



Real Estate

*Assets
in action!*

Corporate Presentation

November 2020

www.larespana.com



Index

1.

**Company
Overview**

2.

**Financial
Results**

3.

**ESG
Results**

4.

**COVID-19
Update**

5.

**Highlights &
drivers**





Real Estate

*Assets
in action!*

01

COMPANY OVERVIEW



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



€1,509 Mn
Gross Asset Value



578,345
sqm GLA



€55 Mn
2019 Dividend paid



+23.6%
NOI
vs 9M 2019



**Outperforming the
Spanish market**



+61%
EPRA Earnings p.s.
vs 9M 2019

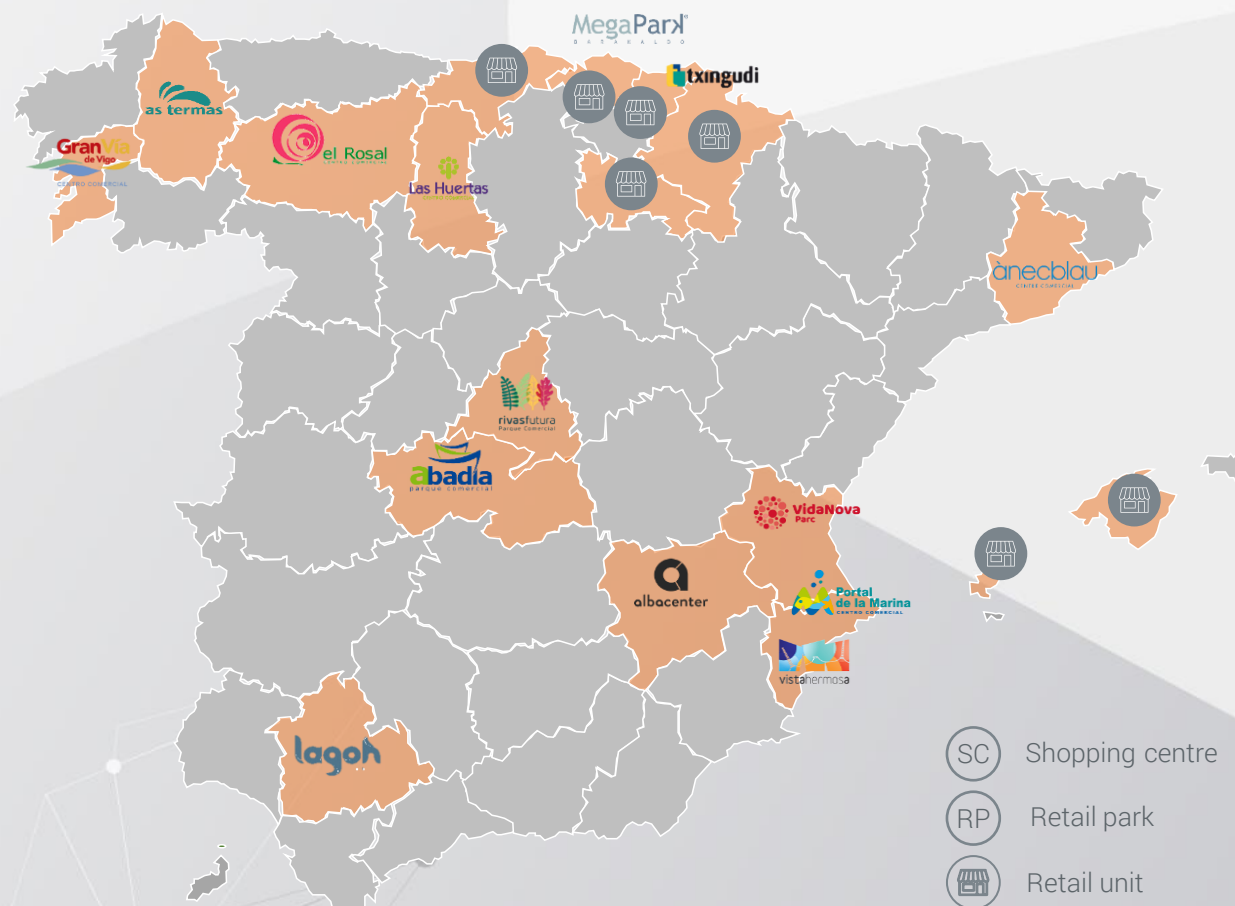


41%
Net
LTV

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

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



A player in the Spanish retail market

Differences vs UK/US markets



OMNICHANNEL CHALLENGE

Retailers are having fewer stores but more spaced to provide customer experience but at the same time an online product collection point.



PROFITABILITY OF THE BUSINESS

The costs involved in online sales are higher than those of physical stores, retailers that are not "pure players" try to redirect their customers to their stores and build loyalty.



RETAIL PARKS

Medium retail parks are assets with stable income and somewhat less intense management, a security for investors in more defensive retailers.

