



Assets
in action!

1H 2021 RESULTS PRESENTATION

30th September 2021



Presenting Team



Miguel Pereda
Lar España Board Director
& Chairman of Grupo Lar



José Manuel Llovet
Chief Executive Officer of
Commercial Real Estate of
Grupo Lar



Jon Armentia
Corporate Director and
CFO of Lar España



Hernán San Pedro
Head of I.R. and Corporate
Communication Director of
Lar España

Index

1

Framework &
global
situation

2

1H 2021
Operating
performance &
COVID-19 update

3

1H 2021 Results

4

Closing remarks



Framework & global situation

Miguel Pereda
Lar España Board Director & Chairman of Grupo Lar

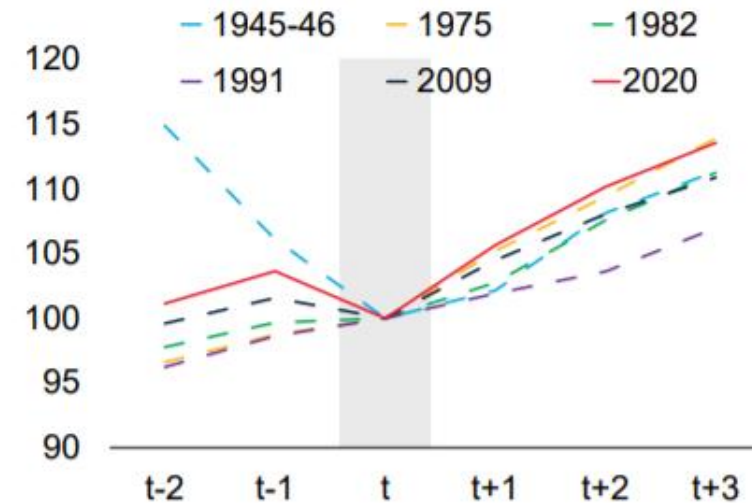
1



2020 a complicated year
worldwide,
2021 the recovery starts

Global recoveries after recessions

Index, 100 = global recession



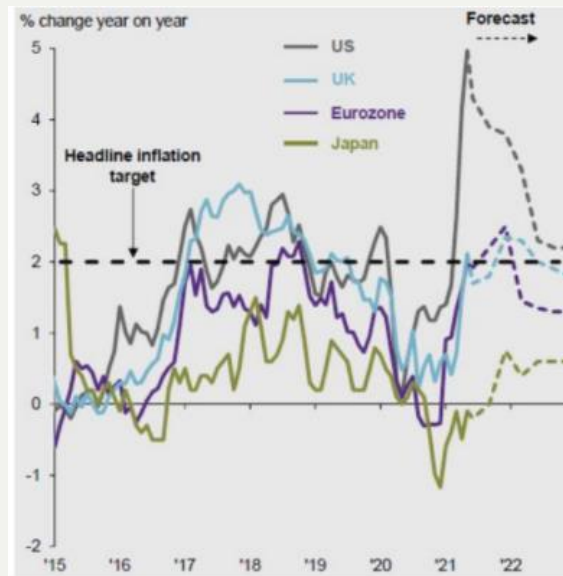
Source: World Bank's Outlook

Lines show global recessions, with "t" as their final year. Data for 2021-23 used in the "2020" episode are forecasts. For Covid-19 crisis, t=2020

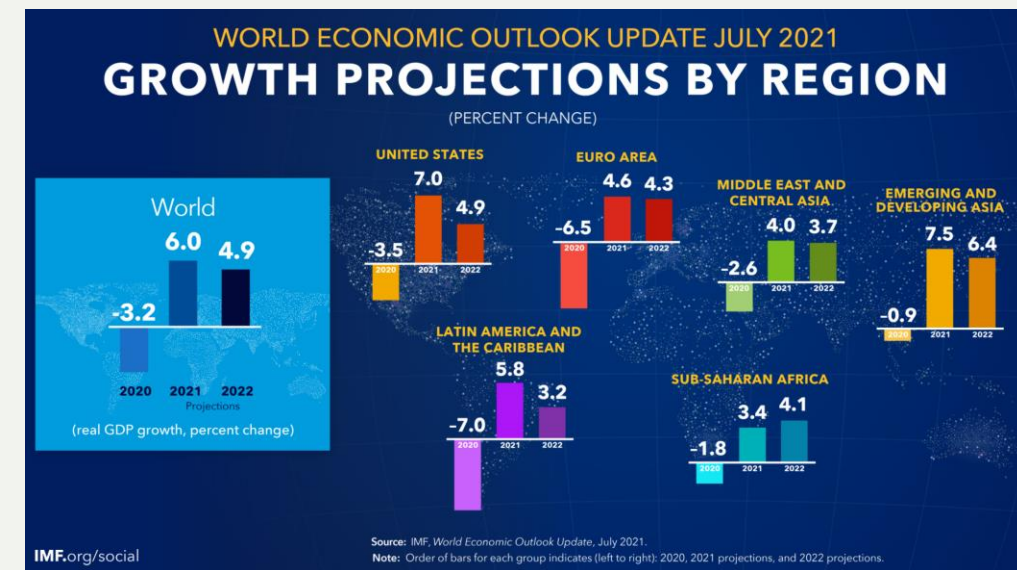
Recovery with inflation in the short term but controlled in the medium term.

World economic growth is sustained.

