



Assets
in action!

CORPORATE PRESENTATION LAR ESPAÑA

October 2021



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rely on Lar
España



Company Overview

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Lar España at a glance

14

Assets

100%

Overship of the assets

551,405

Sqm GLA

100%

Focused on Spanish retail

€1,411 Mn

Gross Asset Value

64 Mn

Foot-fall in 2020



Our Mission

Optimize the profitability of our shareholders through responsible and efficient management of our retail assets, which incorporates technology as a key element in a relationship that generates value for our retailers and customers.

Our Vision

Provide unique shopping experiences that combine leisure and retail in an omnichannel approach.

Our Values

- Responsibility
- Quality and respect
- Innovation
- Transparency and honesty

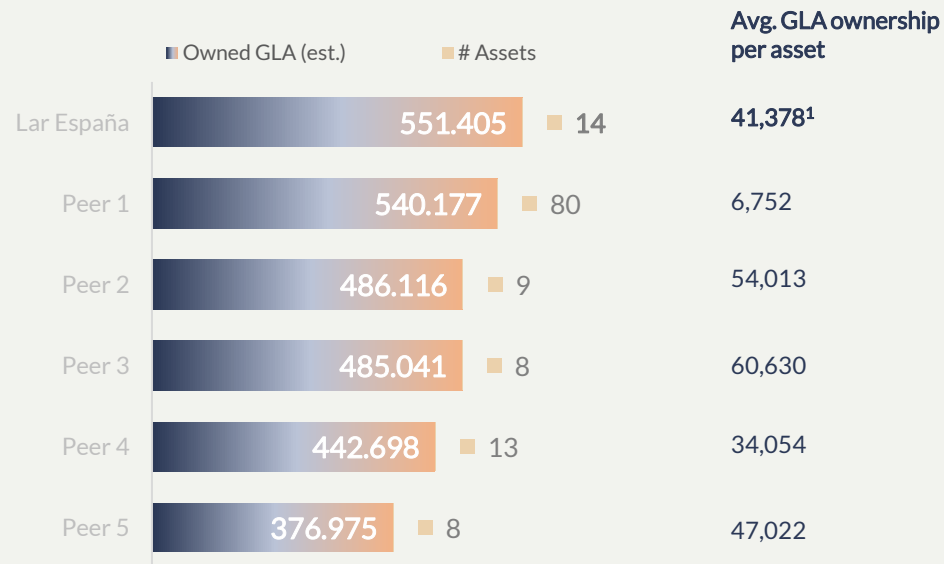
“

We believe in selecting a portfolio of owned premium shopping centers and parks, and around them to build a differential proposition of high added value and recurring profitability”.

*Jose Luis del Valle.
Chairman of the Board of Directors*

From the IPO to nowadays: retail leader in Spain

MAIN SHOPPING CENTRES AND RETAIL PARKS MARKET PLAYERS



¹ Source: CBRE & Lar figures, Dec 2020.

RETAIL LEADERS IN SPAIN

#1
in Spain

- sqm GLA¹
- Asset stake owned
- 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