DIFFERENT RETAIL MARKETS



RENTS

Rents in shopping centres and medium-sized retail parks are at a stable time in Spain.

In the UK rents reviews have always been on the rise, translating into higher effort rates.

COMMERCIAL DENSITY

The commercial offer in both UK and USA is significantly higher than continental Europe. With a low differentiated offer, in the medium term these spaces could be reconverted (last mile, new uses, mixed typologies).

LEGAL FRAMEWORK

Legal figures in the UK differ from continental Europe, such as the CVA (voluntary bankruptcy) that usually ends in a substantial rent reduction.

DIFFERENT CONSUMPTION HABITS

Highly influenced by age, demography, consumption habits, population concentration, climate ...

The results of our strategy:

A different company for a changing market

ASSETS & MANAGEMENT

Highly protected and resilient portfolio	Multiproduct retail offer SSCC (65%), RRPP (31%) & RRUU (4%) ¹
Refurbished and safe portfolio	Capex plan almost completed Maximum guarantees of safety (SGS COVID certification)
Successful operational management	+23.6% NOI vs 9M 2019 +2.5% LfL ² NOI
Comfortable levels of liquidity and solid balance sheet	c.€140 Mn Strong liquidity covering expenses in the next 4y

CLIENTS & INNOVATION

Optimal and comfortable activity mix	43% GLA crisis resilient activities: food (18%) and other ³ (25%)
Mix of quality and loyal retailers	96% occupancy >60 contracts >2024
Proven trust by the final customer	96% footfall recovery in Sep 96% sales recovery in Sep
Assets fully integrated with the digital world	Omnichannel spaces that provide added value over e-commerce

1. Breakdown by rents.
2. Like for Like (excluding Lagoh shopping centre).
3. Includes home, sports and electronics activities.



Real Estate

*Assets
in action!*

02

FINANCIAL RESULTS 9M 2020



Operational results in 9M 2020



RESULTS

+23.6%

NOI vs 9M 2019

+2.5%LfL¹ NOI vs 9M 2019**+42%**EBITDA
vs 9M 2019**+61%**Adj. EPRA Earnings
p.s. vs 9M 2019**€10.79**EPRA NAV
p.s.²

ASSETS

**Outperforming the
Spanish market****5.9%**EPRA 'topped-up'
NIY**96%**Occupancy³
30 Sep 2020**3.4 years**
WAULT

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

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

3. Ratio calculated according to EPRA recommendations.

Corporate results in 9M 2020

 CORPORATE	<p>€55 Mn dividend¹ €0.63 p.s.</p> <p>Dividend paid</p>	<p>3rd SBB Programme extended</p> <p>5% share capital</p>	<p>c.€140 Mn liquidity² Expenses covered over the next 4 years</p>	<p>Net LTV 41%</p> <p>Avg. cost of debt 2.2%</p>
 ESG	<p>100%</p> <p>Recommendations of the CNMV Good Governance Code complied</p>	<p>AENOR Univesal Accesibility Certification</p> <p>Vidanova Parc & Vistahermosa</p>	<p>100%</p> <p>Shopping centres BREEAM certified</p>	<p>100%</p> <p>Assets³ SGS certified against COVID-19</p>

