



Assets
in action!

CORPORATE PRESENTATION LAR ESPAÑA

December 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

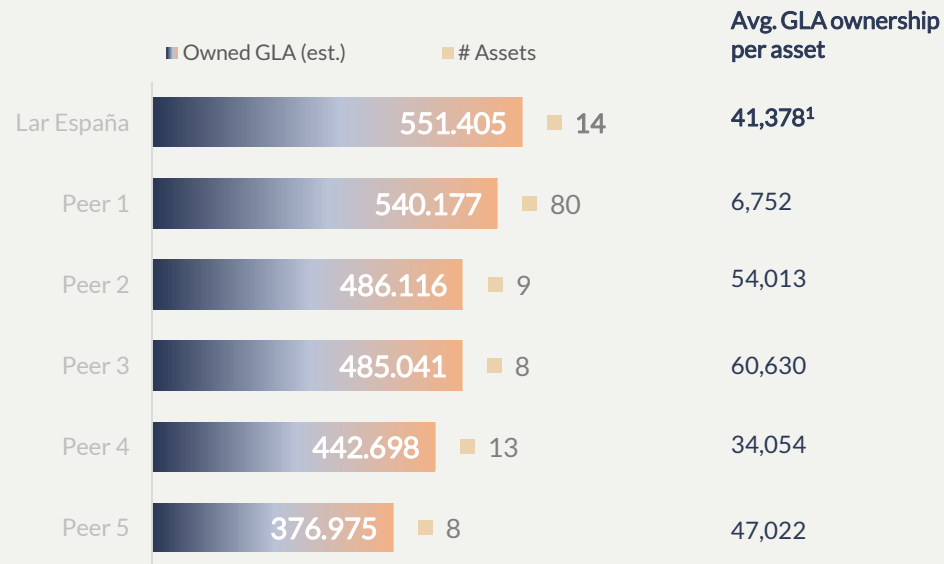
“

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

● **Lagoh | SC**
69,734 sqm
Visits: 5.4 Mn
Sales: €94.7 Mn
Dominant.

