



The REIT
for the new retail world!

Corporate presentation

May 2023



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IBEX GENDER EQUALITY INDEX



The REIT
for the new retail world!

1 Company Overview

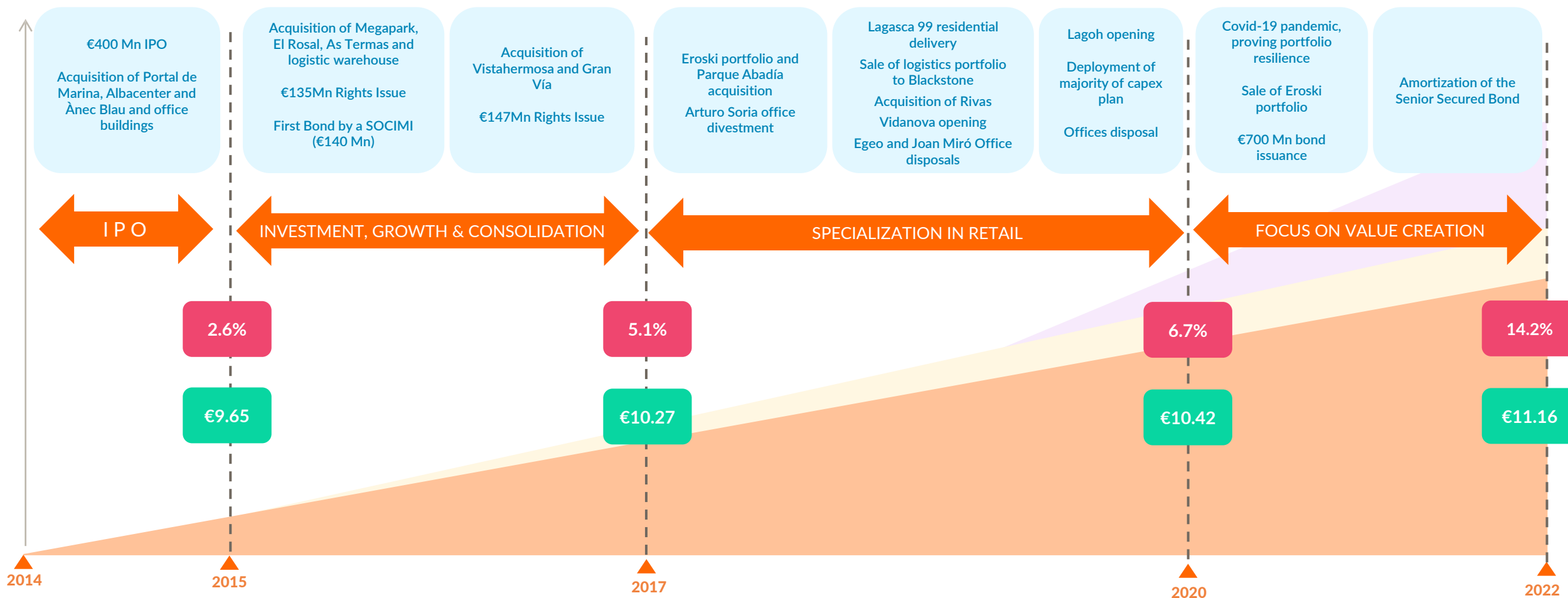


Leaders in the retail segment

- ▶ Lar España's mission is to **lead the retail real estate industry** thanks to the **size of its portfolio, the quality of its assets and the efficiency of its management model**. The constant improvement in these three objectives allows it, in turn, to always **maximise the value provided to shareholders, tenants and end customers**.
- ▶ The management of this REIT prioritises the differential offer of unique shopping experiences, carried out in **leading shopping centres and parks in terms of size and quality**. Thanks to this qualitative policy, in recent years it has consolidated a solid relationship of trust with its tenants, who also benefit from one of the lowest effort rates in the sector. All these levers provide its shareholders with a **highly qualified proposal, with recurring profitability and high added value**.



We have not stopped excelling



With a differential 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 an attractive, stable and responsible dividend policy . Additionally, we developed Bond Buy Back and Share Buy Back programs to increase the value for our shareholders. Profit and profitability together with the protection of the balance sheet and the responsible use of the company's resources.



Creating a value-added REIT



Our Mission

To provide our customers with unique shopping experiences by combining leisure and retail through an omnichannel approach.

Our Vision

To lead the industry based on the size of our portfolio, the quality of our assets and our management.