EPRA Gold Award - Financial Reporting

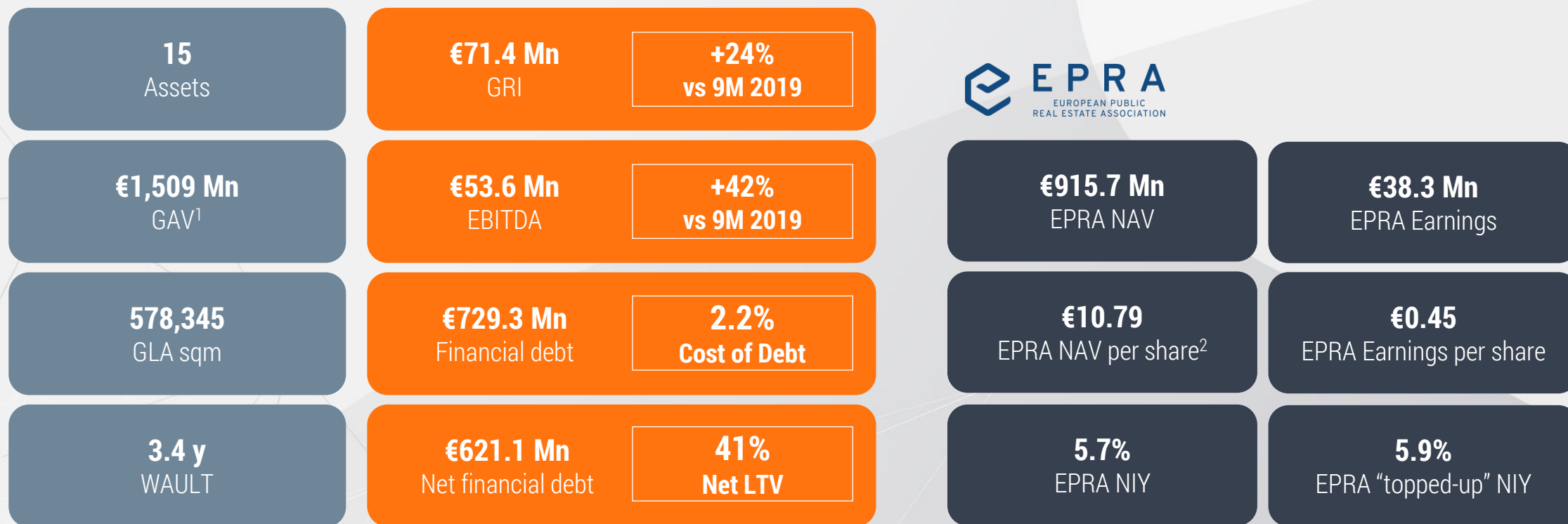


EPRA Gold Award - ESG Reporting



1. Dividend paid on April 16th, 2020.
2. Cash and undrawn credit lines
3. 100% assets fully owned.

Financial key figures 9M 2020



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 9M 2020

Operating results

+22.9%
GRI
9M 2020

+23.6%
NOI
9M 2020

+12.4%
Food
sales
September 2020

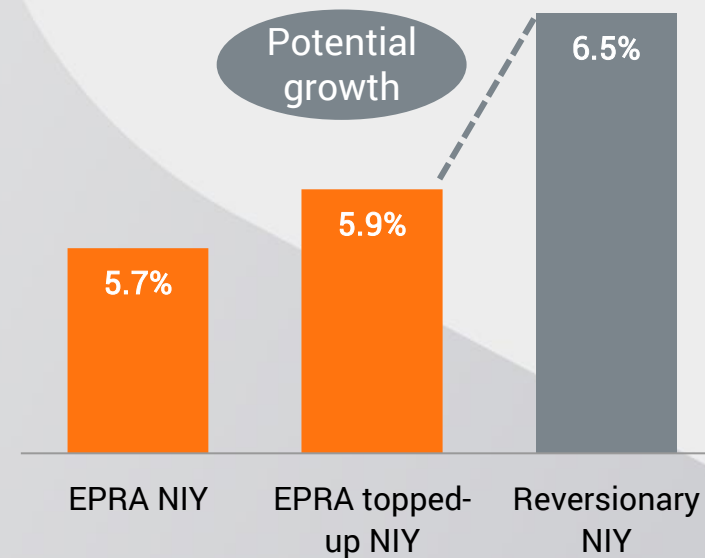
+11.0%
Other resilient
activities sales²
September 2020

+1.6%
LfL GRI¹
9M 2020

+2.5%
LfL NOI¹
9M 2020

96%
Occupancy³

Retail yields



1. Like for Like excluding Lagoh shopping centre.
2. Includes home, sports and other retail.
3. Ratio calculated according to EPRA recommendations.

Solid asset valuation with a minimum impact of COVID

Our assets make the difference in each of their locations

Gross Asset Value

€1,509 Mn

% Increase

(2.9%)

