



LAR ESPAÑA places senior green bond issue at the maximum pre-determined amount of 400 million euros

- **The placement closed more than four times oversubscribed with an annual coupon of 1.750%**
- **As a result, the real estate firm thereby strengthens its cash flow structure and extends the maturity of its debt to 2026**
- **It has also launched a tender offer to buy back €140 million in secured bonds maturing in 2022**

Madrid, 15 July 2021. Real estate firm Lar España has successfully closed an issue of senior unsecured green bonds maturing at the end of 2026. The operation achieved the maximum €400 million predetermined for the issue, which was four times oversubscribed.

The green bonds, with a nominal value of 100,000 euros each, was led by Morgan Stanley Europe, which acted as global coordinator and advisor for the sustainable structure. JP Morgan acted as underwriting bank for the issue that has been placed with qualified investors and will list on the Euro MTF market of the Luxembourg Stock Exchange. The bonds have a fixed annual coupon of 1.750%, compared to the 2.9% set for the bond issued in 2015. Ratings agency Fitch has assigned a BBB investment grade rating to both Lar España and its bond issue.

In parallel, the real estate firm has launched a public offer to buy back 140 million euros in senior secured bonds issued in February 2015, maturing in 2022 and which traded on Euronext Dublin of the Irish Stock Exchange. The repurchase offer is being led by Morgan Stanley Europe as sole dealer manager of the transaction.

The company intends to use an amount equivalent to the proceeds of the green bond issue to refinance, in whole or in part, a selection of its real estate assets in order to reduce its carbon footprint and convert them into environmentally friendly assets that meet the criteria of the 2021 Green Bond Principles issued by the ICMA (International Capital Markets Association).

As long as the proceeds from the issue are not used for the above purposes, Lar España intends to use them for the repurchase offer referred to in the previous paragraph. As a result of these refinancing and the aforementioned repurchase process, the company expects to reduce the average cost of its debt, which is currently 2.2%, to 1.9%. Also, its average maturity will be extended from 2.6 to 4.9 years.



For Lar España chairman José Luis del Valle, *"having significantly brought forward the maturity of the debt with extremely strong demand among top-level public and private institutional investors, we have given clear proof of the excellent receptivity and international confidence in the differential retail project that Lar España Real Estate represents. We are proud of the recognition of investors, who have clearly expressed their confidence in the strength of our balance sheet, in our capacity to generate recurring income and in the profitability of our management and dividend distribution policy".*

For Del Valle, "the green bond has been managed in an exemplary manner and in record time, with the important endorsement of a BBB investment grade-stable rating from Fitch and a second party opinion from ISS. The transaction substantially strengthens our balance sheet structure, significantly reduces our financing cost and enables us to remain consistent with our proactive policy of maximum quality and transparency, profitability for shareholders and added value for all our stakeholders and for society in general. It also puts us in a leading position in view of the exciting recovery that the sector has already begun."

The company adds that the green bond issue will enable it to consolidate a highly robust level of liquidity, with debt deferred over time around 40% of asset value. At the end of the first quarter, with the 2020 dividend payment of EUR 27.5 million already paid, the company's balance sheet cash amounted to EUR 165.5 million. That figure covers the company's expenses and financial costs for at least the next four years. At the same time, it has balanced the structure of its debt between secured and unsecured, maintains interest at mostly fixed rates and in euro currency, and underpins the ability to pay a recurring dividend.

About LAR ESPAÑA Real Estate SOCIMI S.A.

LAR ESPAÑA REAL ESTATE SOCIMI, S.A. is a company listed on the Spanish Stock Exchanges, incorporated as SOCIMI "Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario" in March 2014. The company's central focus is to invest in the Spanish real estate sector, especially in the retail segment. Today it is the Spanish market leader in retail, with a leased area of close to 600,000 square meters and €1,417 million 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 worldwide. It was also included in the Ibex Top Dividend index in 2018. In September 2020, for the sixth consecutive year, Lar España was awarded the EPRA Gold Award relating to the quality of the financial information made available to its main stakeholders. As regards published ESG information, Lar España has obtained the highest distinction from EPRA, achieving the Gold Award for the third consecutive year.



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