



Assets  
*in action!*

# Q1 2022 BUSINESS UPDATE

19<sup>th</sup> May 2022



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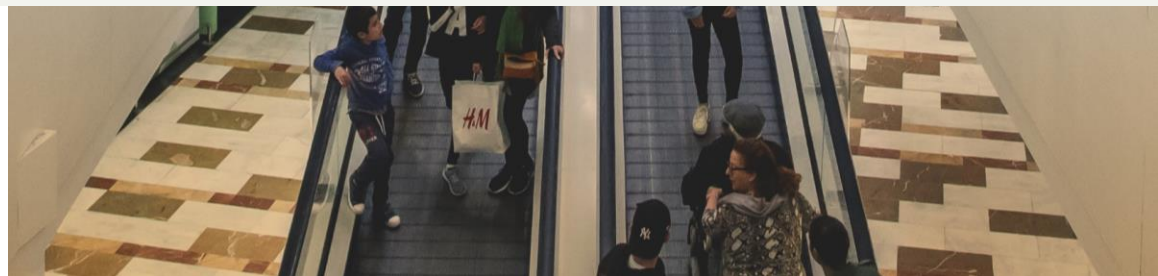
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## Highlights

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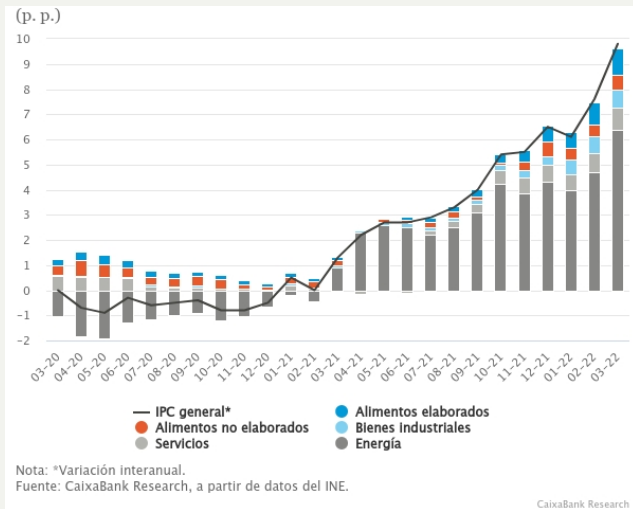
2021 was a very intense year in terms of corporate activity



- 1 • Asset rotation: 22 supermarkets **divestment** (February 2021)
- 2 • Revised **IMA** extension (June 2021)
- 3 • End of the 3<sup>rd</sup> **share buyback program**. 5% of share capital amortized (October 2021)
- 4 • 2 **green bonds** issuance: maturity extension and improvement of cost of debt
  - €400Mn Bond (July 2021)
  - €300Mn Bond (October 2021)
- 5 • Maintaining a strong **balance sheet & sound cash position**
- 6 • **Operating results** getting back to pre-pandemic levels