Dec 2019

3.7%

Jun 2019

Including Capex Invested

50.0%

Acquisition

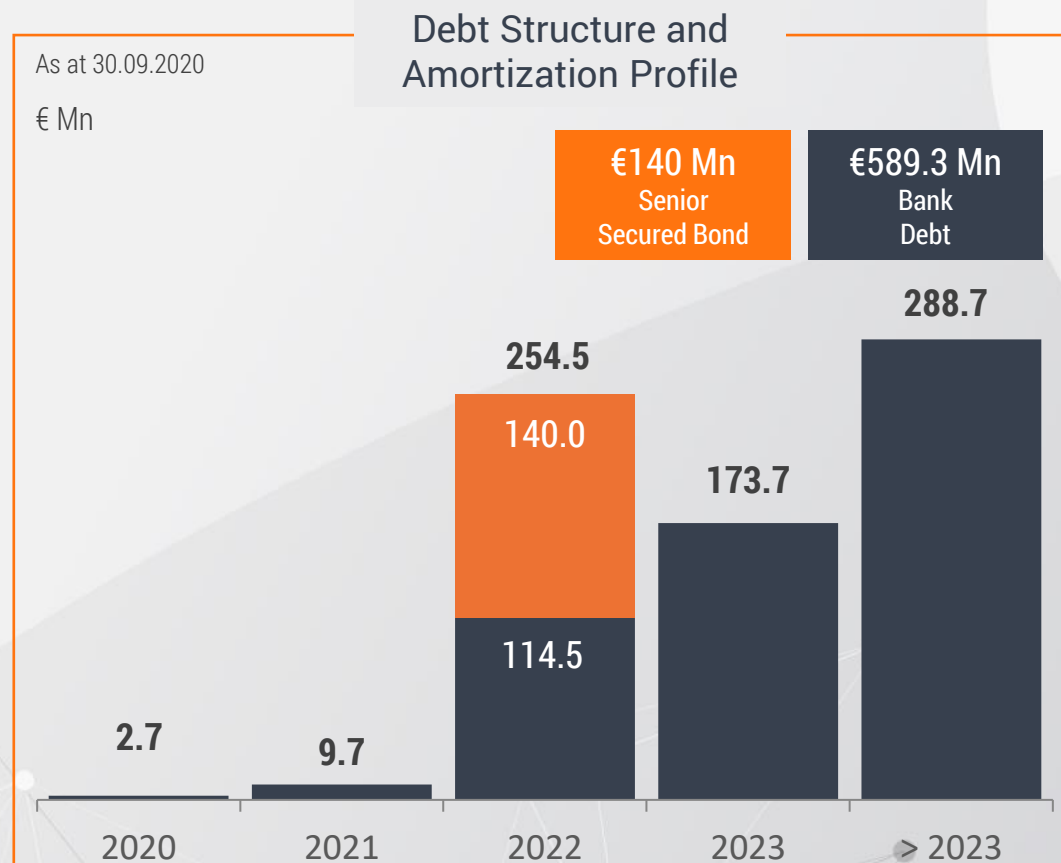
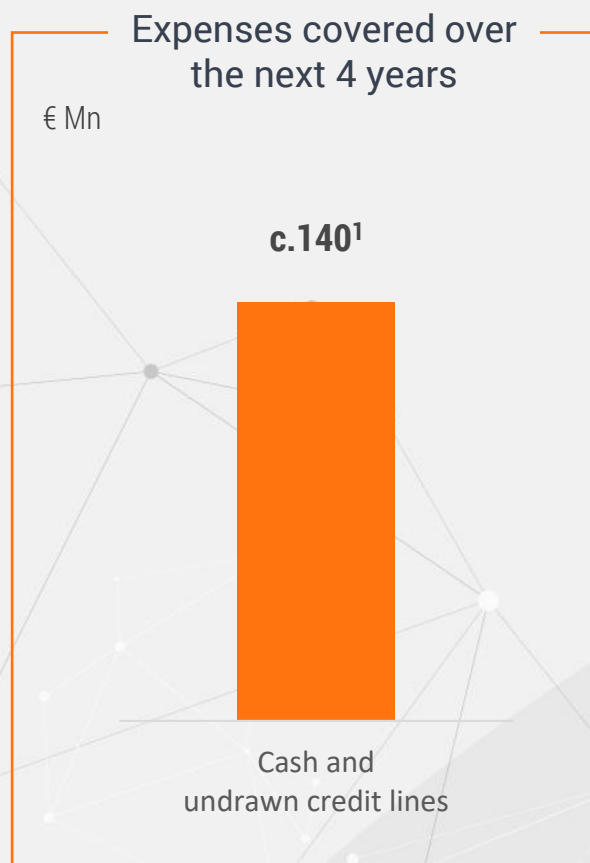
- A resilient portfolio of dominant shopping centres in attractive catchment areas
- Cherry-picked portfolio, assets carefully analysed and selected without buying portfolios
- Assets c.100% owned, delivering flexibility, control and full decision capacity
- Solvent and diversified tenant base with a WAULT of 3.3 years and close medium- and long-term relationships
- Grupo Lar real estate experience of +50 years and proved retail management experience in past financial crisis

Consolidated Income Statement 9M 2020 (€ Millions)

	9M 2020			9M 2019			Chg% Recurring 9M 20/19
	Recurring	Non-Recurring	Total	Recurring	Non-Recurring	Total	
Rental Income	71.4	-	71.4	57.8	-	57.8	+24%
Other Income	1.7	-	1.7	1.7	-	1.7	
Personnel expenses	(0.4)	-	(0.4)	(0.3)	-	(0.3)	
Other expenses	(17.0)	(2.2)	(19.2)	(16.6)	(4.9)	(21.5)	
Property Operating Result	55.8	(2.2)	53.6	42.6	(4.9)	37.7	+31%
Changes in the Fair Value of investment properties	-	(55.9)	(55.9)	-	55.1	55.1	
EBIT	55.8	(58.1)	(2.3)	42.6	50.2	92.8	+31%
Financial Result	(14.9)	-	(14.9)	(14.7)	-	(14.7)	
Share in profit (loss) for the period of equity-accounted companies	-	(0.2)	(0.2)	-	1.2	1.2	
EBT	40.9	(58.3)	(17.4)	27.9	51.4	79.3	
Income Tax	-	-	-	-	(0.2)	(0.2)	
Profit for the Period	40.9	(58.3)	(17.4)	27.9	51.2	79.1	+47%

Notes:
May not foot due to rounding.