Our Values

- Corporate focus: Responsibility
- Customer focus: Quality and respect
- Market focus: Innovation
- Investor focus: 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



A clear idea: dominant & resilient portfolio



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



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



Portal de la Marina | SC
40,334 sqm
Visits: 2.5 Mn
Sales: €65.9 Mn
Dominant



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



Ànecblau | 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



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



Txingudi | SC
10,712 sqm
Visits: 2.7 Mn
Sales: €14.7 Mn
Convenience



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



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



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



Vidanova Parc | RP
45,568 sqm
Visits: 4.1 Mn
Sales: € 32.1 Mn
Dominant



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



Parque Abadia | RP
43,109 sqm
Visits: 9.3 Mn
Sales: €29.9 Mn
Dominant

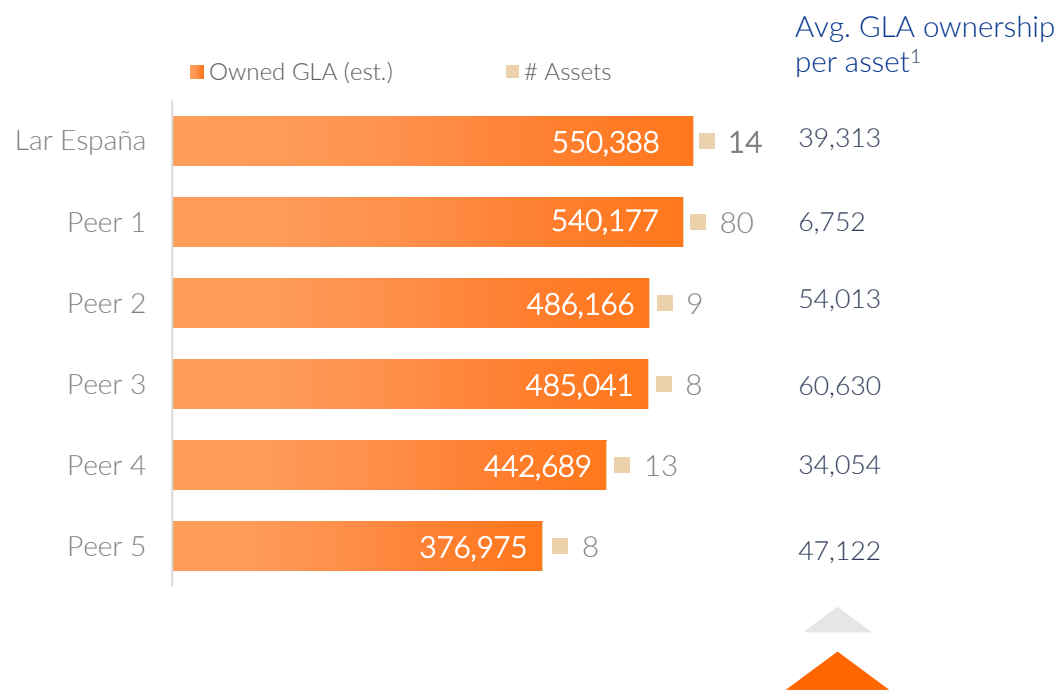
Meeting the highest standards

Shopping centers	Asset class	GLA >40K sqm	>300K inhabitants catchment area	>4 Million visits	Occupancy >90%	Leader in catchment area	Refurbished/ developed last 5y	> 4 Inditex flags	Food anchored	BREEAM
Lagoh	Dominant	●	●	●	●	●	●	●	●	●
Gran Vía de Vigo	Dominant	●	●	●	●	●	●	●	●	●
Portal de la Marina	Dominant	●	●		●	●	●	●	●	●
El Rosal	Dominant	●		●	●	●	●	●	●	●
Ànec Blau	Dominant		●	●	●	●	●	●	●	●
As Termas	Dominant	●	●		●	●	●	●	●	●
Albacenter	Dominant		●	●	●	●	●	●	●	●
Txingudi	Convenience		●		●		●		●	●
Las Huertas	Convenience						●		●	●

Retail parks	Asset class	GLA >30K sqm	>300K inhabitants catchment area	> 4 Million visits	Occupancy>90%	Leader in catchment area	Refurbished/ developed last 5y	BREEAM
Megapark	Dominant	●	●	●	●	●	●	●
Rivas Futura	Dominant	●	●	●	●	●	●	●
Vidanova Parc	Dominant	●	●	●	●	●	●	●
Vistahermosa	Dominant	●	●	●	●	●	●	●
Parque Abadía	Dominant	●		●	●	●		●

Becoming the retail leader in Spain

MAIN SHOPPING CENTERS AND RETAIL PARKS MARKET PLAYERS



RETAIL LEADERS IN SPAIN

#1
in Spain

sqm GLA
Asset stake owned
Retail parks owned



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



Portfolio **Size** gives us benefits in:

- Global **Negotiations** with tenants
- **Synergies** in procurement of services