● **Ànec Blau | SC**
29,069 sqm
Visits: 2.9 Mn
Sales: €34.4 Mn
Dominant

● **AS Termas | SC**
35,127 sqm
Visits: 2.6 Mn
Sales: €46.3 Mn
Dominant

● **Las Huertas | SC**
6,267 sqm
Visits: 1.6 Mn
Sales: €6.1 Mn
Convenience

● **Rivas Futura | RP**
36,447 sqm
Visits: 5.4 Mn
Sales: €20.3 Mn
Dominant

● **Gran Vía de Vigo | SC**
41,447 sqm
Visits: 4.8 Mn
Sales: €81.3 Mn
Dominant

● **P. Marina | SC**
40,334 sqm
Visits: 2.5 Mn
Sales: €65.9 Mn
Dominant

● **Albacenter | SC**
26,310 sqm
Visits: 3.5 Mn
Sales: €26.3 Mn
Dominant

● **Parque Abadía | SC RP**
43,109 sqm
Visits: 9.3 Mn
Sales: €29.9 Mn
Dominant

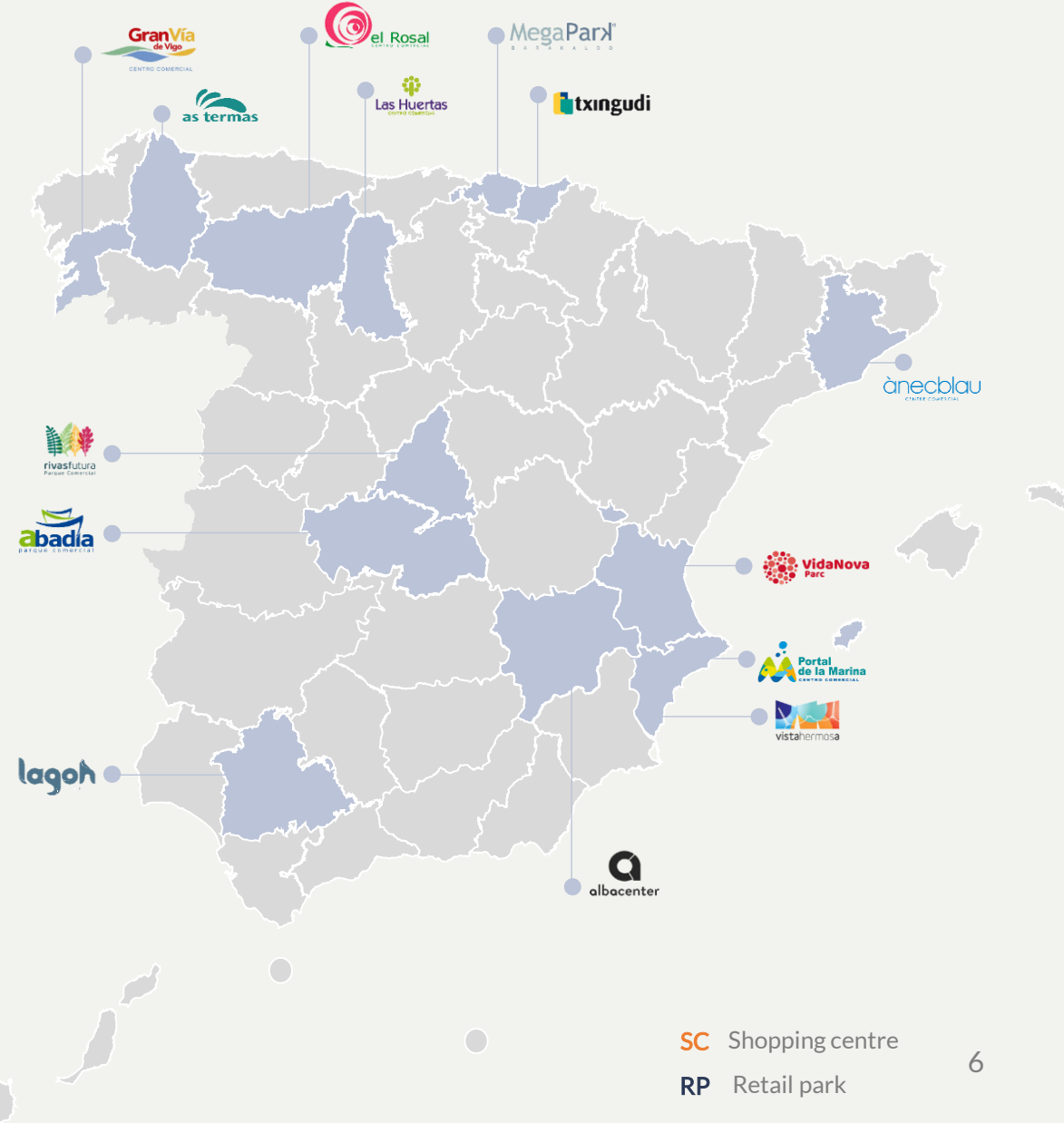
● **Vistahermosa | RP**
33,763 sqm
Visits: 5.9 Mn
Sales: €70.9 Mn
Dominant