Financial pillars and liquidity: No significant maturities in the next 16 months



Gross financial debt
€729.3 Mn

Net financial debt
€621.1 Mn

Avg. debt maturity
3.3y

Fixed rate
100%

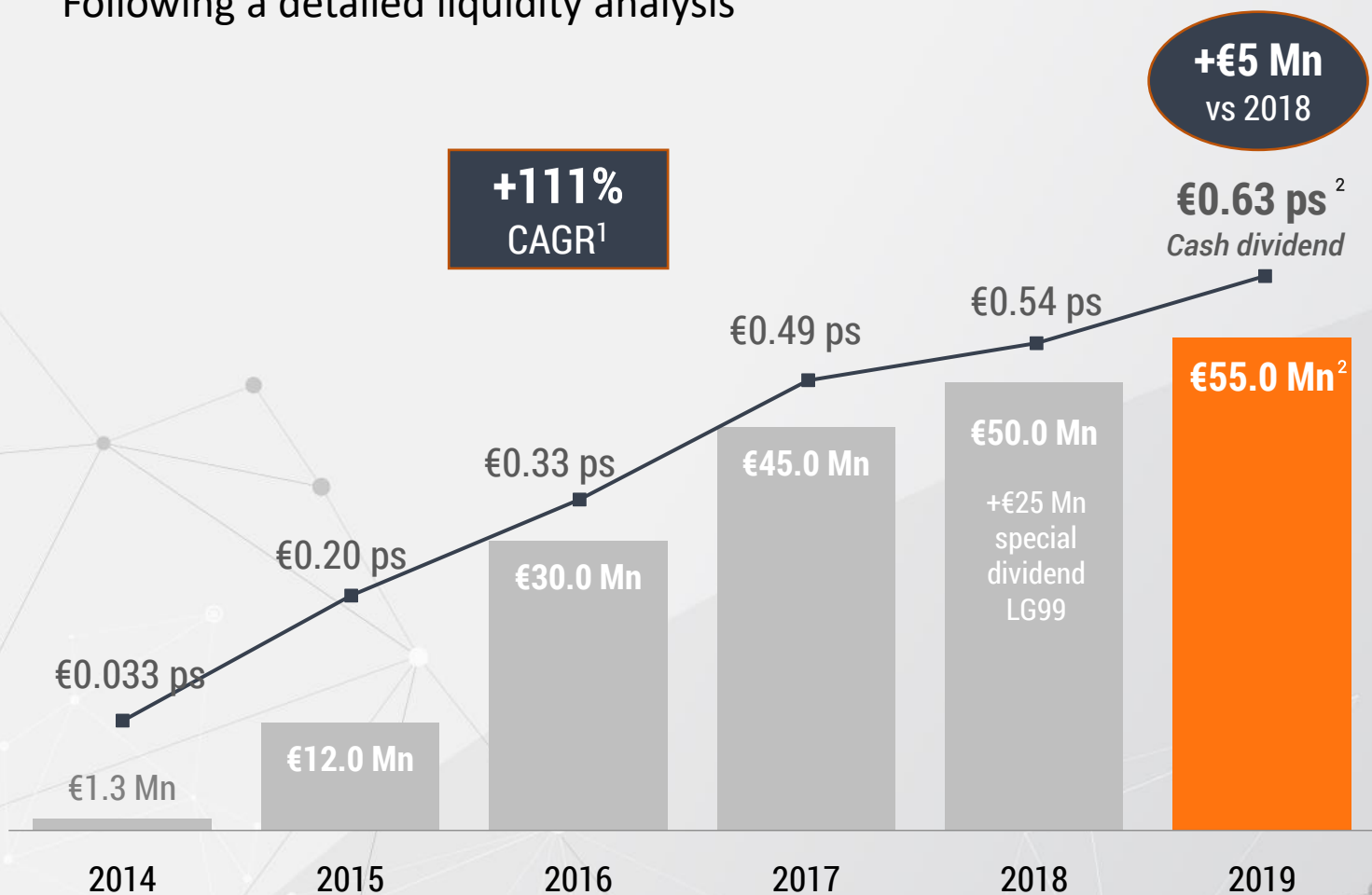
Net LTV
41%
Avg. cost of debt
2.2%

Covenants
100% complied

1. Cash and undrawn credit lines

2019 dividend paid on April 16th, 2020

Following a detailed liquidity analysis



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

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



Real Estate

*Assets
in action!*

03

ESG SUMMARY



Lar España's approach to ESG

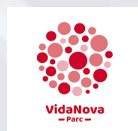


Environmental Responsible management



Sustainable Management

100% of shopping centres are BREEAM® certified, rated “good” or “very good”



New developments

are designed and developed in line with the specifications required to obtain the prestigious **BREEAM® quality and sustainability certification** (Requirement of 2 year in operation to obtain BREEAM® in use certification)

Energy intensity
38.1 kWh/sqm
-5.9%
Vs. 2018

Electricity consumption
18,715,234 kWh
-6.2%
Vs. 2018

Gas consumption
1,742,098 kWh
-3.9%
Vs. 2018

Recycled waste
1,384 Ton
+19.3%
Vs. 2018

GHG emissions
711,330 kg CO₂ eq
-45.9%
Vs. 2018

GHG intensity emissions
1.3 kg eq CO₂/sqm
-45.9%
Vs. 2018

Water consumption
106,420 m³
-0.1%
Vs. 2018

water consumption
2.2 l/person
+8.7%
Vs. 2018



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.