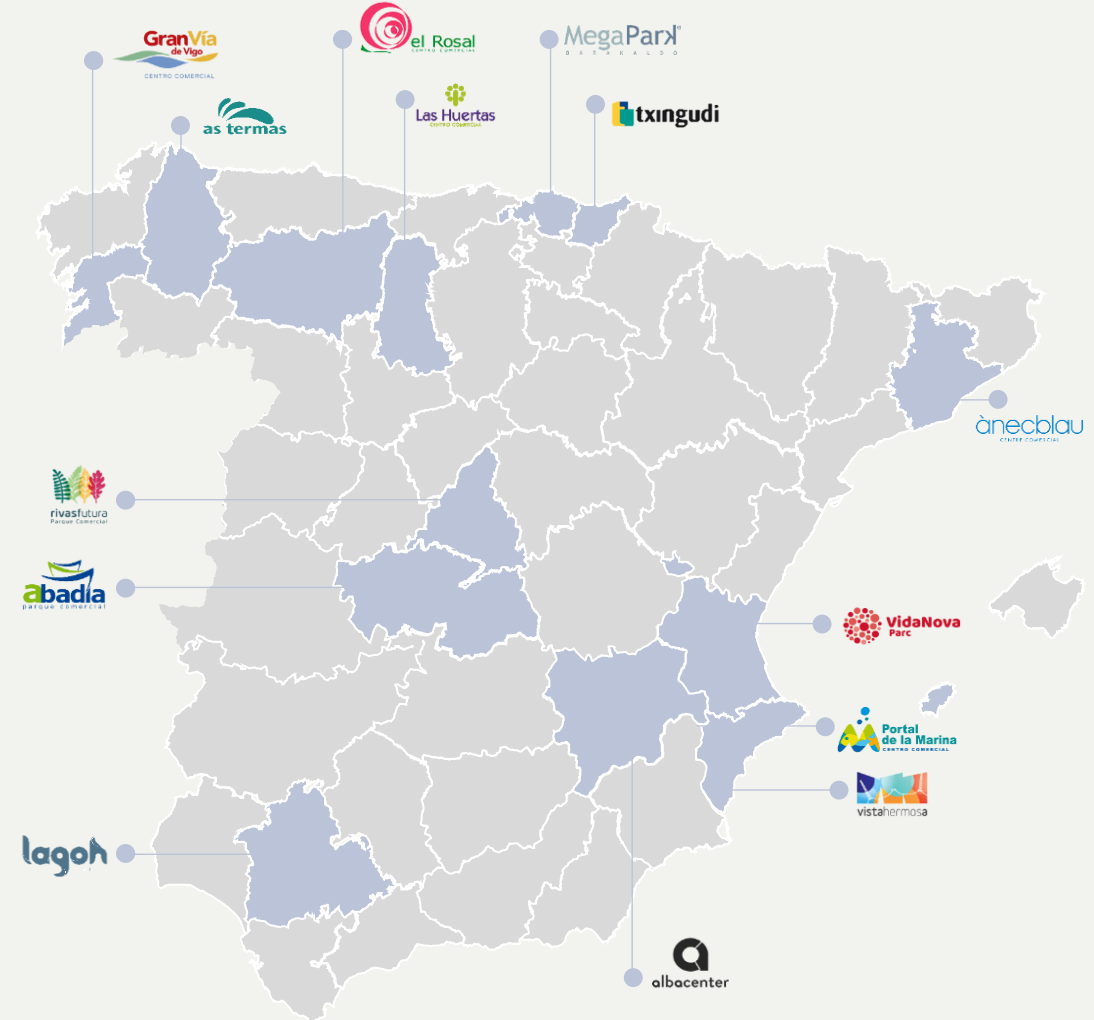
Millions of physical and digital customer contacts



Attraction for the development of new commercial formulas

A clear idea: dominant & resilient portfolio

- | | | |
|---|---|--|
| <p>● Lagoh SC
69,734 sqm
Visits: 5.4 Mn
Sales: €94.7 Mn
Dominant.</p> | <p>● Gran Vía de Vigo SC
41,447 sqm
Visits: 4.8 Mn
Sales: €81.3 Mn
Dominant</p> | <p>● Megapark SC RP
81,577 sqm
Visits: 9.5 Mn
Sales: €92.7 Mn
Dominant</p> |
| <p>● Ànec Blau SC
29,069 sqm
Visits: 2.9 Mn
Sales: €34.4 Mn
Dominant</p> | <p>● P. Marina SC
40,334 sqm
Visits: 2.5 Mn
Sales: €65.9 Mn
Dominant</p> | <p>● CC: El Rosal SC
50,996 sqm
Visits: 3.6 Mn
Sales: 80.2 Mn
Dominant</p> |
| <p>● AS Termas SC
35,127 sqm
Visits: 2.6 Mn
Sales: €46.3 Mn
Dominant</p> | <p>● Albacenter SC
26,310 sqm
Visits: 3.5 Mn
Sales: €26.3 Mn
Dominant</p> | <p>● Txingudi SC
10,712 sqm
Visits: 2.7 Mn
Sales: €14.7 Mn
Dominant</p> |
| <p>● Las Huertas SC
6,267 sqm
Visits: 1.6 Mn
Sales: €6.1 Mn
Convenience</p> | <p>● Parque Abadia SC RP
43,109 sqm
Visits: 9.3 Mn
Sales: €29.9 Mn
Dominant</p> | <p>● Vidanova Parc SC
45,568 sqm
Visits: 4.1 Mn
Sales: €32.1 Mn
Dominant</p> |
| <p>● Rivas Futura RP
36,447 sqm
Visits: 5.4 Mn
Sales: €20.3 Mn
Dominant</p> | <p>● Vistahermosa RP
33,763 sqm
Visits: 5.9 Mn
Sales: €70.9 Mn
Dominant</p> | |