¹ Source: Own elaboration

Committed with transparency, environment and governance

EPRA Gold Award Financial Reporting



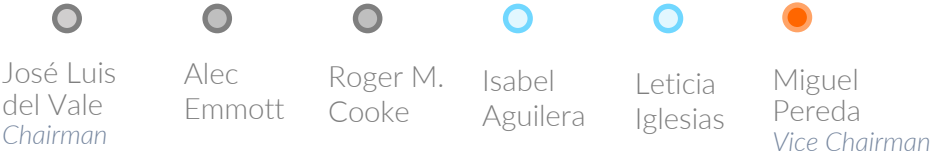
EPRA Gold Award ESG Reporting



Certifications



Board of Directors



5 Independent Directors

1 Proprietary Director

2 Female Directors

Lar España Team



Jon Armentia
Corporate Director and CFO



Hernán San Pedro
Investor Relations and Corporate Communication Director



Susana Guerrero
General Counsel and Deputy Secretary of the Board



José Ignacio Domínguez
Internal Audit Director

And committed with top experienced management: Grupo Lar



Key figures

54 years in a row
as leaders in Real Estate
business

250
employees

€3,500 Mn
managed portfolio

Top expertise in partnerships with investors



Morgan Stanley



- Grupo Lar owns a **10.12%** in Lar España
- Stability shareholding
- Solid management team
- Reliable manager and partner
- Strong financial structure

