



LAR ESPAÑA places a second issue of senior green bonds amounting to 300 million euros

- This second issue was placed with institutional investors and as five times oversubscribed, with a coupon of 1.84%
- The real estate firm thereby transforms and strengthens its cash structure with increased flexibility, extending the maturity profile of its debt whose guaranteed part will be amortized shortly
- With these two issues, the company has significantly improved its credit profile

Madrid, 26 October 2021. Real estate firm Lar España has placed an issue of senior unsecured green bonds maturing in November 2028, raising the maximum expected EUR 300 million. The new issue, which was five times oversubscribed, follows and complements the previous senior unsecured bond issue in July of this year, in which the company raised EUR 400 million.

With these two issues, Lar España has achieved a more flexible profile for all its corporate debt, eliminating asset guarantees and significantly extending its maturity, set at July 2026 for the first issue and November 2028 for the second. In addition to the two bonds, the real estate firm has just 70 million in additional corporate debt maturing in 2026 and 2027.

The second green bond issue, also with a nominal value of 100,000 euros per bond, was once again led by Morgan Stanley Europe, which acted as lead manager and underwriter. This issue has been placed among qualified investors and will be listed officially on the Luxembourg Stock Exchange, where it will trade on the multilateral trading system Euro MTF Market.

Second issue has a fixed annual coupon of 1.84%, with a seven year term maturing in November 2028. The annual coupon of the first issue is 1.75%, also at a fixed rate and maturing in five years. Following the two issues, average maturity increases from 2.6 years to 6.2 years, and the average total cost of debt is reduced from 2.2% to 1.8%. Fitch rating agency has assigned a BBB investment grade rating and stable outlook to both Lar España and its two green bond issues, also in accordance with a second party opinion issued by ISS Corporate Solutions.



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

Jon Armentia, Corporate Director and CFO of Lar España, said: *"first in July and now in October we have attracted interest from major public and private institutional investors, which is a significant endorsement of Lar España's specialised retail project and a significant transformation of our debt structure. Investors have given us a strong signal of confidence in our track record and our future. With this support, it will be easier for us to continue to build on our strong balance sheet, recurring revenues and significant dividend distributions".*

Armentia added that *"following the two issues, the company has significantly improved its credit profile. It is an achievement to have provided flexibility to all corporate debt through the two consecutive green bond issues, both of which were significantly oversubscribed and backed by their corresponding investment grade BBB-stable ratings from Fitch and a second party opinion from ISS. We have strengthened our balance sheet structure, optimised maturities and financing costs and have the right conditions to lead the recovery already underway in the retail sector."*

The company adds that the green bond issue will allow it to consolidate a very robust level of liquidity, with debt spread over time at levels of around 40% of asset value. At the end of the first half of the year, with a dividend payment of 27.5 million euros, cash on the company's balance sheet amounted to 165.5 million euros. This figure covers the company's financial costs and expenses for at least the next four years.

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 a SOCIMI "Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario" in March 2014. The company's objective is to invest in the Spanish real estate sector, especially in the retail segment. Today it is the Spanish market leader in retail, with more than 551,000 square meters for rent and 1,411 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 worldwide. It was also included in the Ibex Top Dividend index in 2018. In September 2021, for the seventh consecutive year, Lar España received the EPRA Gold Award for the quality of the financial information made available to its main stakeholders. As regards the information published on ESG, Lar España has obtained the highest distinction from EPRA, achieving the Gold Award for the fourth consecutive year.



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