Delivering quarter by quarter: 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

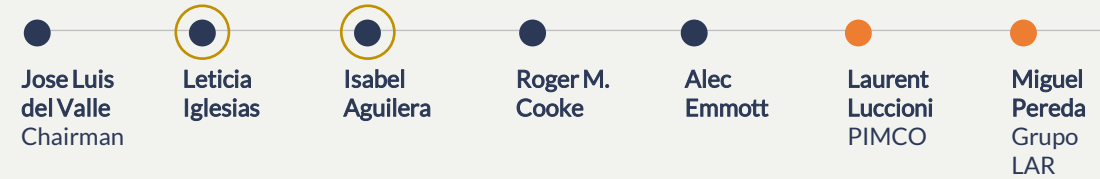
Leaders at
Corporate
Governance

Environmental
best practices
and continuous
improvement

Committed with transparency, environment and governance



Board of directors



Independent Directors

Proprietary Directors

Female Directors

Lar España Team



Jon Armentia
Corporate Director and
CFO of Lar España



Susana Guerrero
Legal Director and Deputy
Secretary of the Board



José Ignacio Domínguez
Internal Auditor of Lar
España



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



Equity Story

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A unique business model



● Dominant shopping centres in catchment areas

Our assets are located in relevant but low retail density areas, with limited competition around and high GDP per capita. All in all our shopping centres are winning assets in a moment of change and opportunity.

● Combination of assets

Differentiated asset typology that combines two product models that complement the portfolio. On the one hand, prime shopping centers. On the other, retail parks, 31% of the company's GLA in a model that has shown great speed in the recovery of the business.

● Mix of tenants

Commercialization based in a solvent and diversified with big brands and high exposure to resilient activities. In each shopping centre, we have a large percentage of international leading brands and an optimal mix of shopping, leisure and F&B offering, essential to attract and engage customers.

● Omnichannel strategy

We see e-commerce as an opportunity not a risk. It is a new hybrid form of commerce, where customers shop seamlessly online and offline. They need to coexist. Stores play an essential role as showrooms, enhancing the in-store experience, and as logistics for brands.

● Management strategy

With more than 50 years of experience in retail, the company's management applies its strategy and vision thanks to the full ownership of the acquired assets, which gives way to a complete decision-making capacity. A responsible management that has acted quickly and appropriately to the requirements of the Covid and with the ESG strategy integrated.

● Stakeholders management

Our strategy with key stakeholders includes Share Buy Back programmes with which to increase the value for our shareholders, together with an attractive, stable and responsible dividend policy. Profit and profitability together with the protection of the balance sheet and the responsible use of the company's resources.