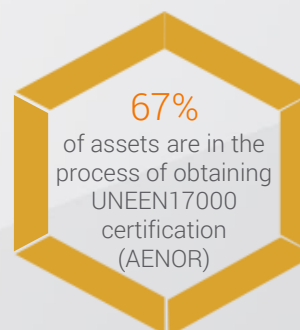
Air quality

Indoor air control system in retail buildings. Together with an expert outside firm, Aire Limpio, Lar España conducted a study in 2019 of new air filtering technology in order to evaluate whether the new systems were viable for use in its centres.

Social

Society-based initiatives in our communities

AACESIBILITY



SOCIETY



Governance Structure

BoD Composition (7 members, 5 independent)



Board & Committees



Critical Activities internalized





Real Estate

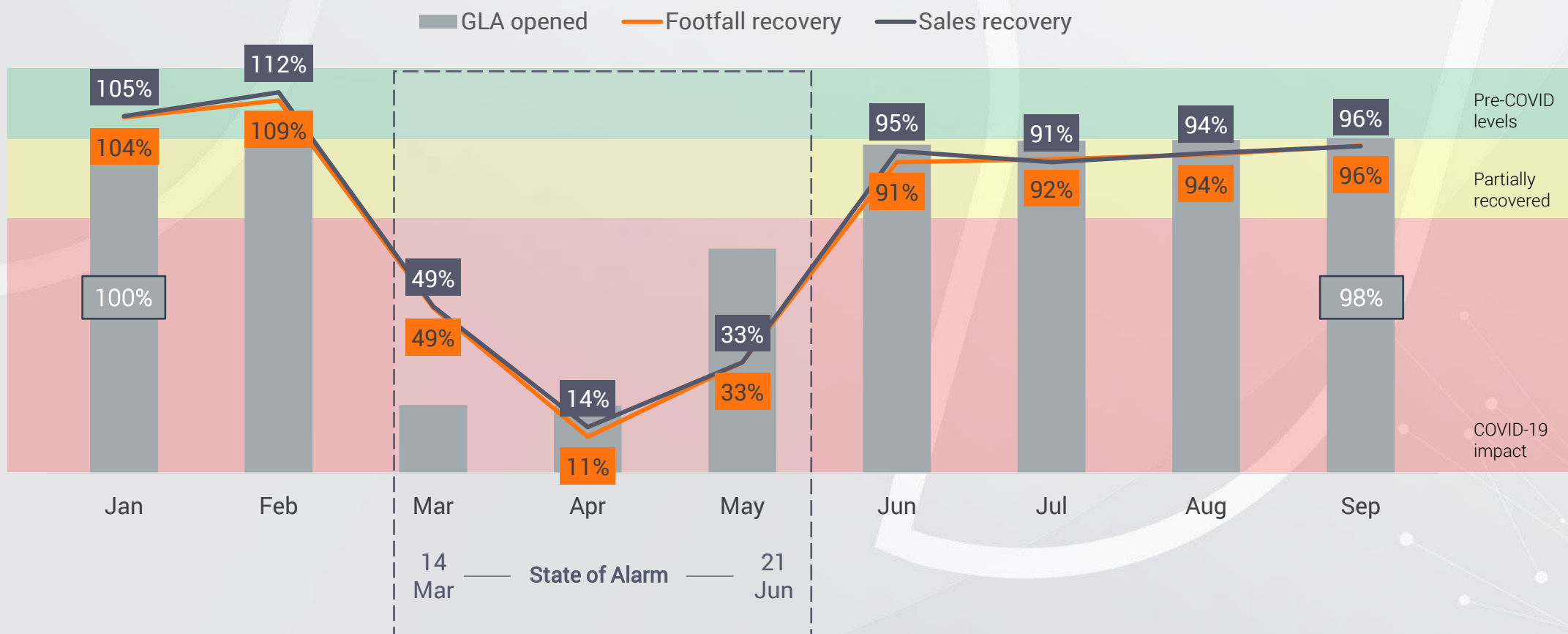
*Assets
in action!*

04

COVID-19 UPDATE



Footfall and sales numbers recovered



85% of rent collected over invoiced up to September

AGREEMENTS AND CONVERSATIONS WITH TENANTS

One-on-one
agreements reached
>95% GLA

Contracts
>2024
+60%

	INVOICED RENTS	COLLECTED RENTS OVER INVOICED
Q1 2020	100%	100%
Q2 2020	49%	66%
Q3 2020	117% ¹	75%
TOTAL 9M		85%

ESTIMATED IMPACT OF COVID-19 IN P&L²

Agreed rent reliefs
and deferrals
due to COVID
c.€19-20 Mn

Linear impact in P&L
during the duration of
each contract
(Avg. 6-7 years)

e.Impact in P&L
FY 2020
<€2 Mn

1. This percentage includes also invoiced rents in Q3 2020 corresponding to Q2 2020 following the agreements reached with retailers.
2. Referent to the impacts of closures until September 30, 2020.