Annual inflation rate %



Source: JP Morgan



Source: IMF

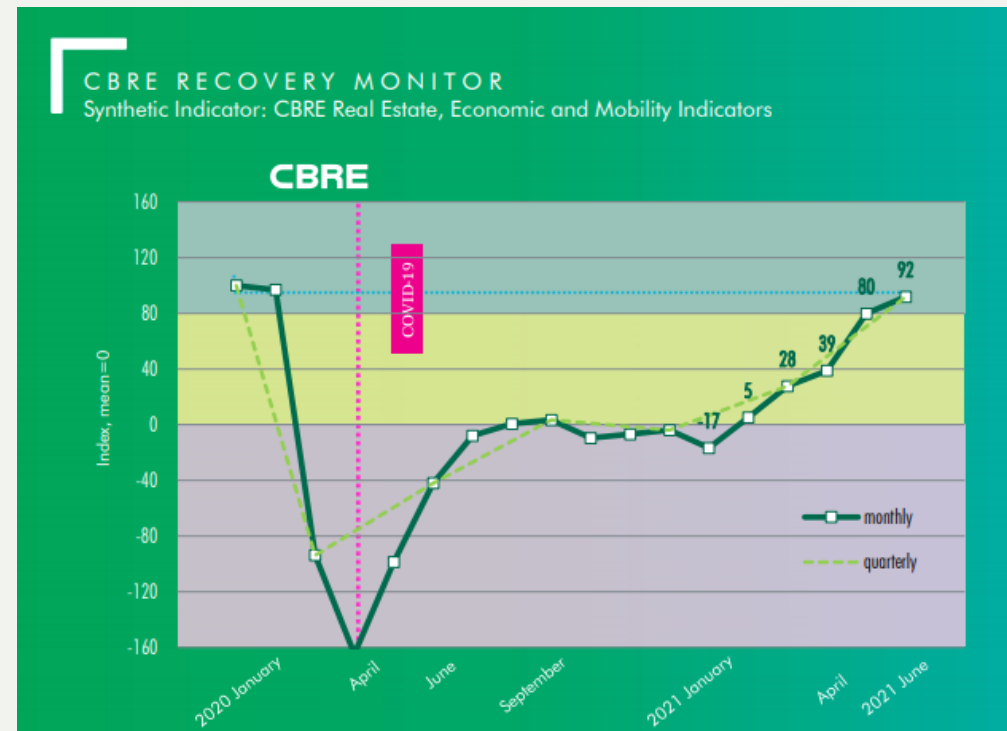
Real Estate experts agree on the analysis of the sector: recovery phase

Currently: recovery phase overtaken and **reaching pre-COVID levels**

The index keeps the positive trend started in January and **maintains a good momentum increase**

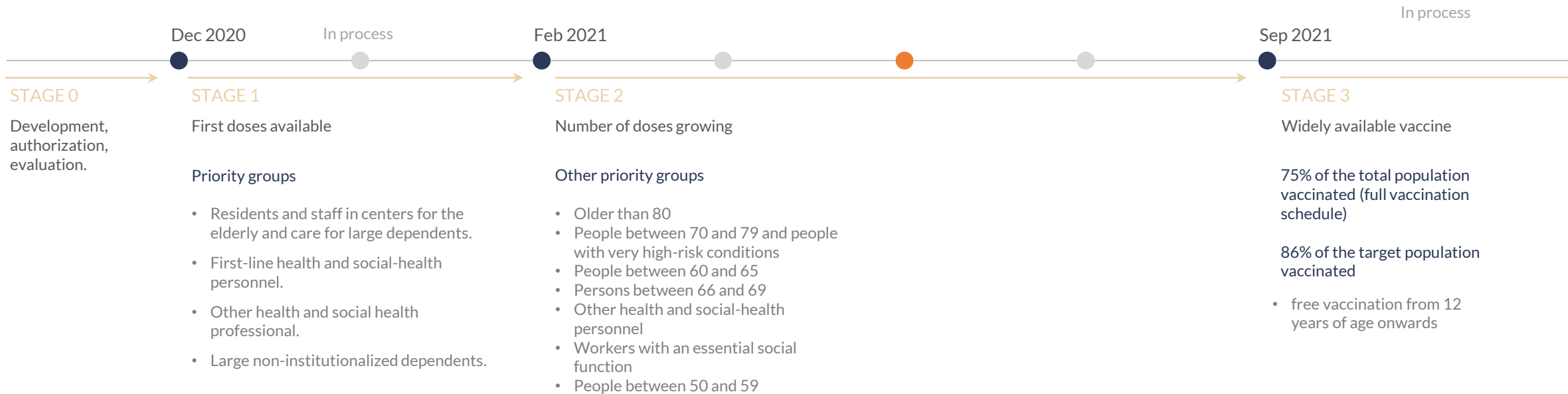
In June 2021, the recovery reaches 92 points and gets way closer to pre-COVID levels

The monthly synthetic indicator is built upon aggregating all the indicators considered in each of the three different groups of the Recovery Indicators: 1) Real Estate Indicators, 2) Economic Indicators and 3) Mobility Indicators



Source: CBRE Data Science June 2021

Spain pandemic evolution and vaccine programme¹: room for more improvement



¹Updated September 9th 2021. Source: www.vacunacovid.gob.es

Lar España improvement hand in hand with our strategy

Our main Decisions

- Keep highest health standards. SGS COVID-19 Safety Certification
- Capex halted and any new investments on stand-by. All scheduled refurbishments completed.
- Balance sheet and cash protection.
- Reinforcement of the strategy, its implementation and communication.
- Strengthened commitment and relationship with retailers.