The way we do things



Differentiation



Diversification



Management



Innovation



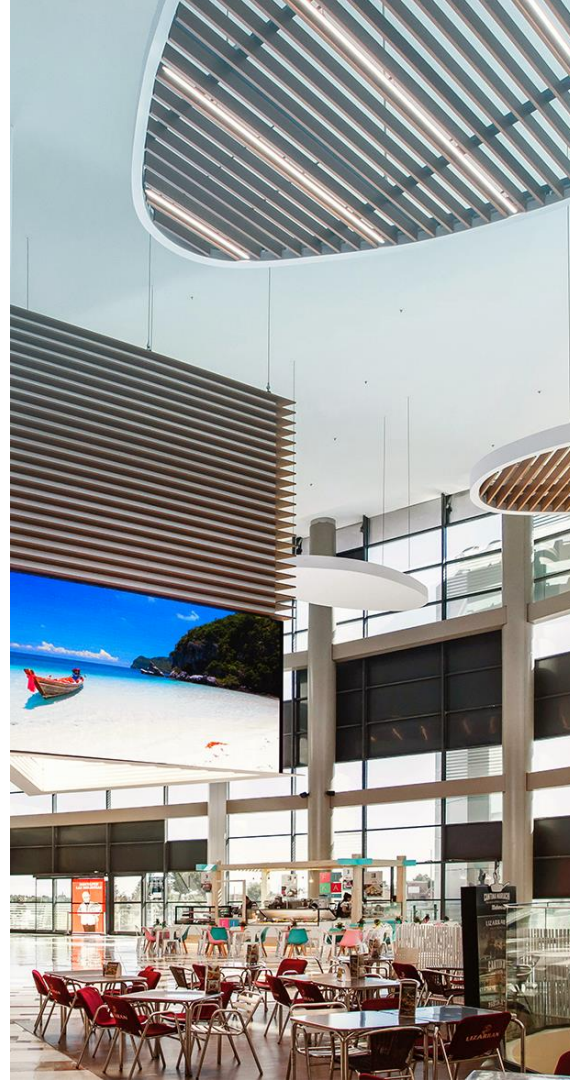
Responsibility



ESG integrated throughout the Company

ALIGNED WITH INTERNATIONAL STANDARDS TO IMPROVE ESG TRACEABILITY

The company ensures it actively listens to its stakeholders, responsibly manages its assets and creates wealth in the communities that it operates in. In parallel, the Company safeguards the economic viability and financial returns on its investments.



E

Lar España is fully committed towards a sustainable management of its assets. Considering GHG emissions, water use, waste and pollution in the ESG Masterplan to help mitigate climate change and the effect of its activity on the environment.

S

Lar España is aware of the importance of shared value across its communities and is committed to generate positive social impact through social and health initiatives, collaborations with NGOs and achieving accessibility in all assets.

G

Lar España continues to make great strides forward in terms of transparency, ethics and regulatory compliance, thereby guaranteeing good governance both in terms of the company and its governing bodies

1H 2021 Business Update

3



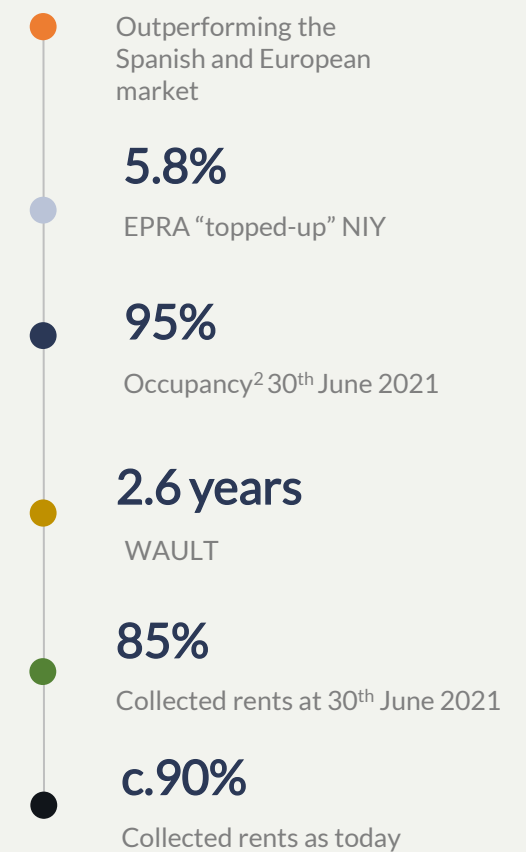
Operating Results in 1H 2021



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

¹ Market Cap as of 31 December 2020.

ESG Results

ESG



- **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

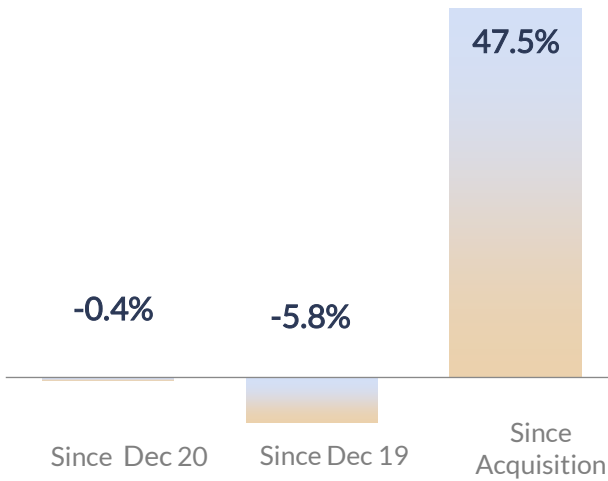
	vs H1 2019	vs H1 2020
Water consumption	-10.0%	-7.9%
Water consumption per visitor	-17.1%	-23.7%

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.