Capacity to assume this scenario

RESILIENT PORTFOLIO

MULTIPRODUCT OFFER

Balanced portfolio that has been key to react better and sooner than others

65%
Shopping centres

31%
Retail parks

4%
Retail units

% rents

c.20% Food
High percentage of food tenants

BIG BRANDS
Differentiated brands in the portfolio

FINANCIAL STRENGTH

NO RELEVANT MATURITIES IN THE NEXT 16 MONTHS

41%
Net LTV

2.2%
Avg. cost of debt

100%
Fixed rate

LIQUIDITY

STRONG LIQUIDITY POSITION COVERING ALL THE COMPANY'S EXPENSES, INCLUDING FINANCIAL COSTS, IN THE NEXT 4 YEARS

c.€140 Mn¹
Cash position

€102 Mn²
Potential disposals

LIQUIDITY PRESERVATION
capex and operating expenses reduction

RESPONSIBLE MANAGEMENT

Lar España assets guarantee all health-hygiene safety, social distancing and communication measures

100% assets³
SGS certified
to guarantee hygiene safety

Large spaces to avoid unnecessary crowding, the best environmental and accessibility practices and latest technology

Assets are now far better equipped to meet these new requirements after the refurbishments of recent years

1. Cash and undrawn credit lines
2. Market value of assets held for sale deducting liabilities
3. Fully owned assets.



Real Estate

*Assets
in action!*

05

HIGHLIGHTS & DRIVERS



Reasons to be confident in Lar España

MARKET OPPORTUNITY

- 1 Spain, a differentiated market
- 2 Retail sector, an opportunity to enter at attractive yields
- 3 Strong value creation through the years not reflected in share price

UNIQUE PORTFOLIO

- 4 Only prime assets in dominant catchment areas
- 5 Ownership of the assets delivering flexibility on decision-making
- 6 High exposure to resilient activities, c.20% from food tenants
- 7 Multiproduct offer with shopping centres, retail parks and retail units
- 8 Refurbishment plan almost completed before health crisis
- 9 Big data & digital strategy implemented

STRONG COMPANY

- 10 Fast recovery of footfall in Sep 2020 (96%), outperforming the Spanish market (80%)
- 11 Steady recovery of sales in Sep 2020 of 96% vs Sep 2019
- 12 Rental Income: +24%
EBITDA: +42%
Recurring Net Profit: +46%
- 13 Solid relationships with retailers
>60% contracts with maturities >2024
96% occupancy
- 14 Solid financial structure with a limited LTV of 41% and no maturities shortly
- 15 Capacity to assume this scenario with a strong liquidity position

Next drivers

	TARGET	COMMENTS
Dividends	<ul style="list-style-type: none"> To maintain attractive dividend 	Maintaining prudent control of the cash position
Additional cash generation	<ul style="list-style-type: none"> Disposals 	22 supermarkets, Txingudi & Las Huertas held for sale
Capital increase	<ul style="list-style-type: none"> No share capital increase 	Commitment to not increase capital below NAV
Strengthen balance sheet	<ul style="list-style-type: none"> Moderate levels of LTV & no significant maturities <2022 Renegotiation of debt underway 	Enough cash to cover all company's expenses in the next 4y
Current SBB	<ul style="list-style-type: none"> 3rd SBB extended 6 months until 14 April 2021 5% company's Share Capital or €45 Mn 	Already executed: 63% share capital (2.9 Mn shares)
Capex & new developments	<ul style="list-style-type: none"> Capex programme almost completed before COVID Remaining capex programme reduced to minimum 	Decisions on new projects will not be taken before this health situation is over
No acquisitions	<ul style="list-style-type: none"> Decision-making on acquisitions on-hold 	In accordance with the prudent cash control policy until the health situation is over

DISCLAIMER

This document has been prepared by Lar España Real Estate SOCIMI, S.A. (the "**Company**") for information purposes only and it is not a regulated information or information which has been subject to prior registration with, or control by, the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores). This document neither is a prospectus nor implies an offer, bid or recommendation for investment. This document includes summarised audited and non-audited information. The financial and operational information, as well as the data on the acquisitions which have been carried out, included in the presentation, correspond to the internal recordings and accounting of the Company. Such information may in the future be subject to audit, limited review or any other control by an auditor or an independent third party. Therefore, this information may be modified or amended in the future.