● **Megapark | SC RP**
81,577 sqm
Visits: 9.5 Mn
Sales: €92.7 Mn
Dominant

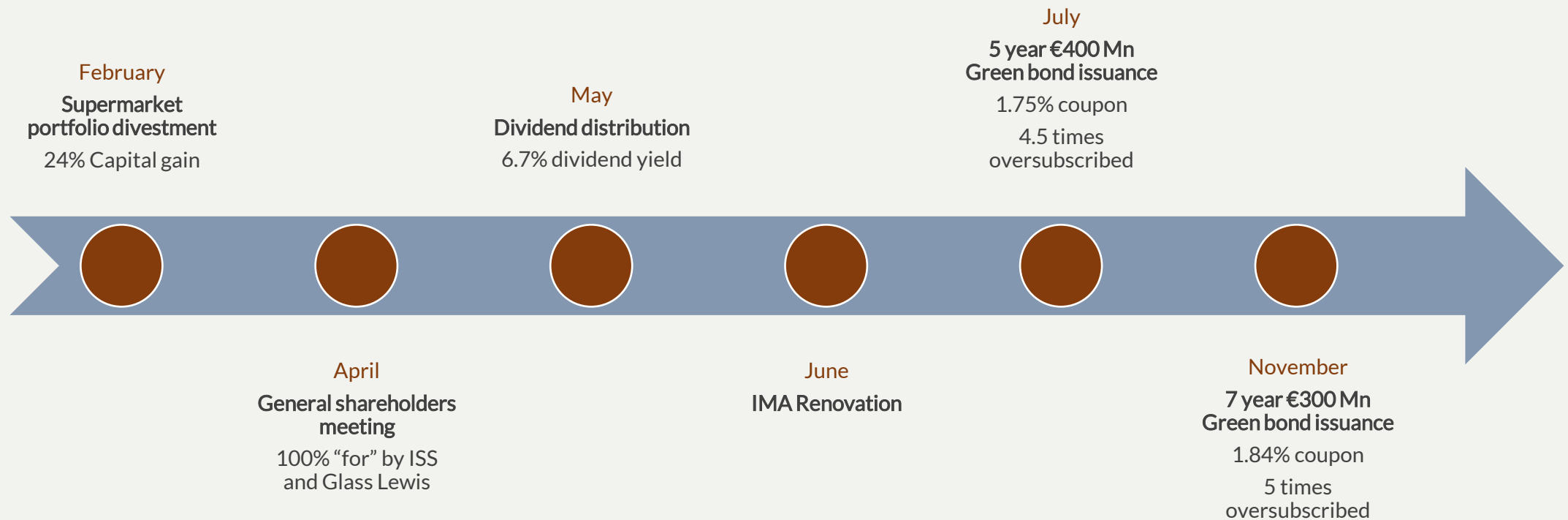
● **CC: El Rosal | SC**
50,996 sqm
Visits: 3.6 Mn
Sales: 80.2 Mn
Dominant

