properties (+/-)	-	(31)
3. Changes in operating assets and liabilities	(39,023)	(24,763)
Trade and other receivables (+/-)	(24,991)	186
Other current assets and liabilities (-)	(101)	(996)
Trade and other payables (-)	(13,215)	(23,644)
Other current assets and liabilities (-)	(716)	(310)
4. Other cash flows used in operating activities	(10,341)	(9,522)
Interest paid (-)	(10,341)	(9,522)
B) CASH FLOWS USED IN INVESTING ACTIVITIES	(8,651)	11,419
1. Payments for investments (-)	(8,651)	(61,581)
Investment property	(8,651)	(61,581)
2. Proceeds from divestments (+)	-	73,000
Investment property	-	73,000
C) CASH FLOWS FROM FINANCING ACTIVITIES	(8,828)	(35,073)
1. Payments made and received for equity instruments	(13,482)	(21,996)
Proceeds from issue of share capital (+)	-	6,425
Acquisition/disposal of treasury shares (- /+)	(13,482)	(28,421)
2. Proceeds from and payments for financial liability instruments	58,655	59,523
a) Issue of:	96,000	59,523
Bank borrowings (+)	95,000	56,423
Liabilities with associates (+)	1,000	3,100
b) Redemption and repayment of:	(37,345)	-
Bank borrowings (-)	(37,345)	-
3. Payments for dividends and remuneration on other equity instruments	(54,001)	(72,600)
Dividends (-)	(54,001)	(72,600)
D) CASH AND CASH EQUIVALENTS IN NON-CURRENT ASSETS HELD FOR SALE	47	383
E) NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(29,638)	(34,356)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	160,527	191,328
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	130,889	156,971

(*) Six months period.



5

EPRA Information *p.72*

5.1 EPRA Earnings
p.76

5.2 EPRA NAV and EPRA NNNAV
p.77

5.3 EPRA NIY and EPRA “topped-up” NIY
p.80

5.4 EPRA Vacancy Rate
p.82

5.5 EPRA Cost Ratios
p.83





Shopping Centre / Portal de la Marina (Alicante)

EPRA Awards

- In November 2016, the Reporting & Accounting Committee of EPRA (European Public Real Estate Association)(1) updated its Best Practices Recommendations(2) guidelines in order to improve the presentation, transparency, comparability and relevance of the published results of listed real estate companies in Europe.

Lar España fully supports and endorses the principle of standardising the reporting of performance indicators from the perspective of comparability and improving the quality of information provided to investors and other users of the financial information.

For this purpose, we have included an specific chapter with our main economic indicators following EPRA guidelines.

(1) Not-for-profit association founded in 1999 registered in Belgium which aims to make the financial statements of public real state companies clearer, more transparent and comparable across Europe.

(2) "Best Practices Recommendations - BPR" available at www.epra.com

- In September 2019, Lar España was awarded for the fifth year running the **Gold Award** from the European Public Real Estate Association (EPRA) in recognition of the quality of the **financial information** provided by the company. Lar España was also awarded for the second time with the most prestigious recognition from EPRA, the **Gold Award**, related to the information about **Corporate Social Responsibility**.

This highlights **the international recognition for the information reported by Lar España** and made available to its shareholders

2015



2016



2017



2018



2019



Key performance indicators described in the Best Practices Recomendations developed by EPRA are shown as follows:

Indicator	30/06/2020 (Thousands of euros)/%	30/06/2020 (Euros per share)
EPRA Earnings	26,858	0.31
EPRA NAV	905,347	10.64
EPRA NNNAV	886,656	10.42
EPRA Net Initial Yield (NIY)	5.3%	-
EPRA “topped-up” NIY	6.0%	-
EPRA Vacancy Rate	5.0%	-
EPRA Cost Ratio	16.7% (*)	-
EPRA Cost Ratio (excluyendo gastos asociados a inmuebles vacíos)	14.5% (*)	-

(*) Ratio calculated considering recurring expenses. See terms definitions in Glossary, section 7.