Our main Achievements

- Successful disposal of supermarkets portfolio in Feb. 21.
- Maintenance of NOI and occupancy levels.
- c. 100% agreements with retailers already signed and no relevant bankruptcies in tenant mix.
- Solid balance sheet and cash position.
- Excellent debt structure: €Mn 400 Green bond issuance

A strategy to follow, The key stone to overcome crisis:

- Dominant assets with excellent locations and acquisition prices
- Appropriate mix of assets and retailers.
- Customer knowledge and loyalty.
- Digital and omnichannel management.
- Close relationship with tenants.
- Cost control and strong balance sheet.

1H 21 Market Comparison

	Lar España	Market Average ¹
Occupancy rate	95%	94.7%
Asset Valuation vs Dec20	-0.4%	-2.1%
LTV	41%	42.9%
Dividend over market cap	6.7% ²	4.2%

¹ According to 1H 21 results published by 7 main European peers

² Last dividend paid.



1H 2021 Operating performance & COVID-19 update

José Manuel Llovet
Chief Executive Officer of Commercial Real Estate of Grupo Lar

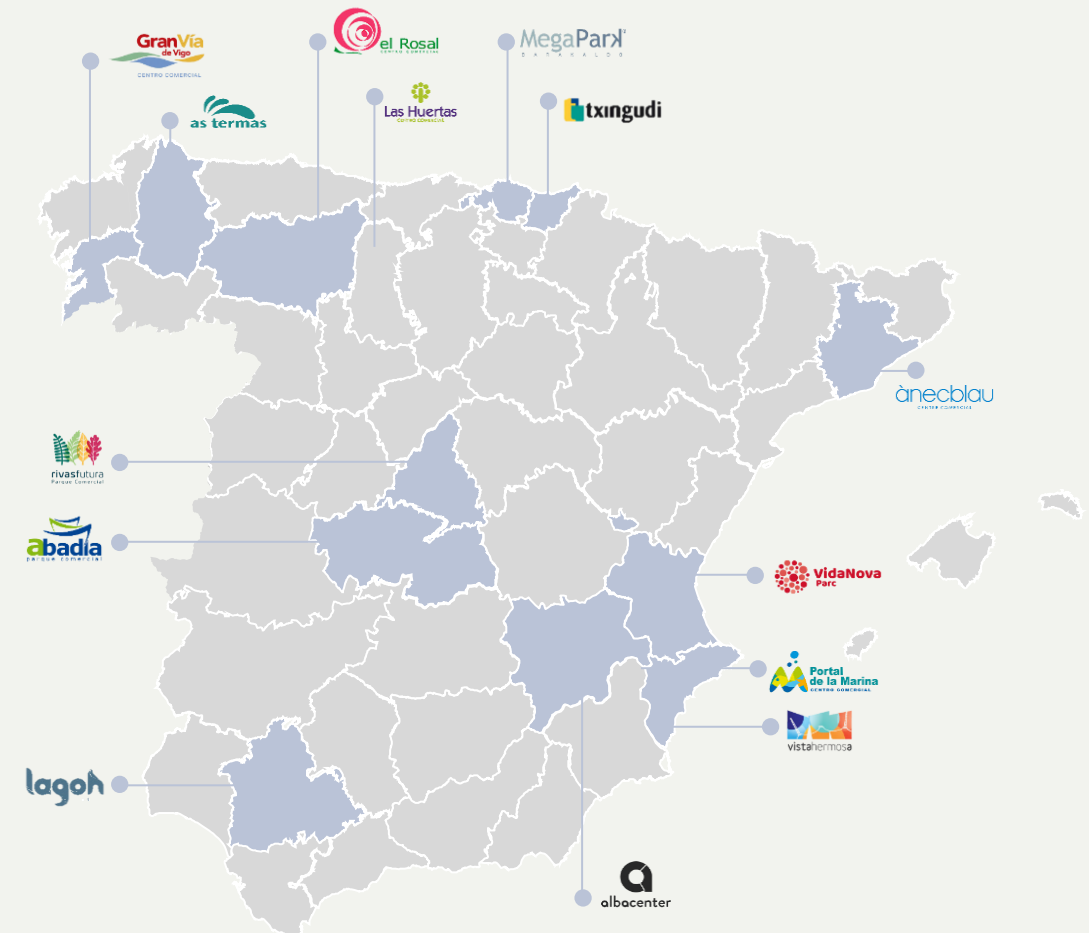
2



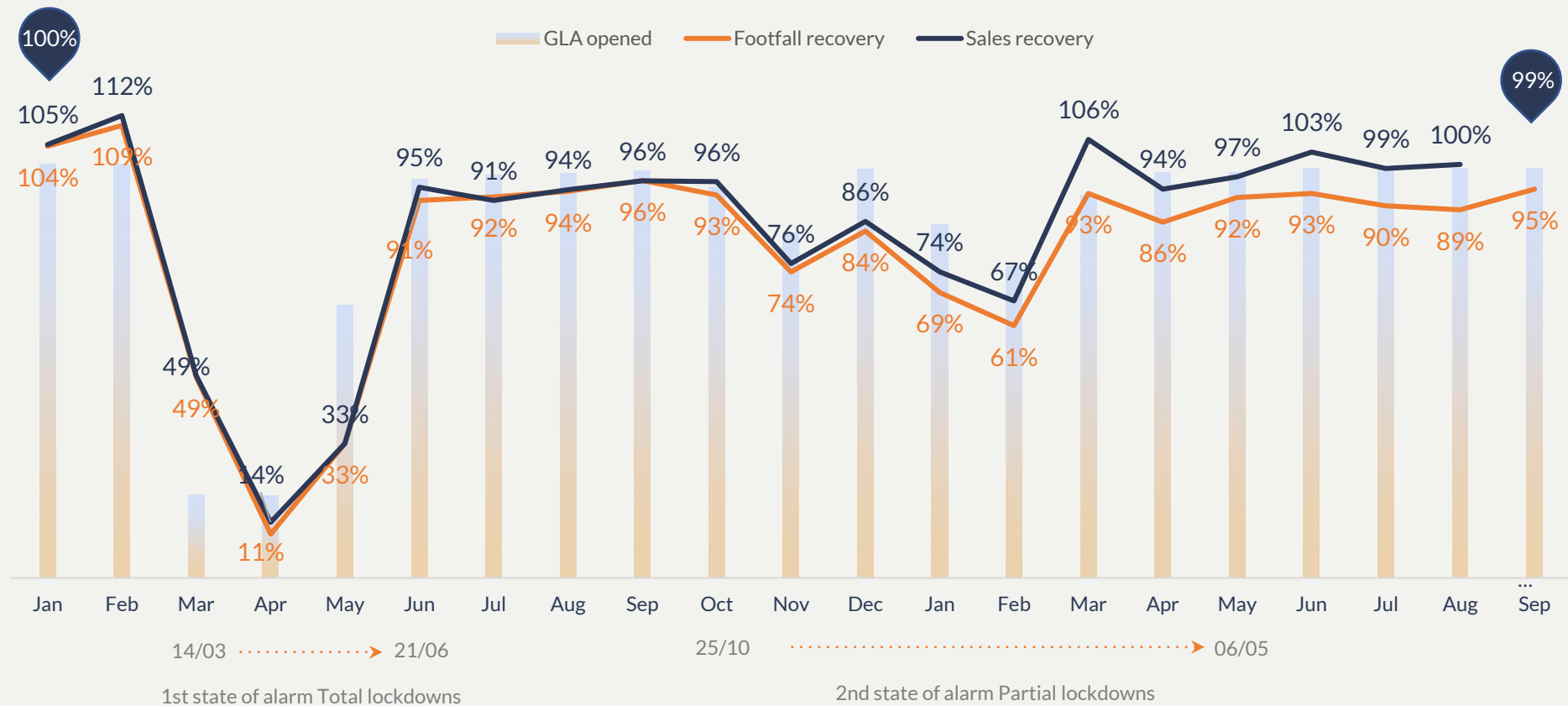
Current situation: 99% GLA opened

% GLA Opened over area occupied

	At June 30th	Today
Lagoh	100%	100%
Megapark	100%	100%
Gran Vía de Vigo	97%	97%
P. Marina	100%	100%
CC: El Rosal	100%	100%
Ànec Blau	100%	100%
As Termas	100%	100%
Albacenter	100%	100%
Txingudi	100%	100%
Las Huertas	100%	100%
Parque Abadia	100%	100%
Rivas Futura	100%	100%
Vidanova Parc	90%	90%
Vistahermosa	100%	100%
Total average	99.0%	99.0%



Footfall and Sales numbers recovery vs 2019



On the way to recovering pre COVID levels