The information contained herein has been obtained from sources that the Company considers reliable, but the Company does not represent or warrant that the information is complete or accurate, in particular with respect to data provided by third parties (including certain information relating to the Company's properties such as their catchment areas and performance indicators for periods preceding the time of acquisition by the Company). Neither the Company nor its advisors and representatives assure the completeness, impartiality or accuracy of the information or opinions included herein. In addition, they do not assume responsibilities of any kind, whether for misconduct or negligence, with regard to any damages or losses that may derive from the use of this document or its contents. The information contained in this document has not been subject to independent verification. This document includes forward-looking representations or statements on purposes, expectations or forecasts of the Company or its management up to the date of release of this document. Said forward-looking representations and statements or forecasts are mere value judgments of the Company and do not imply undertakings of future performance. Additionally, they are subject to risks, uncertainties and other factors, which were unknown or not taken into account by the time this document was produced and released and which may cause such actual results, performance or achievements, to be materially different from those expressed or implied by these forward-looking statements. Moreover, these forward-looking statements are based on numerous assumptions (which are not stated in the presentation) regarding the Company's present and future business strategies and the environment in which the Company expects to operate in the future. There are many factors, most of them out of the Company's control, which may cause the Company's actual operations and results to substantially differ from those forward-looking statements.

The financial information contained herein may include items which are not defined under the International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and which are considered to be "alternative performance measures" for the purposes of Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 and as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated 5 October 2015. Other companies may calculate such financial information differently or may use such measures for different purposes than we do, limiting the usefulness of such measures as comparative measures. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU.

Under no circumstances the Company undertakes to update or release the review of the information included herein or provide additional information. Neither the Company nor any of its advisors or representatives assume any kind of responsibility for any possible deviations that may suffer the forward-looking estimates, forecasts or projections used herein.

This information does not constitute or form part of, and should not be construed as, an offer to sell or issue, or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of the company, nor shall it or any part of it, nor the fact of its distribution, form the basis of, or be relied on in connection with, any contract or investment decision. This presentation should not be considered as a recommendation by the Company, Grupo Lar Inversiones Inmobiliarias, S.A. or any other person that any person should subscribe for or purchase any securities of the Company. Prospective purchasers of securities of the company are required to make their own independent investigation and appraisal.

The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the laws of any state or other jurisdictions of the United States. Such securities may not be offered or sold in the United States except on a limited basis, if at all, to Qualified Institutional Buyers (as defined in Rule 144A under the US Securities Act) in reliance on an exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the relevant state securities laws. The securities of the Company have not been and will not be registered under the applicable securities laws of any state or jurisdiction of Australia, Canada, Japan, South Africa or Switzerland and, subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan, South Africa or Switzerland or to or for the benefit of any national, resident or citizen of Australia, Canada, Japan, South Africa or Switzerland. The release, distribution or publication of this document in other jurisdictions may also be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions.

The information contained herein does not purpose to be comprehensive or to contain all the information that a prospective purchaser of securities of the Company may desire or require in deciding whether or not to purchase such securities.

This document discloses neither the risks nor other material issues regarding an investment in the securities of the Company. The information included in this presentation is subject to, and should be read together with, all publicly available information. Any person acquiring securities of the Company shall do so on their own risk and judgment over the merits and suitability of the securities of the Company, after having received professional advice or of any other kind that may be needed or appropriate but not only on the grounds of this presentation. By delivering this presentation, the Company is not providing any advisory, purchase or sale recommendation, or any other instrument of negotiation over the securities or financial instruments of the Company. This document does not constitute an offer, bid or invitation to acquire or subscribe securities of the Company, in accordance with the provisions of article 35 of the consolidated text of the Spanish Securities Market Act approved by the Royal Legislative Decree 4/2015, of 23 October, and/or the Royal Decree 1310/2005, of 4 November and their implementing regulations. Furthermore, this document does not imply any purchase or sale bid or offer for the exchange of securities or a request for the vote or authorization in any other jurisdiction. The delivery of this document within other jurisdictions may be forbidden.

Recipients of this document or those persons receiving a copy thereof shall be responsible for being aware of, and complying with, such restrictions.

By accepting this document you are accepting the foregoing restrictions and warnings.

All the foregoing shall be taking into account by those persons or entities which have to take decisions or issue opinions relating to the securities issued by the Company. All such persons or entities are invited to consult all public documents and information of the Company registered within the Spanish National Securities Market Commission.

Neither the Company nor any of its advisors or representatives assumes any kind of responsibility for any damages or losses derived from any use of this document or its contents.



Real Estate

*Assets
in action!*

Follow us



www.larespana.com



info@laespana.com



Lar España Real Estate SOCIMI

Lar España App