5.1

EPRA Earnings

76

<i>(Thousands of Euros)</i>	<i>H1 2020</i>	<i>H1 2019</i>
EARNINGS PER IFRS INCOME STATEMENT	(28,710)	28.620
Change in value of investment properties	55,877	(14,038)
Profits or losses on disposal of investment properties, development properties held for investment and other interests	-	(31)
Tax on profits or losses on disposals	-	-
Negative goodwill	-	-
Changes in fair value of financial instruments and associated close-out costs	(309)	1,108
Acquisition costs on share deals and non-controlling joint venture interests	-	-
Deferred tax in respect of EPRA adjustments	-	-
Adjustments to above in respect of joint ventures	-	-
Non-controlling interests in respect of the above	-	-
EPRA EARNINGS	26,858	15,659
Weighted average number of shares (excluding treasury shares)	86,272,687	91,248,755
EPRA EARNINGS PER SHARE (EUROS)	0.31	0.17
Company specific adjustments (*)	-	-
ADJUSTED EPRA EARNINGS	26,858	15,659
ADJUSTED EPRA EARNINGS PER SHARE (EUROS)	0.31	0.17

(*) Corresponds to the part of the performance/divestment fee that the Manager would be obliged to reinvest in Lar España, thus avoiding any real cash outflow from the company



**Adjusted EPRA Earnings
per share +82%
vs H1 2019**

5.2

EPRA NAV

(Thousands of Euros)	30/06/2020	31/12/2019
NET ASSET VALUE PER THE FINANCIAL STATEMENTS	886,656	982,780
Fair value of financial instruments	1,490	3,779
Debt fair value	-	-
Deferred tax liabilities	17,201	17,201
EPRA NAV	905,347	1,003,760
Number of shares (excluding treasury shares)	85,099,879	87,529,910
EPRA NAV PER SHARE (EUROS)	10.64 (*)	11.47

(*) When analyzing this measure it is important to take into account the dividend paid in Q2 2020 (0.63€/share).



EPRA NNNAV

<i>(Thousands of Euros)</i>	30/06/2020	31/12/2019
EPRA NAV	905,347	1,003,760
Fair value of financial instruments	(1,490)	(3,779)
Debt fair value	-	-
Deferred tax liabilities	(17,201)	(17,201)
EPRA NNNAV	886,656	982,780
Number of shares (excluding treasury shares)	85,099,879	87,529,910
EPRA NNNAV PER SHARE (EUROS)	10.42 (*)	11.23

(*) When analyzing this measure it is important to take into account the dividend paid in Q2 2020 (0.63€/share).





VIPS
SMART

RESTORANTE
GENOS

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& COMPANY

VidaNova
Parc

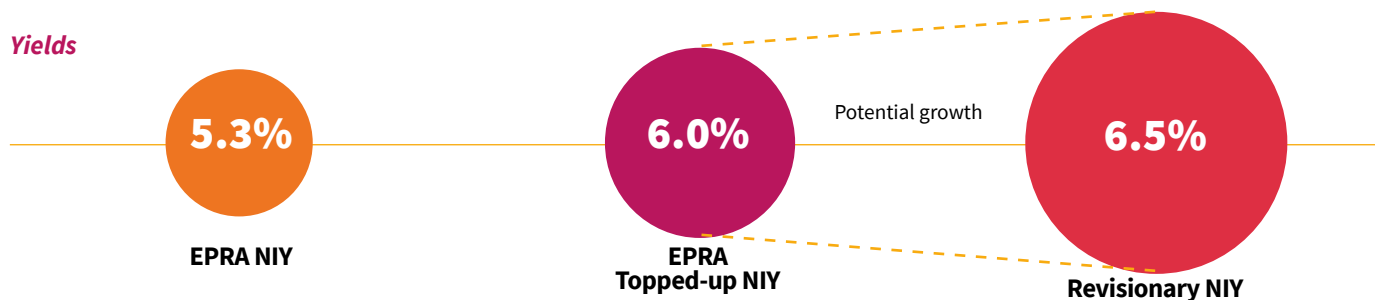
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5.3

EPRA NIY and EPRA “topped-up” NIY (30/06/2020)

(Thousands of Euros)	TOTAL SHOPPING CENTRES	TOTAL RETAIL PARKS	TOTAL OTHER RETAIL	TOTAL LAR ESPAÑA
Completed Property Portfolio	1,197,030	249,715	57,720	1,504,465
Allowance for estimated purchasers costs	21,725	6,362	875	28,961
Gross up completed property portfolio valuation (A)	1,218,755	256,077	58,595	1,533,426
Annualised cash passing rental income	69,779	15,491	3,966	89,236
Property outgoings	(6,460)	(1,673)	(14)	(8,148)
Annualised net rents (B)	63,319	13,817	3,952	81,088
Notional rent expiration of rent free periods or other lease incentives	7,690	2,580	0	10,270
Topped-up net annualised rents (C)	71,009	16,397	3,952	91,359
EPRA NET INITIAL YIELD (B/A)	5.2%	5.4%	6.7%	5.3%
EPRA TOPPED-UP NET INITIAL YIELD (C/A)	5.8%	6.4%	6.7%	6.0%