● **Txingudi | SC**
10,712 sqm
Visits: 2.7 Mn
Sales: €14.7 Mn
Dominant

● **Vidanova Parc | SC**
45,568 sqm
Visits: 4.1 Mn
Sales: €32.1 Mn
Dominant



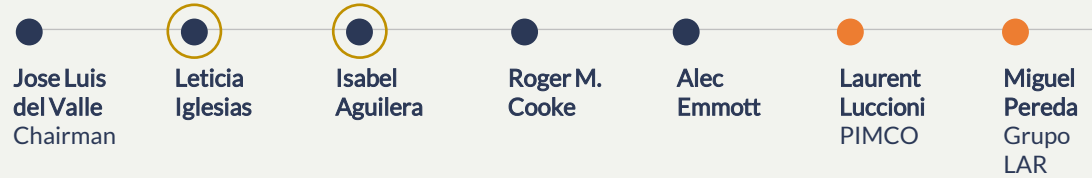
Strong corporate performance in 2021



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



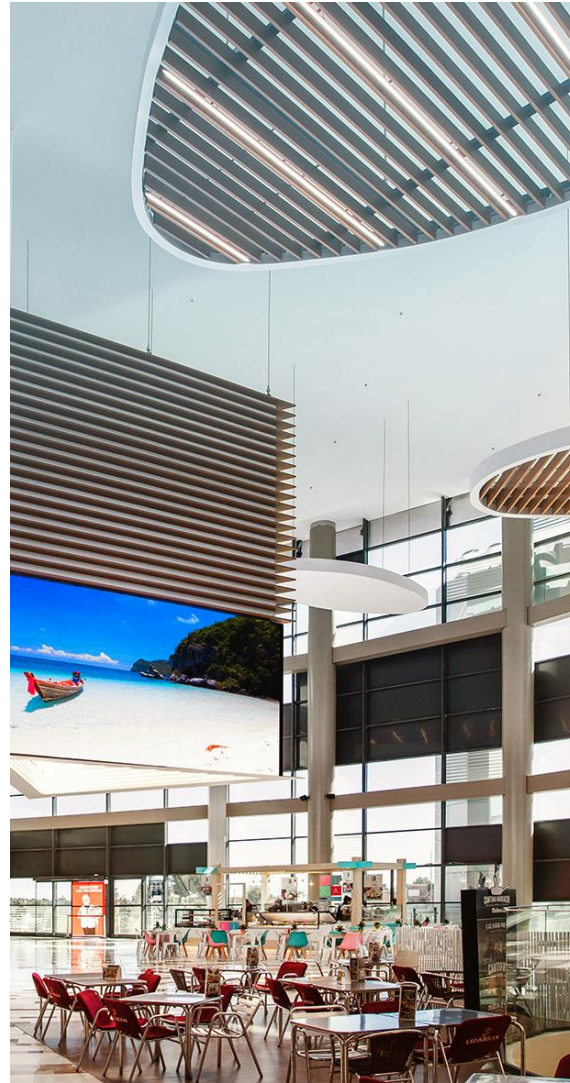
Responsibility



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

9M 2021 Business Update

3



Operating Results in 9M 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 9M 2021

EPRA Gold Award Financial Reporting 7th year in a row



EPRA Gold Award ESG Reporting 4th year in a row



Corporate

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

6.7 %
Dividend Yield
Over market cap¹

c.€200Mn²
Liquidity
Expenses covered over
the next 4 years

€400 Mn
Green Bond issuance

1.75%
Interest rate

Net LTV 41%
Closing 9M 21

€300 Mn
Green Bond issuance

1.84%
Interest rate

Average cost of debt 1.8%
Post bonds issuances

¹ Market Cap as of 31 December 2020

² Proforma figure of the cash available after green bond issuances.

Best in class practices in ESG

MSCI **BBB**
MSCI ESG Rating



Successful Green Bond Issuance.

Lar España successfully issued two unsecured senior green bonds for **€700 Million**. ISS-ESG has provided a Second Party Opinion on this Framework



Carbon Footprint Registration
2018, 2019 & 2020

The company also submitted its **Emissions Reduction Plan** to the Ministry as another step towards carbon neutrality.



100% Shopping Centres BREEAM Certified, “Excelent” or “Very Good”

3 Excellent
7 Very Good
2 Good

12 certified assets:
• **8** certifications have been renewed during the 1H2021
• **1** new certificate



For the seventh consecutive year, Lar España has been awarded the **EPRA Gold Award** for the quality of financial and ESG information, for the fourth consecutive year



FTSE Russell Global Index kept Lar España as a constituent on its **FTSE4Good index**.



For the fourth year running, Lar España has taken part in the 2021 **GRESB assessment**. Achieving a score of **86** meaning a **+25%** annual score increase vs 2020 and a **+56%** vs 2019 score.



Renewal of the Commitment to the **UN Global Compact** and **SDG goals**. Furthermore, the company is currently working to develop an overarching **Action Plan** to bring our entire portfolio in line with our commitment to our priority SDGs in order to align the company’s sustainability strategy with UN Agenda 2030.



ISO 14001 & 45001 Environmental certifications.

Since achieving ISO 14001 status for the As Termas and Megapark in 2020, the company has been working to extend this certification to the rest of the portfolio.