## And 2022 has begun with great challenges

### High inflation level



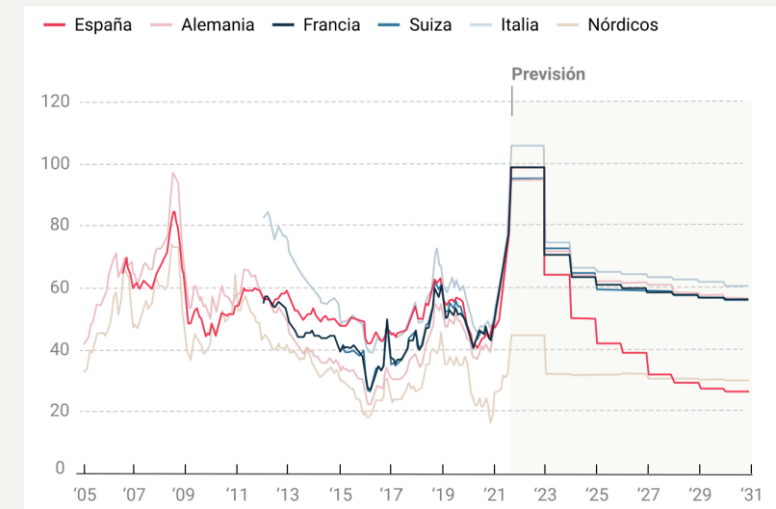
Source: CaixaBank Research April 2022

### Lower GDP(%) Growth projections

Real GDP, anual % change	2021	2022	2023
<b>World Output</b>	<b>6.1</b>	<b>3.6</b>	<b>3.6</b>
<b>Advanced Economies</b>	<b>5.2</b>	<b>3.3</b>	<b>2.4</b>
United States	5.7	3.7	2.3
Euro Area	5.3	2.8	2.3
Germany	2.8	2.1	2.7
France	7.0	2.9	1.4
Italy	6.6	2.3	1.7
<b>Spain</b>	<b>5.1</b>	<b>4.8</b>	<b>3.3</b>

Source: WEO April 2022 IMF

### Energy prices remain high. Electricity price forecasts are not positive

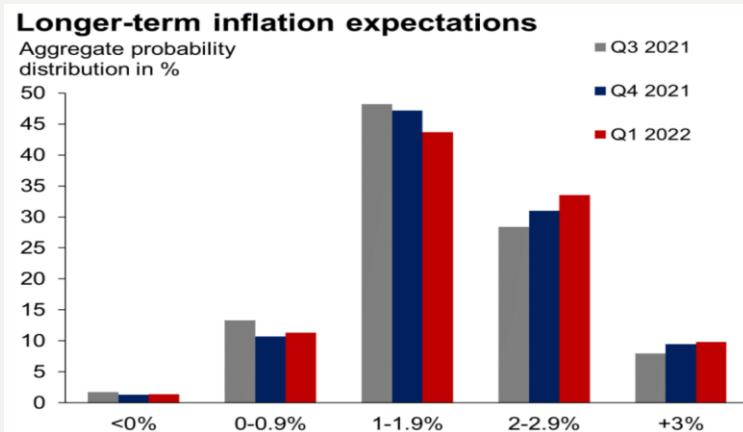


Source: Bloomberg based on Axpo data. Eur 2020/MWh

**Additionally, economic damage from the conflict in Ukraine could contribute to a slowdown in global growth, and increase both in inflation and energy prices in 2022**

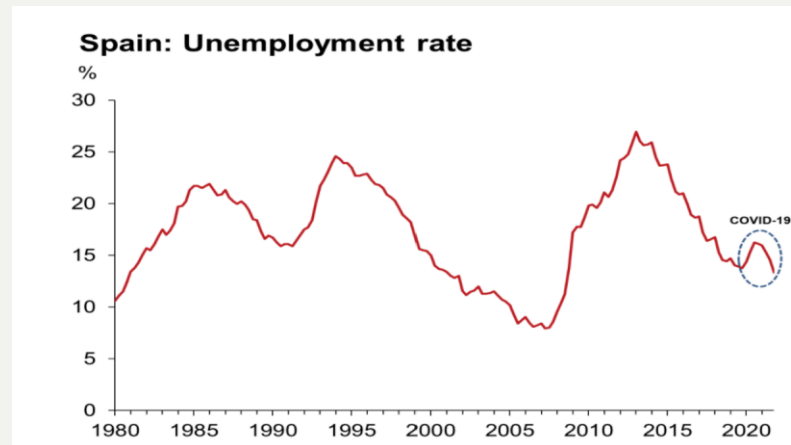
## Despite all this, the outlook is positive

**Inflation is unlikely to remain elevated in the long term**



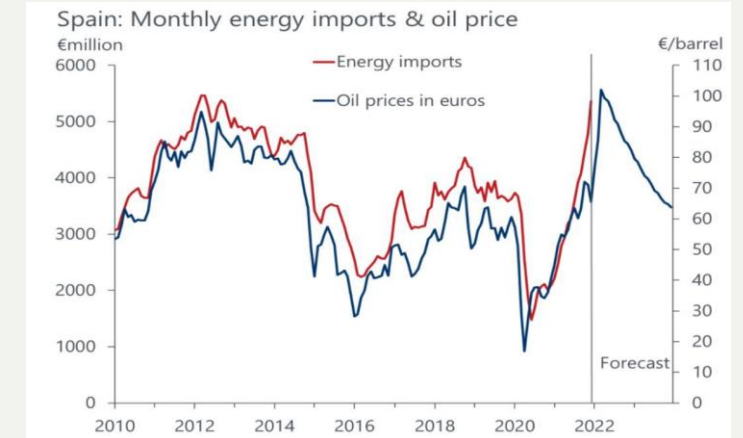
Source: Oxford Economics. Survey of professional forecasters