Yields





5.4

EPRA Vacancy Rate

	ERV (Thousands of Euros)	ERV Vacancy (Thousands of Euros)	EPRA VACANCY RATE %
SHOPPING CENTRES	78,733	4,262	5.4%
RETAIL PARKS	18,170	728	4.0%
OTHER RETAIL	3,391	0	0.0%
TOTAL LAR ESPAÑA	100,294	4,990	5.0%

 **5.0%**
EPRA Vacancy Rate



5.4

EPRA Cost Ratios

	Recurring		TOTAL	
	H1 2020	H1 2019	H1 2020	H1 2019
<i>(Thousands of Euros)</i>				
Administrative expenses	(223)	(194)	(223)	(194)
Operating costs net of recoverable income ^{(1) (2)}	(7,344)	(9,065)	(8,125)	(12,679)
Administrative/operating expenses in associates	-	-	-	-
EPRA Cost (including vacancy Cost) (A)	(7,567)	(9,259)	(8,348)	(12,873)
Direct vacancy costs	(977)	(1,086)	(977)	(1,086)
EPRA Cost (excluding vacancy Cost) (B)	(6,590)	(8,173)	(7,371)	(11,787)
Gross Rental Income less ground rent costs-per IFRS	48,900	39,491	48,900	39,491
Net associated costs <i>(net service charge)</i>	(3,544)	(3,696)	(3,544)	(3,696)
Gross Rental Income (C)	45,356	35,795	45,356	35,795
EPRA COST RATIO (including direct vacancy costs) A/C	16.7%	25.9%	18.4%	36.0%
EPRA COST RATIO (excluding direct vacancy costs) B/C	14.5%	22.8%	16.2%	32.9%

(1) Maintenance costs totalling 132 thousands of euros are included

(2) Fixed management fee included. No variable fees have been accrued in either period.

6

Share Price Performance *p.84*

6.1 Share price information and performance
p.86

6.2 Analyst Recommendations
p.87





Shopping Centre / El Rosal (León)

6.1

Share price information and performance

Share Price Performance

Detail of shares (€)

Jan-June 2020

Price at the beginning of the period	7.10
Price at the end of the period	4.65
PERFORMANCE DURING THE PERIOD	-34.6%
Maximum price for the period	7.43
Minimum price for the period	3.51
AVERAGE PRICE FOR THE PERIOD	5.25
ADTV (*)	215,823
Market Cap (Euros) 30/06/2020	407,058,676
Number of shares 30/06/2020	87,633,730

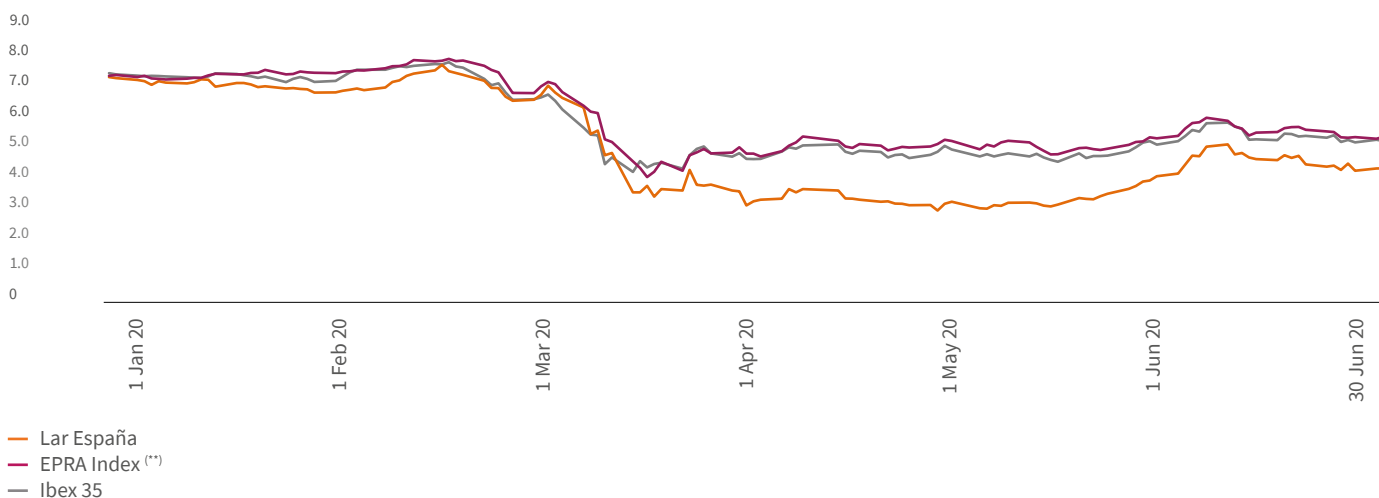
(*) Average Daily Trading Volumen in number of shares.