24th Of 116
+11% vs 2020

General
Ranking

5th Of 25
+17% vs 2020

Financial and Real
Estate sector



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

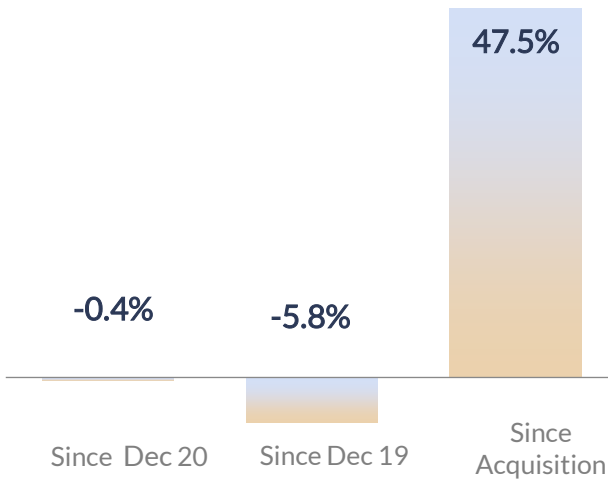
	vs H1 2019	vs H1 2020
Water consumption	-10.0%	-7.9%
Water consumption per visitor	-17.1%	-23.7%

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.

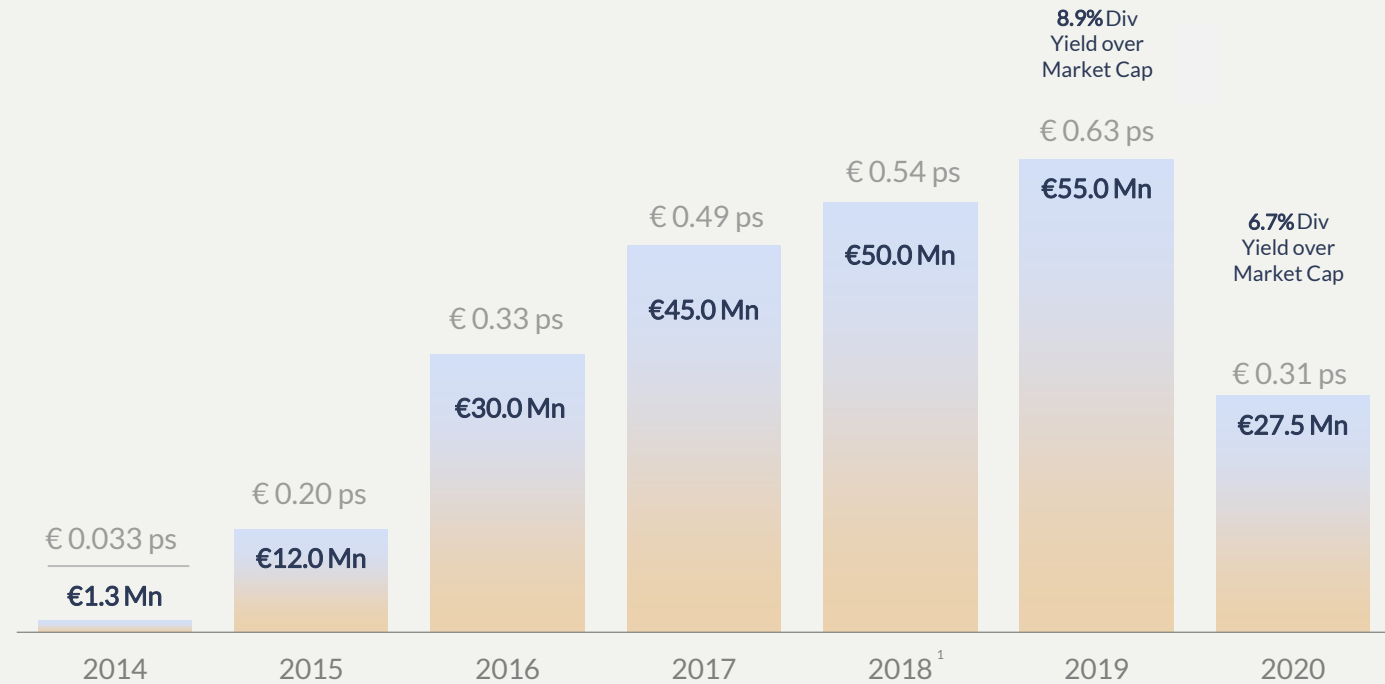


- A resilient portfolio of dominant shopping centres and retail parks in attractive catchment areas.
- Cherry-picked portfolio, assets carefully analysed and selected without buying portfolios.
- Assets c.100% owned, delivering flexibility, control and full decision capacity.
- Solvent and diversified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