**The Spanish economy is already at pre-crisis levels and there is still room for improvement (tourism not fully recovered yet)**



Source: Oxford Economics. Haver Analytics

**The origin of all the problems is the price of oil and the estimate is that it will return to normal levels**

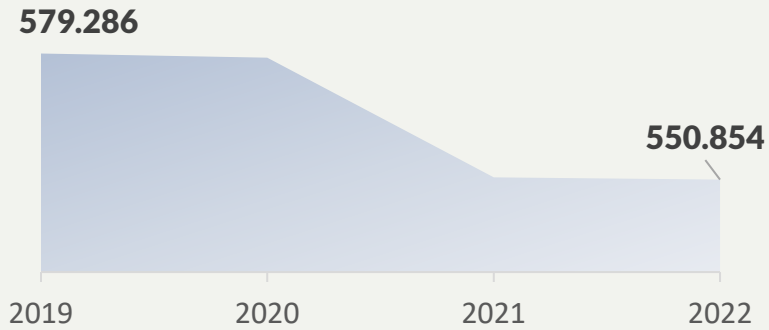


Source: Oxford Economics. Haver Analytics

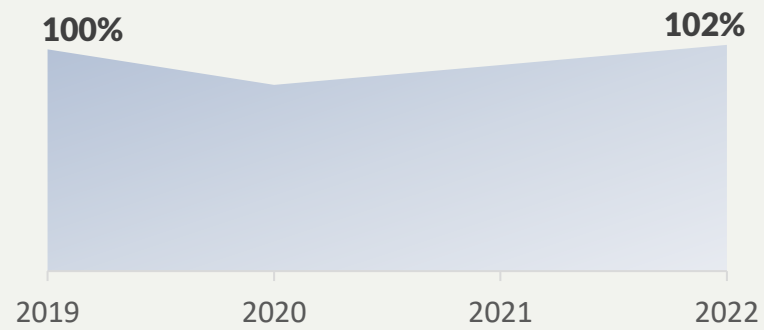
**After a continuous tenant mix enhancing and the close relationships with retailers, all the contracts are linked to CPI and the cost of energy is passed on to tenants**

And Lar España has proven to be a resilient company over the years

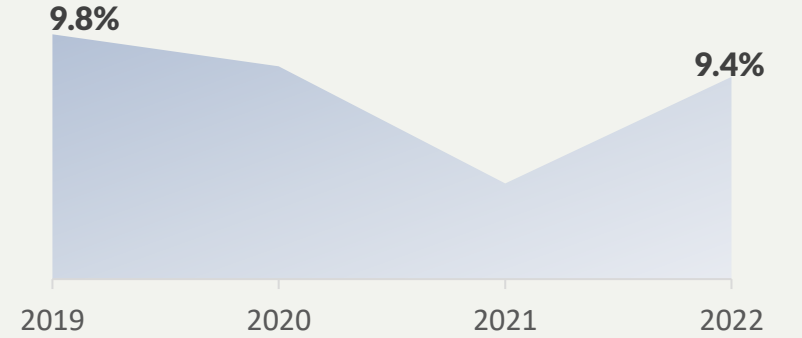
GLA (sqm)