Share distribution at 30 June 2020



The **share price performance** during the first six months of 2020 compared with the IBEX 35 and EPRA Index performance can be seen in the following graph:

Lar España share price performance vs Ibex 35 and EPRA Index (January-June 2020)



(") Sectorial European reference index.

6.2

Analyst Recommendations



63.3%^(*)
Potencial Return

As of the date of this report, Lar España has the coverage of 12 analysts, whose average target price is **€7.58**.

Broker	Recommendation	Analysis Date	Target Price (Euros)
Kepler Cheuvreux	Hold	21/03/2017	Under Revision
J.P.Morgan Asset Management	Hold	16/03/2020	7.30
GVC Gaesco Beka	Buy	14/05/2020	9.39
intermoney valores sv	Buy	14/05/2020	8.00
Ahorro Corporación	Buy	14/05/2020	7.50
fidentiis	Hold	15/05/2020	10.30
Santander	Hold	15/05/2020	8.90
MIRABAUD	Hold	15/05/2020	8.27
JBCapitalMarkets	Buy	15/05/2020	8.00
bankinter.	Hold	26/05/2020	5.18
KEMPEN & CO	Hold	26/05/2020	4.50
Sabadell	Buy	09/06/2020	6.08

Source: Bloomberg



45%
Buy



55%
Hold



0%
Sell

(*) Taken into account the average target price and the price at the end of the period.

7

Glossary

p.88





POMODORO

POMODORO PIZZA PASTA BURRITOS

Shopping Centre / Albacenter (Albacete)

Glossary

PBT

Profit Before Tax.

Net profit/(loss)

Profit/(Loss) for the period after tax.

EBIT

Earnings Before Interest and Tax.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation.

EPRA

European Public Real Estate Association.

EPRA Cost Ratio

Administrative & operating costs (including direct vacancy costs) divided by gross rental income.

EPRA Cost Ratio

(excluding direct vacancy costs)

Administrative & operating costs (including & excluding direct vacancy costs) divided by gross rental income.

EPRA Earnings

Earnings from operational activities.

EPRA NAV

Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.

EPRA Net Initial Yield (NIY)

Annualised rental income based on the cash rents passing at the balance sheet date, less non recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

EPRA NNAV

EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.

EPRA Topped-up NIY

This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and stepped rents).

EPRA Vacancy Rate

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

GAV

Gross Asset Value.

GRI (Gross Rental Income)

Gross income for the period.

Like for like (LfL)

Comparison of one period, with that of the same period the year before, taking into consideration the same assets.

Net LTV (Loan to Value)

Ratio that measures the total amount of outstanding principal, discounted available cash, against the value of the assets.

Net LTV = Net debt / GAV.

IFRS

International Financial Reporting Standards.

NOI (Net Operating Income)

Gross income discounting costs incurred during the period.

Liquidity ratio

The Company's capacity to meet its obligations with liquid assets, calculated as the ratio between the Company's current assets and current liabilities.

Solvency ratio

The Company's financial capacity to meet its payments obligations with all the assets and resources available. It is calculated by dividing equity plus non-current liabilities by non-current assets.

Reversionary Yield

Yield calculated as the ratio between the rental income that would be obtained from leasing the entire area at the market prices estimated by the independent valuers (ERV) and the gross asset value

ROA (Return on Assets)

Return on assets, calculated by dividing profit for the last 12 months by the company's average assets of the last four quarters.

ROE (Return on Equity)

Return on equity, calculated by dividing profit for the last 12 months by the company's average equity of the last four quarters.

GLA

Gross Leasable Area in sqm.

WAULT

Weighted average unexpired lease term, calculated as the number of years of unexpired lease term, as from 30 september 2016, until the first break option, weighted by the gross rent of each individual lease contract.



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