Agreements and conversations with tenants

One-on-one
agreements reached
c.100 % GLA

Contracts >2024
+65 %

Collected rents at 30th June 2021
85%

Collected rents as today
c.90%

Sales & Footfall

Sales
€ 377.5 Million



-8%¹
vs 1H19 LfL
c.+38%²
vs 1H20 LfL

Footfall
33.1 Mn visits



c. -16%¹
vs 1H19 LfL
c.+28%²
vs 1H20 LfL



c.+21%³
vs 1H20

¹ Like for Like (excluding Lagoh, Ànec Blau and Megapark Leisure Area assets)

² Like for Like (excluding Ànec Blau and Megapark Leisure Area assets)

³ ShopperTrak Index

Leasing activity in 1H 2021

>65%
contracts
>2024

2.6 y
WAULT

7,700 sqm
Rotated

3 %
Annualised rotation rate

9.9%
Effort rate
expenses included

95%
Occupancy¹

>1,000
Existing
contracts

35
Operations in 1H 2021

1.8 Mn
Negotiated rent

¹Ratio calculated according to EPRA recommendations.

Capacity to assume this scenario

Responsible management

- Lar España assets guarantee all health-hygiene safety, social distancing and communication measures.
- 100% fully owned assets 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.

Resilient Portfolio

Multiproduct offer

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

67 %
Shopping
centres

33 %
Retail parks

c. 20 % Essential activities

High percentage
of food & health tenants

Big Brands

Differentiated brands
in the portfolio

Relevant recovery

GRI
+29.6%Lfl¹
Vs 1H 20

NOI
+25.2%Lfl¹
Vs 1H 20

Innovation as a driver

The company has several projects focused on creating value through innovation.

Customer journeys

Hybrid events

Affiliate Programs

Mallcomm

SmartMall

Recognition
systems

"Disfrutones"