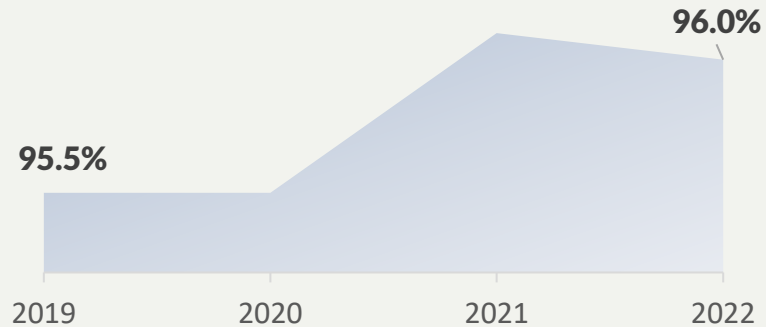
Footfall vs 2019 (%)



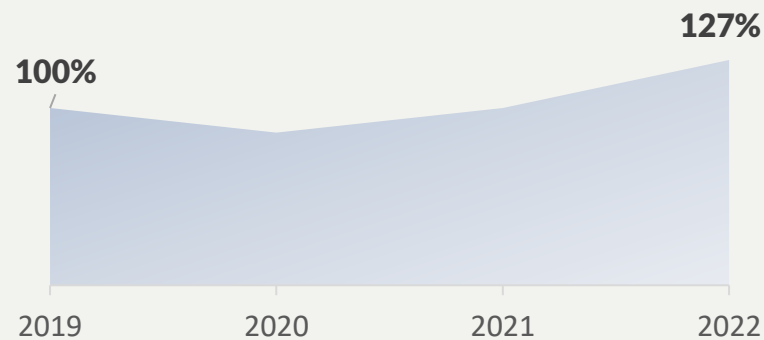
Effort rate (%)



Occupancy (%)



Sales vs 2019 (%)



LTV (%)



## With relevant operating performance in Q1 2022



### Leasing KPIs

**15,172** sqm  
Rotated

**11%**  
Annualised rotation rate

**+6.3 %<sup>2</sup>**  
Rent uplift

**36**  
Operations in 1Q 2022

**2.8 Mn**  
Negotiated rent

### Sales & Footfall

Sales  
**€ 215.1**  
Million

**+27.4%**  
vs Q1 19

**+7.7%<sup>3</sup>**  
vs Q1 19 LfL

**+29.2%**  
vs Q1 21 LfL

Footfall  
**18.4**  
Million visits

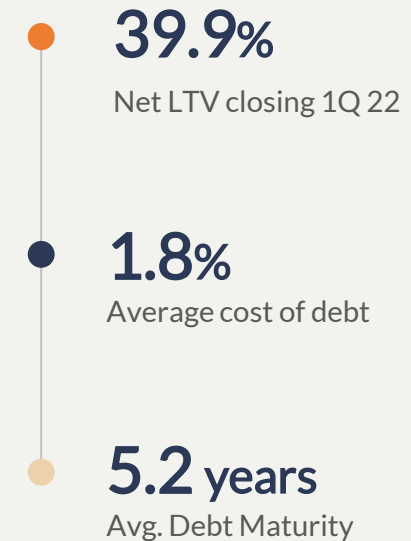
**+2.1%**  
vs Q1 19

**-8.5%<sup>3</sup>**  
vs Q1 19 LfL

**+22.8%**  
vs Q1 21 LfL

<sup>1</sup> Occupancy in sqm.  
<sup>2</sup> Like for Like (excluding 4 non comparable operations)  
<sup>3</sup> LfL excluding Lagoh