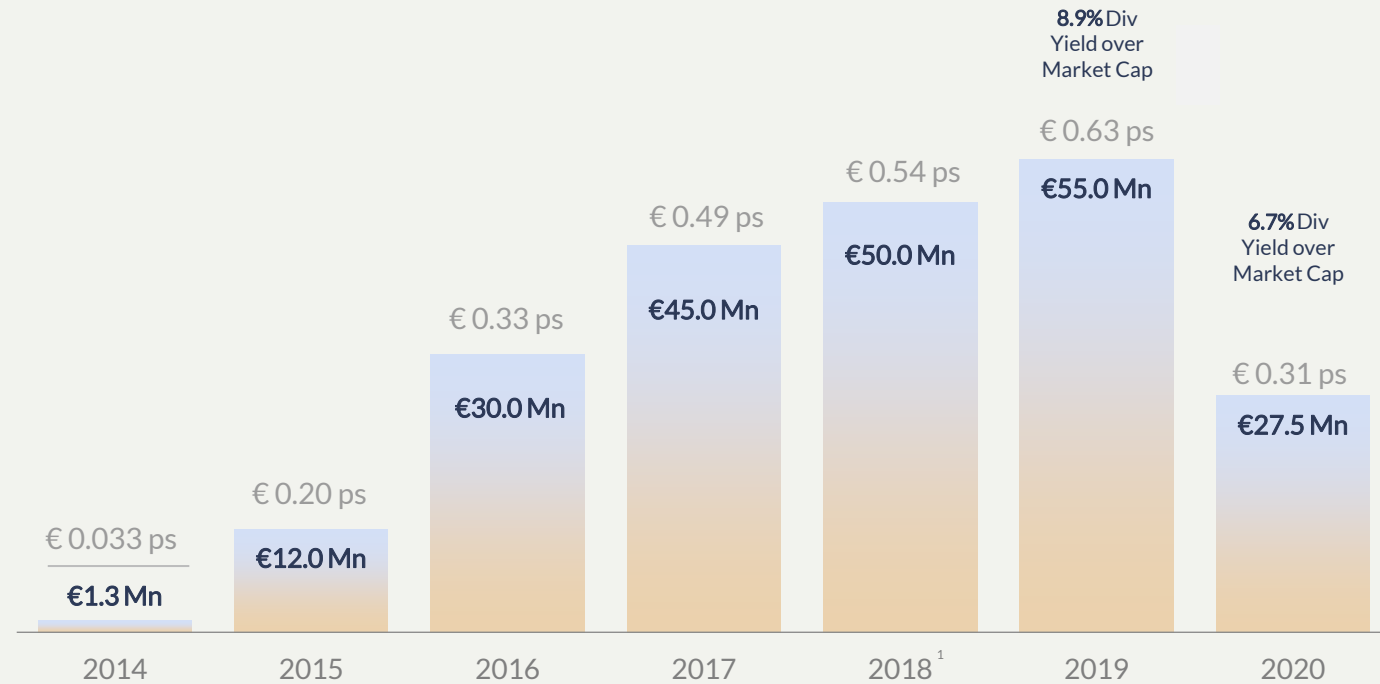


- A resilient portfolio of dominant shopping centres and retail parks in attractive catchment areas.
- Cherry-picked portfolio, assets carefully analysed and selected without buying portfolios.
- Assets c.100% owned, delivering flexibility, control and full decision capacity.
- Solvent and diversified 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.