Circular economy

Digital marketing reports

Geolocation
systems

Sales by WhatsApp
programs

1H 2021 Results

Jon Armentia
Corporate Director and CFO of Lar España

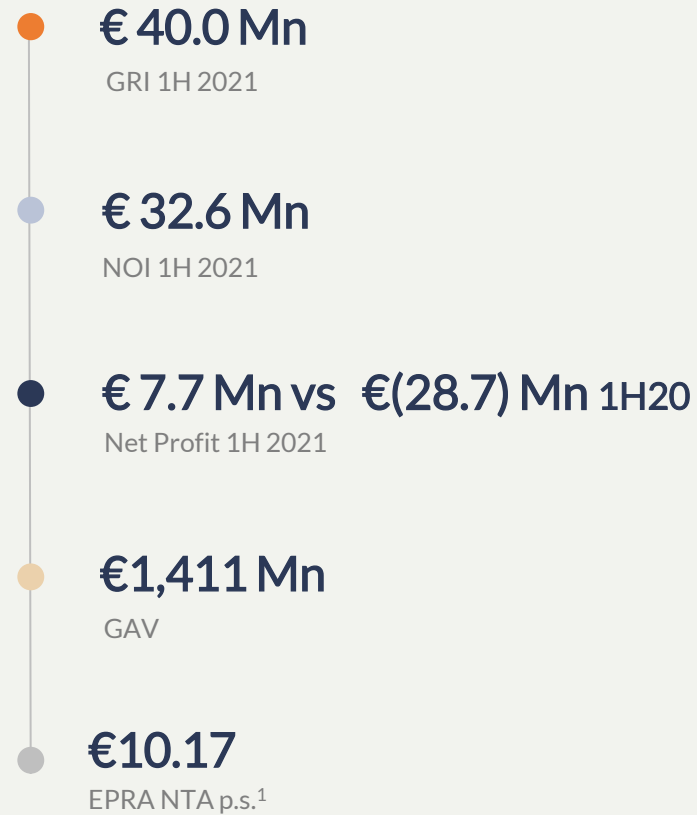
3



Operating Results in 1H 2021



Results



Assets



¹ When analyzing this measure it is important to take into account the dividend paid in Q2 2021 (0.31€/share).

² Ratio calculated according to EPRA recommendations.

Corporate Results in 1H 2021

Corporate

● **€27.5 Mn**
Dividend
€0.31 p.s. paid dividend

● **6.7 %**
Dividend Yield
Over market cap¹

● **c.€167 Mn**
Liquidity
Expenses covered over
the next 4 years

● **€400 Mn**
Green Bond issuance

● **1.75%**
Interest rate

● **Net LTV 41%**
Closing 1H 21

EPRA Gold Award Financial
Reporting 7th year in a row



EPRA Gold Award ESG
Reporting 4th year in a row



¹ Market Cap as of 31 December 2020.

ESG Results

ESG

BBB

MSCI ESG Rating



Carbon Footprint
Registration

2018, 2019 & 2020



12 certified assets
6 certifications have
been renewed during the
1H2021
1 new certificate

3 Excellent
7 Very Good
2 Good

100% Recommendations of
the CNMV Good Governance
Code complied

100% Assets with
COVID-19 protocol
verification of control, safety
and hygiene with inspections
on a monthly basis.



- **Energy Efficiency Plan** Reducing our energy consumption and costs.
- **Waste Management Plan** to optimize the collection and transport of waste.
- **Commitment to the UN Global Compact** Adhesion and SDG goals through the signature of the international commitment letter.
- Update of company's regulations and policies in accordance with CNMV's Good Governance Code latest recommendations.
- FTSE Russell Global Index kept Lar España as a constituent on its FTSE4Good index.
- **+25%** annual score increase from 2019 on GRESB assessment. For the **fourth year** running, Lar España has taken part in the 2020 GRESB assessment



ESG KPIs

Consumption & emissions

Data automation in shopping malls already launched. Greater periodicity, greater data homogenization and time savings. It has allow us to have figures for the 1H21 asset´s performance.

Consumption performance

	vs H1 2019	vs H1 2020
Electricity	-12.5%	3.9%
Fuel	-18.4%	-22.4%
Energy intensity per visitor	5.4%	-21.4%

Emissions

	vs H1 2019	vs H1 2020
Scope 1 + 2	-28.0%	-16.2%
Scope 1 + 2 + 3	-27.1%	-15.1%
Emissions per visitor	-11.8%	-34.6%

Water consumption

	vs H1 2019	vs H1 2020
Water consumption	-10.0%	-7.9%
Water consumption per visitor	-17.1%	-23.7%



Debt structure & EPRA figures



Corporate

752.6Mn
Gross Financial debt

€585.2 Mn
Net financial debt

41% Net LTV
1H 2021

Fixed rate
84%

Covenants
**100%
complied**

Debt Maturity
2.6 Years
5 years *after Green Bond issuance*

Avg. cost of debt
2.2 %
1.9% *after Green Bond issuance*



€853.7 Mn
EPRA NTA

€10.17
EPRA NTA per
share¹

€12.3 Mn
EPRA Earnings

€0.15
EPRA Earnings
per share

5.5 %
EPRA NIY

5.8 %
EPRA “topped-
up” NIY

¹ When analyzing this measure it is important to take into account the dividend paid in Q2 2021 (0.31€/share).

Successful Green Bond offering

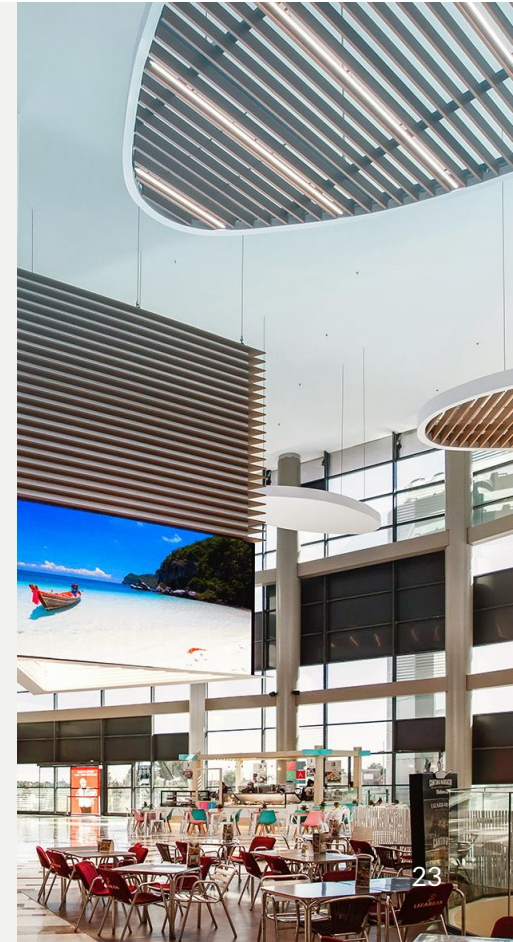
Amount: **€ 400 Mn** (the maximum pre-determined amount)