## And a good set of results, financial position and cash generation capability



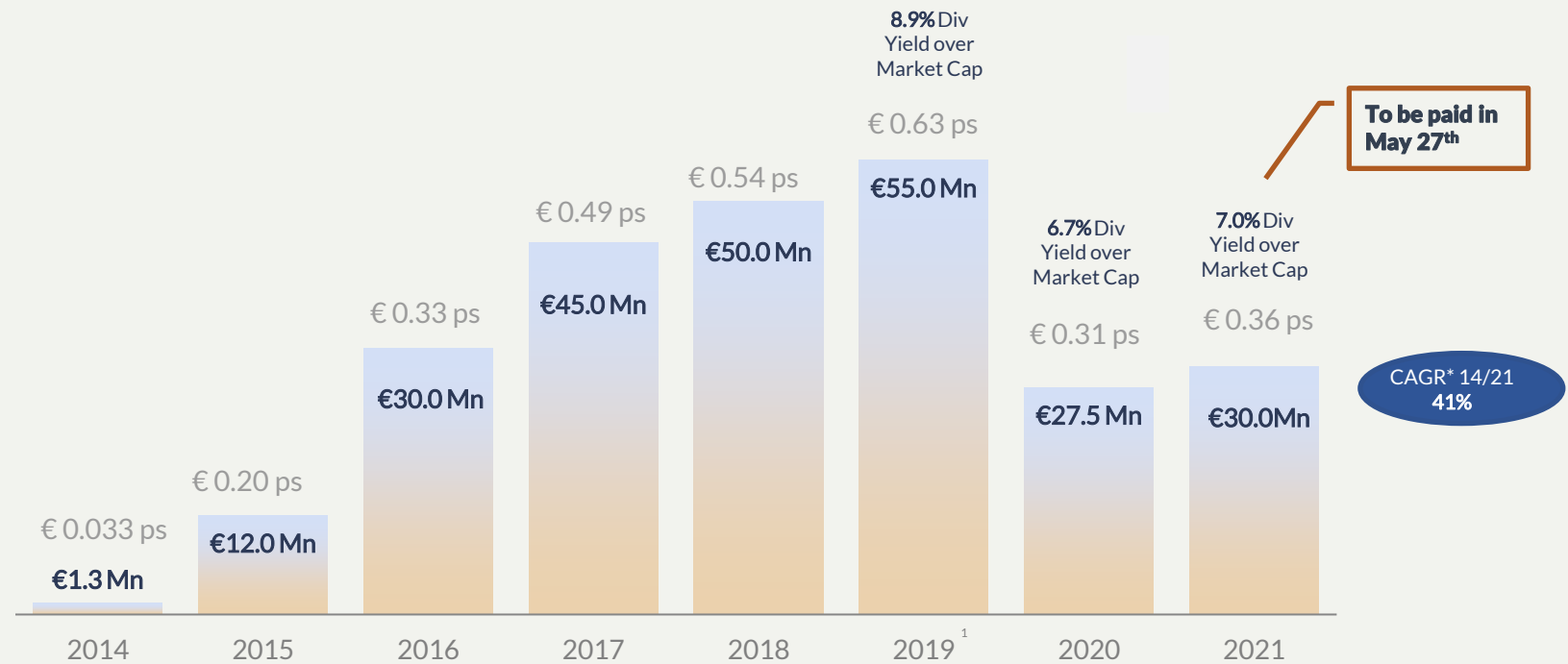
<sup>1</sup> Excluding financing activities

<sup>2</sup> Adjusted figures for dividend effect: EPRA NTA: 10.14 €/share

## Attractive dividend: Maintained despite Covid-19

### Committed to profitability

- Prudent cash position control with a detailed liquidity analysis.
- 3.4% dividend yield on NTA Dec 2021
- 7.0% dividend yield on market cap Dec 2021
- Among the leading Spanish listed companies in terms of direct shareholder remuneration.
- Dividend is slightly recovering from COVID-19 pandemic impact (+16.1% vs 2020)



<sup>1</sup> Dividend: +€25 Mn in extraordinary dividend  
Market Cap at December 31st

\* CAGR stands for Compound Average Growth Rate



## Financial information & ESG

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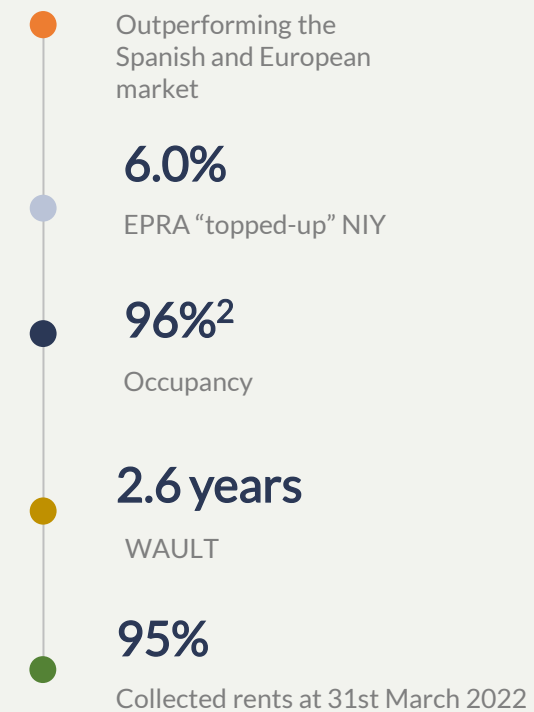
## Operating Results in Q1 2022