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

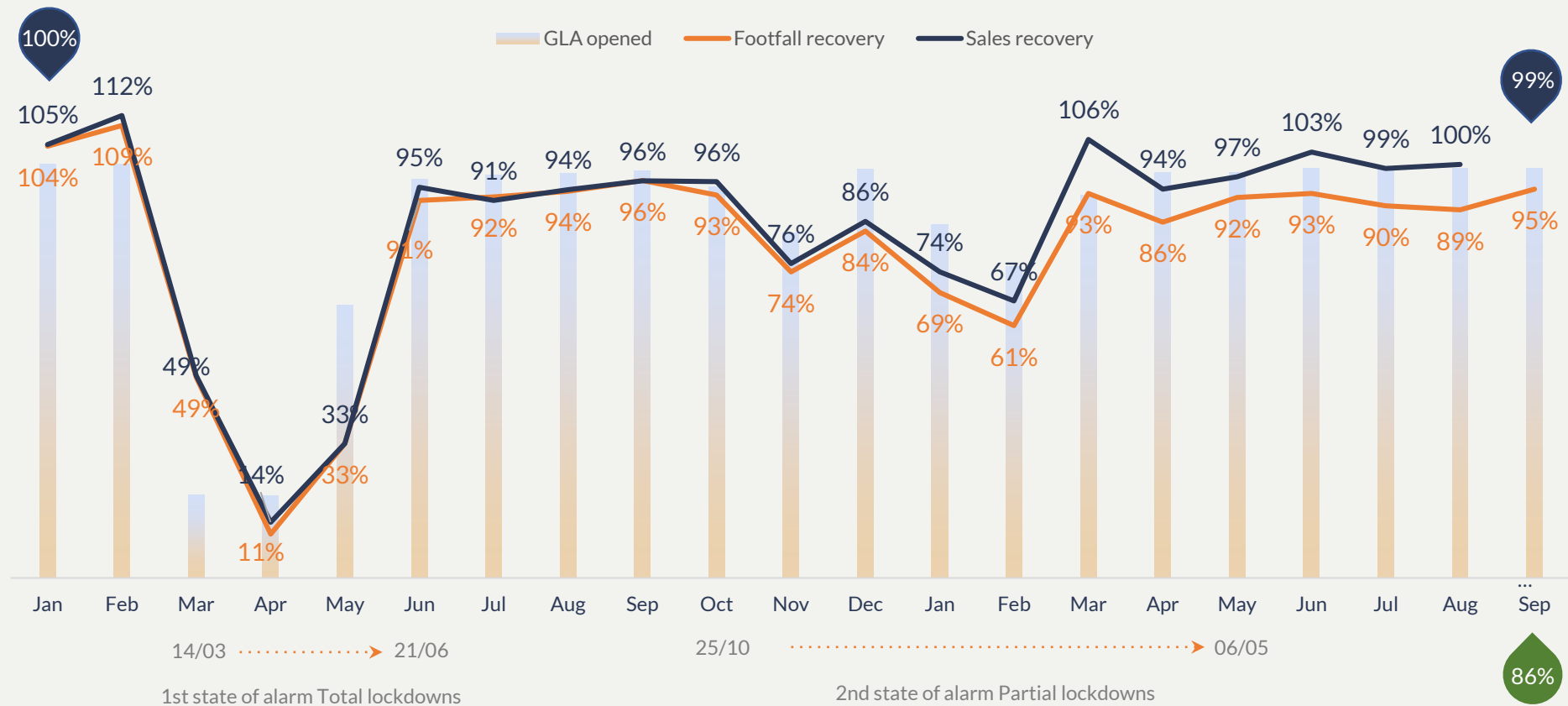


Covid-19 Update

4



Footfall and Sales numbers recovery vs 2019



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

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

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

Geolocation
systems

Sales by WhatsApp
programs

Circular economy

Digital marketing
reports

c. **20 %** Essential activities

High percentage
of food & health tenants

Big Brands

Differentiated brands
in the portfolio



Reasons to rely on Lar España

5



Final conclusion: several reasons to rely on Lar España



- 1** Retail sector, an opportunity to enter at attractive yields. **5.5% prime yield shopping centers¹**
- 2** Strong value creation over the years not reflected in share price. Refurbishment plan almost completed before health crisis. **c.50% discount vs NTA**
- 3** Lar España only owns assets in dominant areas with right mix of shopping centres and retail parks. **67% shopping centers
33% retail parks**
- 4** The company has a high exposure to essential activities **c.20% of GLA.**
- 5** Full ownership of the assets with Big data & digital strategy already implemented. **More than 10 ongoing innovation programs**
- 6** Strong operating results over the years, outperforming the Spanish and European market. **GRI 40 M€²
Net Profit 7.7 M€²**
- 7** Quick capability to recover footfall and sales after lockdown periods. **377 Mn€ sales²
33.1 Mn visits²**
- 8** Solid relationships with Tier 1 retailers **>65% contracts with maturities >2024.**
- 9** Sound balance, moderate leverage and strong cash position. **Net 41% LTV²**
- 10** Attractive dividend policy over the years. Last dividend paid € 27.5 Mn. **6.7% over market cap.**

¹ Cushman & Wakefield Marketbeat 1Q 2021
² Figures at 1H 2021



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