The placement closed **four times oversubscribed** with an annual coupon of **1.75%**

Unsecured and with a **maturity in July 2026**.

The issue was placed with **qualified investors** and will list on the **Euro MTF market of the Luxembourg** Stock Exchange

2 months after issuance, the bond is trading at 1.33%.

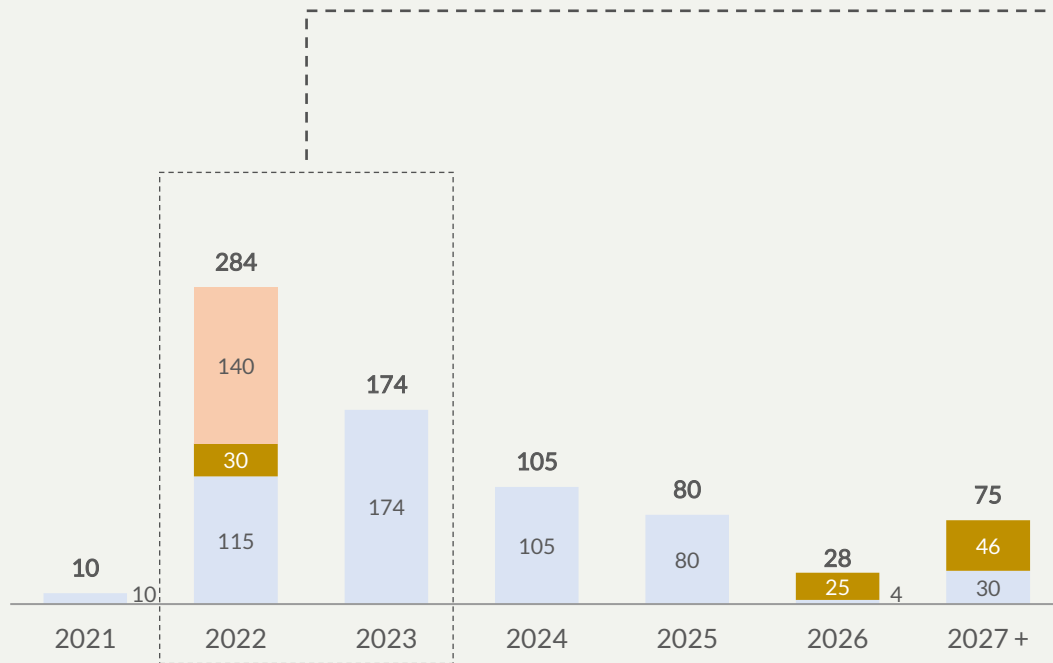


New maturity profile

Maturity Profile - Pre-Refinancing

Debt (€MM)

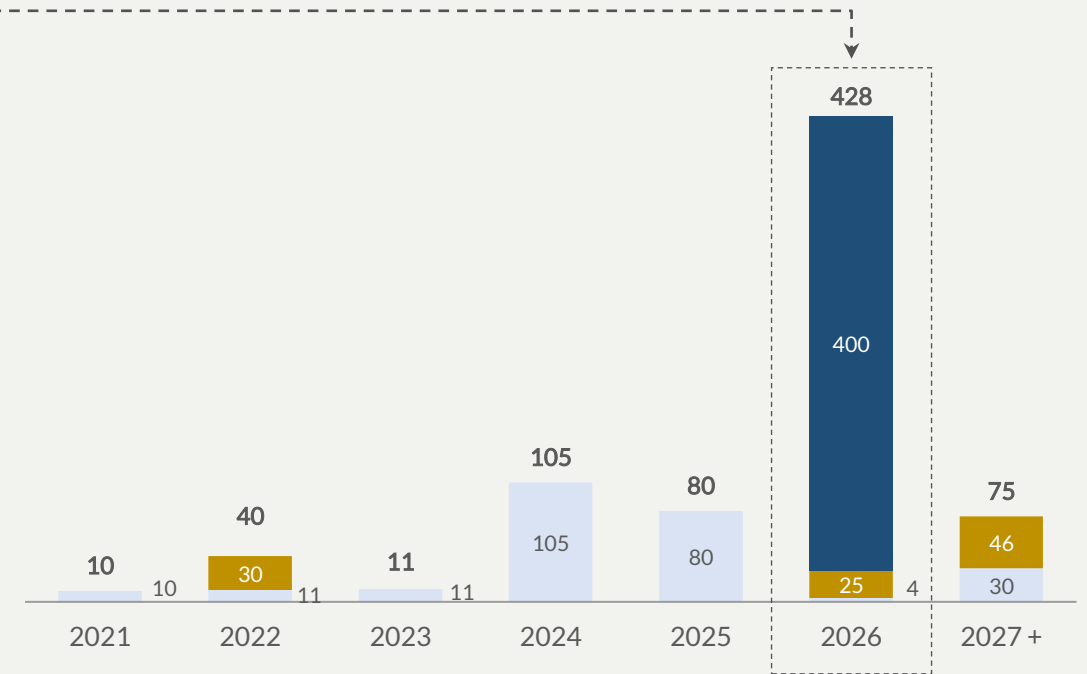
Avg. Debt Maturity:
2.6 years



Maturity Profile - Pro-Forma Transaction

Debt (€MM)