### Results



### Assets



<sup>1</sup> Adjusted figures for dividend effect: EPRA NTA: 10.14 €/share

<sup>2</sup> Occupancy in sqm

## Corporate Results in Q1 2022

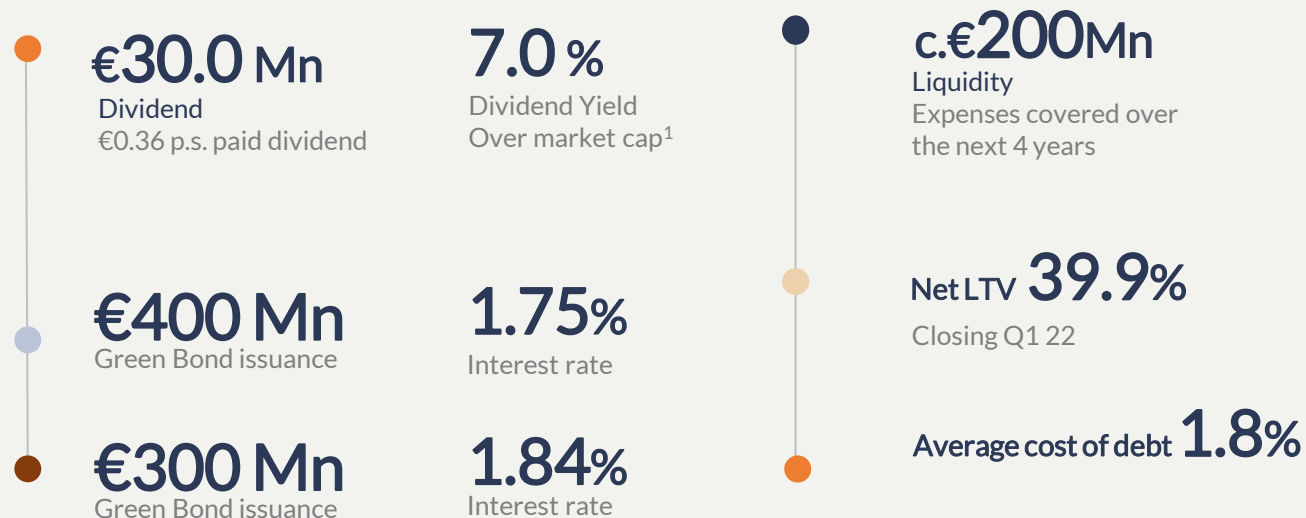
### EPRA Gold Award Financial Reporting 7<sup>th</sup> year in a row