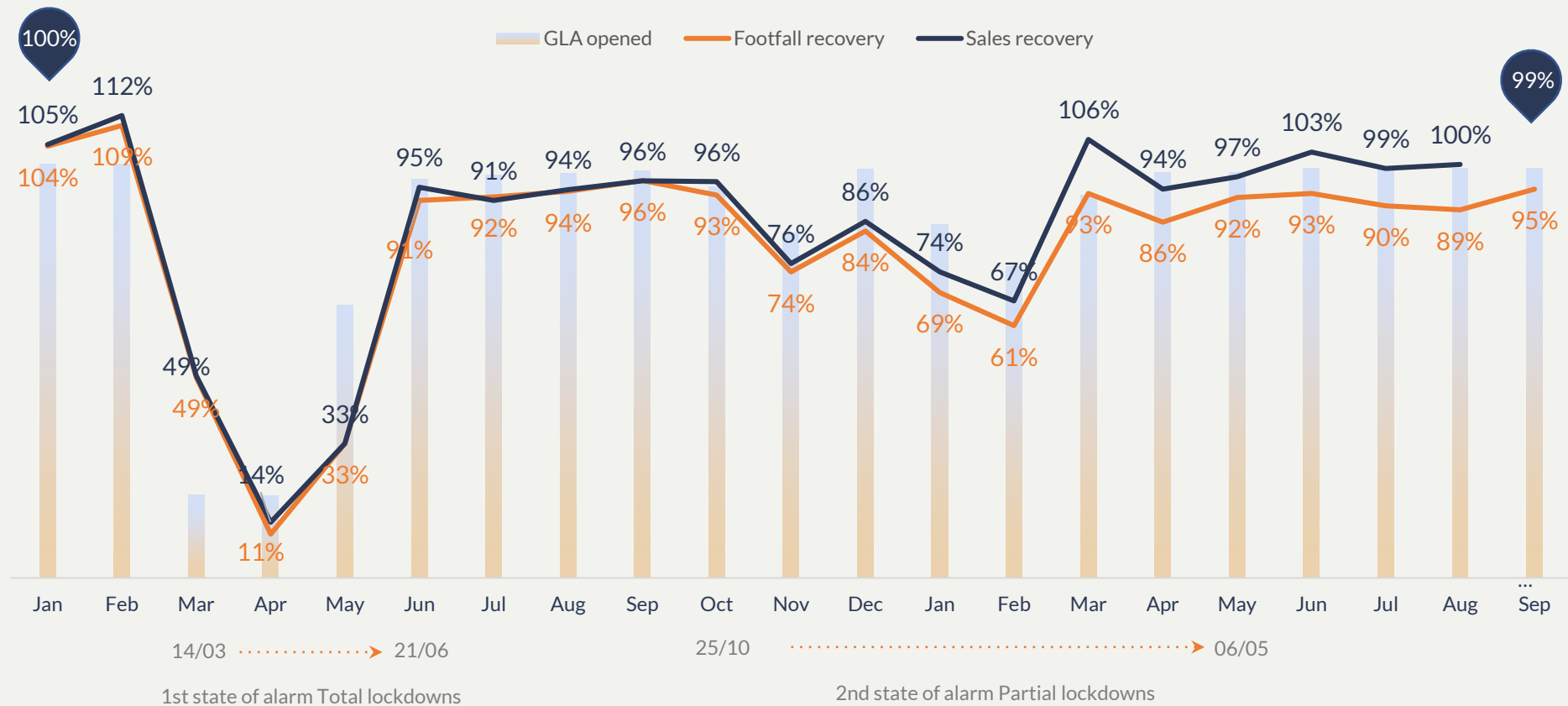


Covid-19 Update

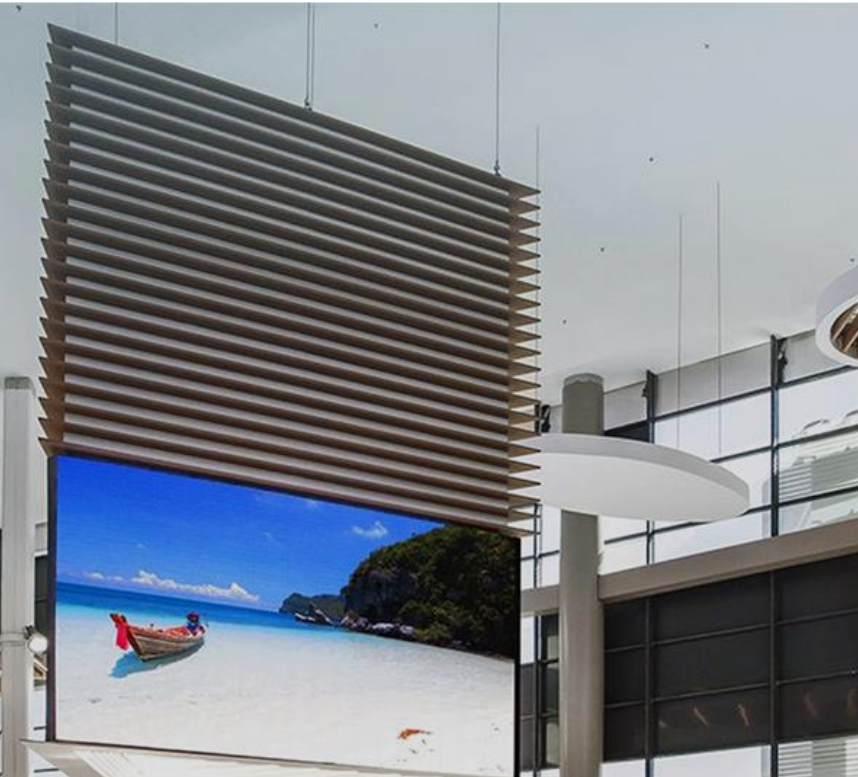
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Footfall and Sales numbers recovery vs 2019



Recovering pre COVID levels



Agreements and conversations with tenants

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

Contracts >2024
c.70 %

Collected rents at 30th September 2021
90%

Collected rents as October
91%

Additionally, from January to October we have collected €8.0 Mn related to amounts invoiced in 2020, which means that a **97%** of total 2020 invoiced has been collected

Sales & Footfall

Sales
€ 617.0 Million
-5.4%¹
vs 9M19 LfL
+24.3%²
vs 9M20 LfL

Footfall
53.2 Million visits
-13.2%¹
vs 9M19 LfL
+15.6%²
vs 9M20 LfL

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)

Leasing activity in 9M 2021

c.70%
contracts
>2024

2.7 y
WAULT

17,302 sqm
Rotated

4 %
Annualised rotation rate

+2.4 %²
Rent uplift

9.02%
Effort rate
expenses included

95%
Occupancy¹

>1,000
Existing
contracts

63
Operations in 9M 2021

3.5 Mn
Negotiated rent

¹Ratio calculated according to EPRA recommendations.
² Excluding 4 non-comparable operations.



Reasons to rely on Lar España

5



Final conclusion: several reasons to rely on Lar España



Engagement proxy advisors-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 60.4 M€²
Net Profit 14.3 M€²**
- 7** Quick capability to recover footfall and sales after lockdown periods. **617.0 Mn€ sales²
53.2 Mn visits²**
- 8** Solid relationships with Tier 1 retailers **c.70% 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 9M 2021



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