Avg. Debt Maturity:
4.9 years



Investment grade rating

FitchRatings
BBB

- **Leading Retail Platform** in Spain: Largest Player by Owned GLA with a
- **Diversified Portfolio** of Multiproduct Retail Offer
- **Iconic Collection of Modern, Flagship Assets Dominant in their Catchment Area**
- **Blue-Chip Tenant Base** with Long Lease Duration Providing Cash Flow Visibility
- **Solid Historical Track Record**, Consistently Outperforming the Spanish Retail
- **Market Benchmark** and Proving **Resiliency Through the Cycle**
- **Industry Leading** and **Award-Winning Sustainability Standards**
- **High Quality, Specialist and Experienced Management Team Backed by Leading Institutional Owners**

ISS-ESG has provided a Second Party Opinion on this Framework

- ✓ **Use of proceeds**
Aligned with those recognized by the Green Bond Principles 2021
- ✓ **Project Evaluation/ Selection**
In line with market practice
- ✓ **Management of Proceeds**
In line with market practice
- ✓ **Reporting**
In line with market practice



SECOND PARTY OPINION (SPO)
 Sustainability Quality of the Issuer and Green Bond Asset Pool as of 02.07.2021

LAR ESPAÑA GREEN BOND

GREEN BONDS LINK TO LAR ESPAÑA'S SUSTAINABILITY STRATEGY

SUSTAINABILITY PERFORMANCE ASSESSMENT

Lar España is a fully integrated developer, owner and operator of retail assets, that focuses on creating sustainable income and strong capital growth for shareholders through an intensive and professionalized management of its assets following an omnichannel strategy.

The Use of Proceeds financed through this bond are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing green bonds is described by the issuer.

Consistent with issuer's sustainability strategy

ASSET CATEGORIES

ASSET CATEGORIES ALIGNMENT WITH ISS ESG GREEN KPIS

- Green Buildings
- Solar power projects

POSITIVE

PRINCIPLES ALIGNMENT

ALIGNMENT WITH ICMA GREEN BOND PRINCIPLES

1. Use of Proceeds	✓
2. Process for Project Evaluation and Selection	✓
3. Management of Proceeds	✓
4. Reporting	✓

POSITIVE

CONTRIBUTION

CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
-------------------------	---------------------	---------------	----------------------	--------------------------

ISS ESG's SPOs provide Sustainability, Green and Social bond issuers with a credible and independent assessment of the sustainability quality of their bonds.

Those that meet ISS ESG's rigorous global standards give sustainability-oriented investors security that the projects they fund are suitably green or social.

ISS ESG's evaluation is valid as long as Lar España's Green Bond Framework (July 2021) remains unchanged. The controversy check on underlying assets was conducted on the 02.07.2021.

LEADING SPO MARKET EXPERTISE

EXPERIENCE ACROSS ISSUER TYPES AND ASSET CLASSES

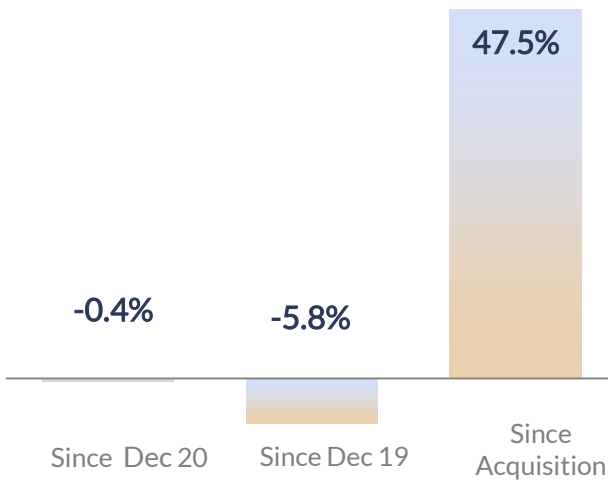
SUPPORTED BY WIDER ISS FUNCTIONS

Asset appraisal June 2021

30th June 2021 Valuation

€1,411.1 Mn

Including Capex Invested



The capital value/sqm is solid and will remain controlled.



- A resilient portfolio of dominant shopping centres and retail parks 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 2.6 years and close medium- and long-term relationships.
- Active management with last trends in technology, omnichannel strategy and customer knowledge experience.

P&L 1H 2021

	1H 2021	1H 2020
Consolidated Income Statement 1H 2021 (€ Thousands)	Total	Total
Rental Income	38,752	47,943
Other Income	1,226	1,107
Personnel expenses	(276)	(223)
Other expenses	(17,185)	(11,669)
Changes in the Fair Value of investment properties	(7,564)	(55,877)
Results from Divestment	9	-
EBIT	14,962	(18,719)
Financial Result	(8,861)	(9,816)
Share in profit (loss) for the period of equity-accounted companies	-	(175)
EBT	6,101	(28,710)
Income Tax	1,623	-
Profit/(Loss) for the Period	7,724	(28,710)

Rental income main differences correspond to 22 supermarkets divestment (-€1.4 Mn) and lease incentives (-€7.6 Mn)