### EPRA Gold Award ESG Reporting 4<sup>th</sup> year in a row



## Corporate



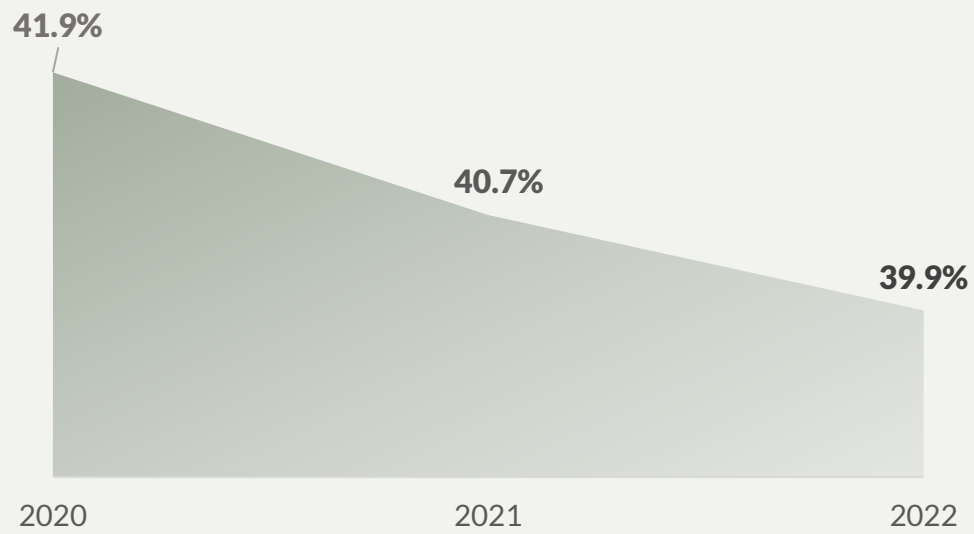
## Financial profile & cash position

As of 31/03/22

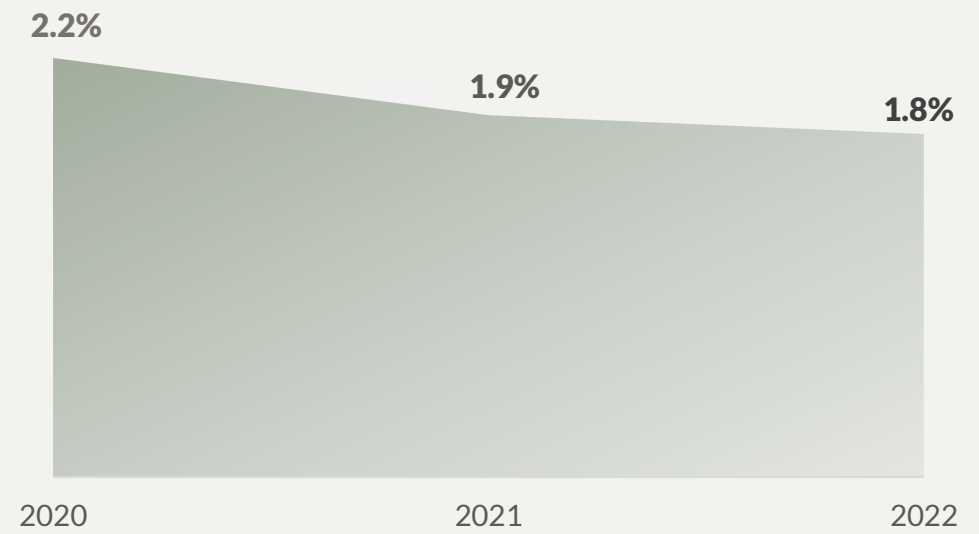


## Debt evolution

**LTV (%) Evolution**



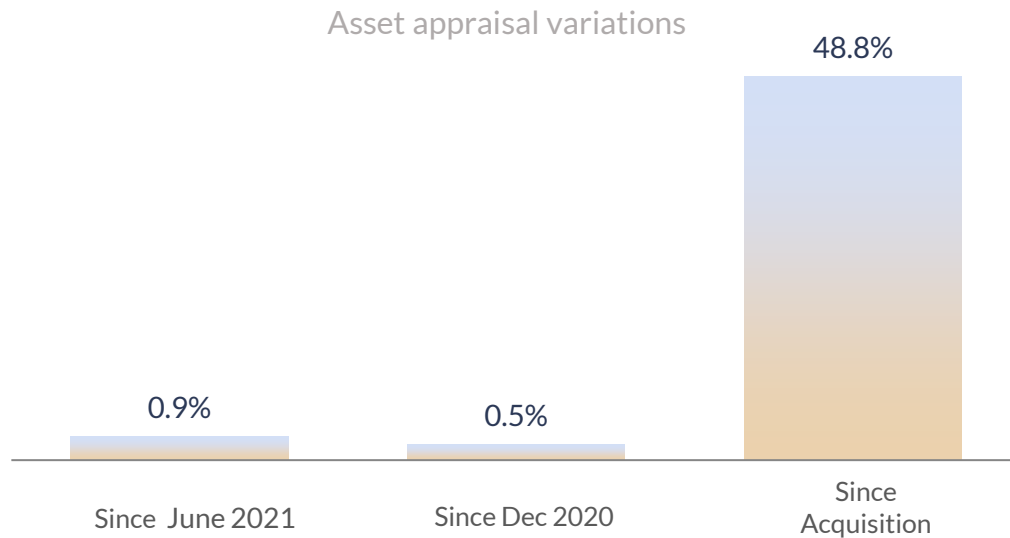
**Average cost of debt (%) Evolution**



## Stable valuations

**31<sup>st</sup> December 2021 Valuation**  
**€1,424 Mn**

*Including Capex Invested*



The capital value/sqm is solid and remains fully controlled

- A **resilient** portfolio of **dominant** shopping centres in attractive catchment areas.
- **Cherry picked assets** carefully selected without acquiring 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 Q1 2022

Consolidated Income Statement 1Q 2022 (€ Thousands)	Q1 2022	Q1 2021		Q1 2022	Q1 2021	Q1 2022	Q1 2021
	Recurring		Var %	Non Recurring		Total	
Rental Income	23,665	23,483		(3,716) <sup>1</sup>	(3,134) <sup>2</sup>	19,949	20,349
Other Income	690	572		-	-	690	572
Personnel expenses	(185)	(145)		(164)	-	(349)	(145)
Other expenses	(6,231)	(6,848)		(1,121)	(3,274)	(7,352)	(10,122)
Changes in the Fair Value of investment properties	-	-		-	-	-	-
Results from Divestment	-	-		-	1,073	-	1,073
EBIT	17,939	17,062	+5.1%	(5,001)	(5,335)	12,938	11,727
Financial Result	(4,304)	(5,107)		-	542	(4,304)	(4,565)
Impairment and gains/(losses) on financial instruments investments	-	-		(2,046)	-	(2,046)	-
EBT	13,635	11,955	+14.1%	(7,047)	(4,793)	6,588	7,162
Income Tax				-	-	-	-
Profit/(Loss) for the Period	13,635	11,955	+14.1%	(7,047)	(4,793)	6,588	7,162

Notes: May not foot due to rounding

1 The full amount corresponds to lease incentives

2 22 supermarkets divestment: + €0.6 Mn. Lease incentives: - €3.7 Mn

