

LAR ESPAÑA increases 9-month revenues by 24% and in September achieves 96% of pre-Covid19 visits and sales

- **The company's dominant position, multi-channel options and resilience of its business model will allow it to emerge stronger once the pandemic is brought under control**
- **It has currently renegotiated Covid 19 related amendments to leases on 95% of floor space, and is confident of a "reasonably rapid recovery" in visits and sales when current restrictions are lifted**

Madrid, 12 November 2020.- Lar España, a leading Spanish real estate investor and the domestic leader in the shopping centre sector, increased revenues by 24% in the first nine months of 2020 to 71.4 million euros, against 57.8 million in the same period last year. Since June the footfall and sales in its fourteen shopping centres have quickly approached last year's volumes, and in September they reached 96% of the level of a year ago.

The company is cautious about the effect of the health and mobility restrictions put in place by several regional governments in recent days. It has ratified its support for the measures adopted by the various authorities, its willingness to collaborate with them and its commitment to the safety of professionals, traders and customers. At the date of publication of this report, Lar España has renegotiated individualized rental agreements covering 95% of the total gross surface area of its centres. Excluding any further closures required after September 30th 2020, it has estimated that total cumulative discount due to Covid 19, once the agreements are closed for 100% of the gross leasable area, will be between 19 and 20 million euros. In accordance with applicable accounting regulations, these discounts will be charged to the company's results as from their date of formalization, linearizing their impact on income over the duration of each of the contracts in an average period of between 6 and 7 years. The impact on the profit and loss account for the whole of 2020 is expected to be less than two million euros.

The company believes that the dominant position and "prime quality mix" of its centres will give them enhanced leadership and reputation with the multichannel business model that will predominate when the pandemic passes. Its business activity report notes that its centres throughout Spain are mainly located in areas of high purchasing power, and that the commercial activities most resilient during the pandemic make up 43% of its total rentable area. Its centres offer sustainable and safe environments, which in the medium term will be key to normalizing social life and commercial activity.

José Luis del Valle, Chairman of the Board of Directors of Lar España, expressed satisfaction with the company's performance during the summer. *"During the pandemic we activated safety and hygiene measures and full technological control over access and visits. With the lockdown easing we have redoubled our collaboration and alliance with our tenants, and to date we have renegotiated long-term rental contracts with them for more than 95% of surface area. We have defined a model that during the pandemic has been resilient, that during the easing has brought a rapid reactivation, and that will show its full value when normality is restored, a time that will undoubtedly come"*.

The drop in valuations experienced by the real estate sector as a whole has also affected Lar España. Between December 2019 and June 2020, the valuation of the company's assets fell by 55.9 million euros, or 2.9%, to 1,509 million euros. This decline is reflected in the accounting profit for the period,

with a loss of 17.4 million euros, while the recurring net profit rose 46% in the first nine months of the year to 40.9 million euros.

In its activity report, Lar España indicates that its shopping centres and retail parks are safe areas that offer ample common spaces and transit zones capable of reducing and preventing the agglomeration that is more typical of downtown shopping areas. "The premium, differential and dominant character of our centres allows us to face the challenges of the current context with a clear competitive advantage". This same character explains the rapid recovery of footfall and sales between July and September, which rose from 91% and 92% respectively in July to 96% in September (like for like - excluding Lagoh, which opened at the end of September 2019).

In its report for the first nine months, Lar España reports low leverage of 41% of asset value, with an average financing cost of 2.2%, of which 100% is fixed rate, and no significant maturities due in the next 16 months. The cash position is around 140 million euros, a level that which would enable the company to meet all its costs, including the financial ones, for the next four years.

The company has extended its share buyback programme until 14th April 2021. The programme aims to increase returns for shareholders resulting from the subsequent amortizing of the shares acquired. The maximum amount allocated is 45 million euros or a maximum of 4.5 million shares, of which 63% have been repurchased up to now.

About LAR ESPAÑA Real Estate SOCIMI S.A.

LAR ESPAÑA REAL ESTATE SOCIMI, S.A. is a listed company traded on the Spanish Stock Exchanges, constituted as SOCIMI "Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario" in March 2014. The company has the objective of investing in the Spanish real estate sector, especially in the retail segment. Today, it is the leader in the Spanish retail market, with nearly 600,000 square meters of leased space and 1,509 million euros in asset value.

In 2015 LAR ESPAÑA was included in the FTSA EPRA/NAREIT Global index, a selective global index designed to represent general trends of listed real estate companies around the world. In 2018 it was included in the Ibex Top Dividend index. In September 2020, for the sixth consecutive year, Lar España was awarded the EPRA Gold Award for the quality of the financial information made available to its main stakeholders. With regard to the information published on ESG, Lar España has obtained the highest distinction from EPRA, winning the Gold Award for the third consecutive year.

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