Closing remarks

Miguel Pereda
Lar España Board Director & Chairman of Grupo Lar

4



1H 2021 Highlights

Good operating
results

Occupancy rate
keeps stable

Asset values
keep stable

Successful
refinance
process and low
LTV

More value for
shareholders:
SBB
amortization
near

Fully aligned
with digital
retail
integration

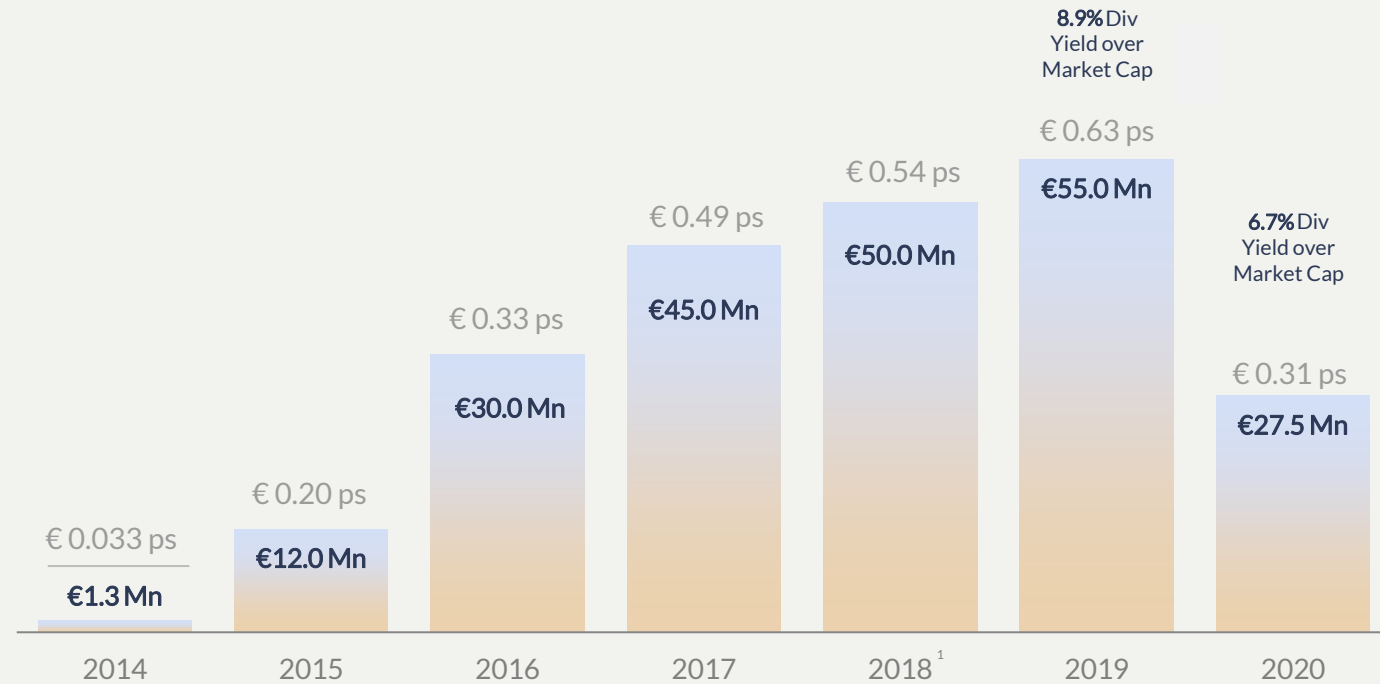
Leaders at
Corporate
Governance

Environmental
best practices
and continuous
improvement

Attractive dividend maintained despite Covid-19

Committed to profitability

- Prudent cash position control with a detailed liquidity analysis.
- >90% cashflow generated in 2020 .
- 3.1% dividend yield on NAV Dec 20
- 6.7% dividend yield on market cap Dec 20
- Among the leading Spanish listed companies in terms of direct shareholder remuneration.
- The good performance of the year allows us to be optimistic about the dividend distribution in 2022.



¹ Dividend: +€25 Mn in extraordinary dividend

10 reasons to rely on Lar España



Closing remarks

1

Retail sector, an opportunity to enter at attractive yields.

2

Strong value creation over the years not reflected in share price. Refurbishment plan almost completed before health crisis.

3

Lar España only owns assets in dominant areas with right mix of shopping centres and retail parks.

4

The company has a high exposure to essential activities with c.20% of GLA.

5

Full ownership of the assets with Big data & digital strategy already implemented.

6

Strong operating results over the years, outperforming the Spanish and European market.

7

Quick capability to recover footfall and sales after lockdown periods.

8

Solid relationships with Tier 1 retailers with >65% contracts with maturities >2024.

9

Sound balance, moderate leverage and strong cash position.

10

Attractive dividend policy over the years. Last dividend paid € 27.5 Mn. 6.7% over market cap.



Disclaimer

This document has been prepared by Lar España Real Estate SOCIMI, S.A. (the “Company”) for information purposes only and the information included in this document is not 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). The information contained in this document has not been subject to independent verification and includes summarized audited and non-audited information. The financial and operational information included in the document 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. Part of the information contained herein has been obtained from sources that the Company considers reliable, but the Company does not represent or warrant that such 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.

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. 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. 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 any of the information included herein or provide additional information.

This document is not a prospectus or part of a prospectus. This document does not constitute an offer to sell or issue, a bid or an 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 taken 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. This presentation should not be considered as a recommendation by the Company, Grupo Lar Inversiones Inmobiliarias, S.A. or any other person to subscribe for or purchase any securities of the Company. Prospective purchasers of securities of the Company must 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.



www.larespana.com