## With the best in class practices in ESG

### Social



6 assets certified



The Company has developed an action plan, identifying relevant issues and their contribution to the SDGs.



Software to monitor indoor air quality. It is also optimizes the operational management of the HVAC equipment, thus improving energy efficiency in the buildings.

### Governance



100% Recommendations of the CNMV Good Governance Code complied



24<sup>th</sup> out of 116; General ranking  
5<sup>th</sup> out of 25; Real Estate ranking



EPRA Gold Award Financial Information 2015-2021

### Environmental

The data automation platform for environmental indicators was put into operation in 2021. The company is currently completing the roll-out of smart meters for sub-metering purposes.



Carbon Footprint Registration 2018-2020



EPRA Gold Award ESG Information 2018-2021

### Scorings



### Certifications



ISO 14001 & ISO 45001



100% portfolio certified:

3 Excellent  
9 VeryGood  
2 Good

## Monitoring key indicators: 2021 performance



### Energy

	vs 2019 LfL	vs 2020 LfL
Electricity consumption	-7.6%	+0.1%
Non renewable electricity	-60.2%	-45.5%



### Emissions

	vs 2019 LfL	vs 2020 LfL
Scope 1 + 2 + 3	-24.1%	-20.5%



### Water

	vs 2019 LfL	vs 2020 LfL
Water consumption	-3.6%	-0.4%



### Social

+16,000 jobs generated.

8.6% of indirect jobs are done by **persons with disabilities**.

Purchased over €58M in products and services from its suppliers, thereby **creating wealth in the communities where it operates**.

## Closing remarks

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## In summary: with significant upside potential





[www.larespana.com](http://www.larespana.com)