Grupo Lar Top Management

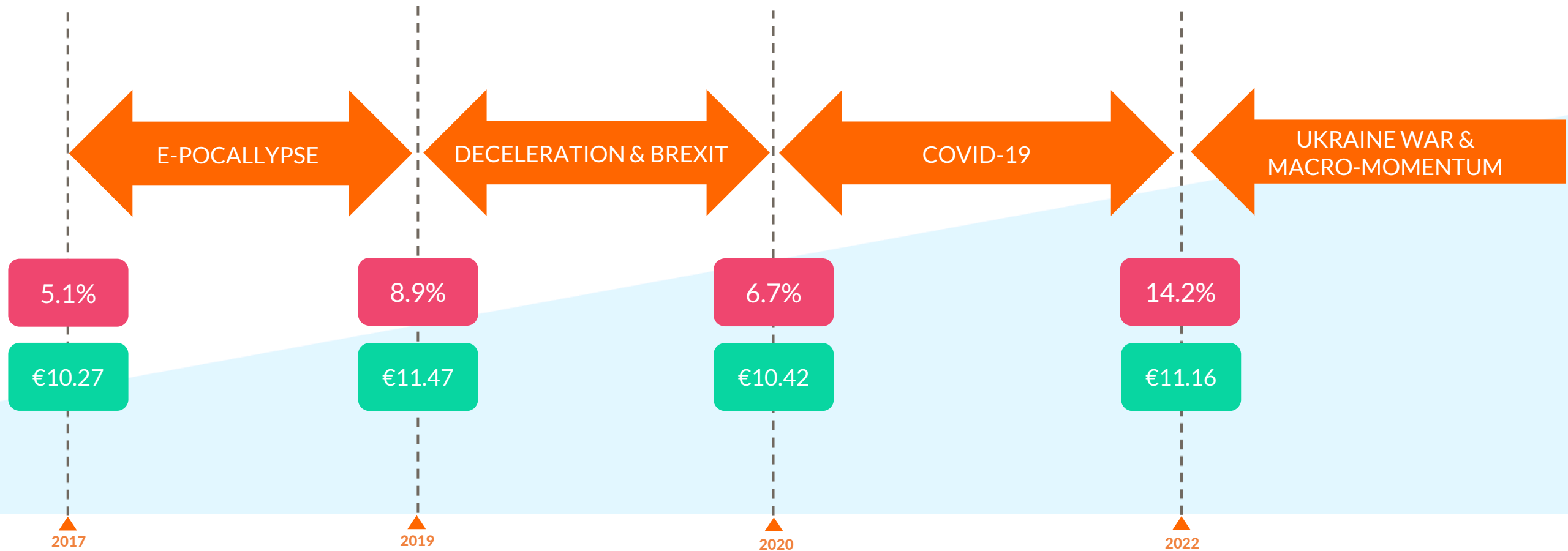


Miguel Pereda
Executive Chairman



Jose Manuel Llovet
CEO Commercial Real
Estate Iberia

Reality kills the perception of the retail sector





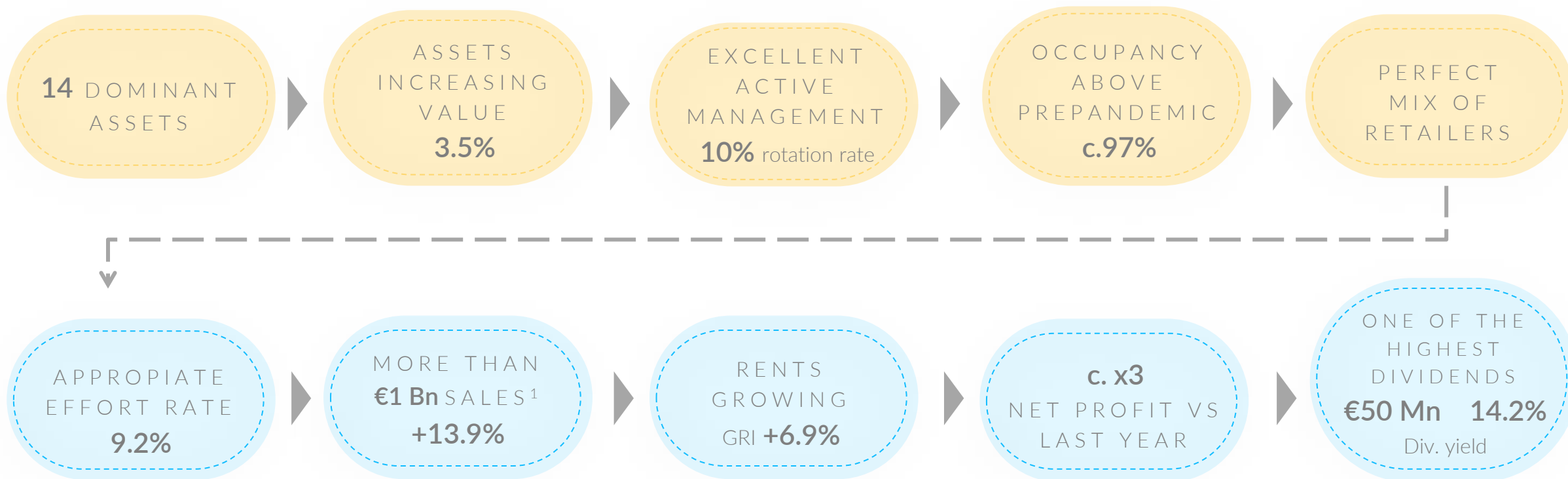
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2

FY 2022 RESULTS



This is how we do things



1 Declared sales

We have achieved
sound **financial**
results

+6.9% LfL¹ vs FY2021
GRI

+6.1% vs FY2021

96.6%
Occupancy

+6.3% LfL¹ vs FY2021
NOI

+5.5% vs FY2021

2.5 years
WAULT

€72.9 Mn
Net profit

c. 3x vs FY2021

97%²
Collected rents

1 LfL, excluding 22 supermarkets divestment
2 Percentage of rents and expenses collected from tenants in 2022



Corporate results:
strong dividend and
low leverage

€50.0 Mn

€0.60 p.s. paid dividend

14.2%¹

Dividend yield over market cap

+66.7% vs FY2021

c. €115 Mn

Liquidity

37.1%²

As today Net LTV

1.8%

Average cost of debt

€90.5 Mn

Bond Buy-Back (January 2023)

100% debt at a fixed rate

+ c. €20 Mn profit³

1 Over market cap (31/12/2022)

2 Pro-forma after bond buy-back (January 2023)

3 Profit in the P&L in Q1 2023



Strong results during the year

	FY 2022	FY 2021	
Consolidated Income Statement FY 2022 (€ Millions)	Total	Total	% Growth
Revenues	80.2	76.3	
Other Income	3.4	2.8	
Total Income	83.6	79.1	+5.7%
Personnel expenses	(0.9)	(0.6)	
Other expenses	(22.6)	(27.9)	
Changes in the fair value of investment properties	32.6	(1.3)	
Results from divestment	-	0.1	
EBIT	92.6	49.4	+87.4%
Financial Result	(15.3)	(27.1)	
Changes in the fair value of financial instruments	(4.3)	1.5	
Share in profit (loss) for the period of equity-accounted companies	-	0.4	
EBT	72.9	24.2	3.0x
Income Tax	-	1.6	
Profit/(Loss) for the Period	72.9	25.8	c. 3x

Notes: may not foot due to rounding

2022 main ESG milestones

Emissions

Scope 1 + 2
-95.3% vs 2015
-41.0% vs 2021

Scope 1 + 2 + 3
-39.8% vs 2021

Over 10% of leases signed by Lar España's portfolio include **Green Leasing Clauses**

Energy

Energy intensity per visitor
-27.5% vs 2015
-15.4% LfL vs 2021

-55.0% Non-renewable energy vs 2021
 Fuel: **-32.3%** vs 2021

100% properties in Lar España's portfolio feature **electric vehicle points**

Social contribution

6 assets certified in **Universal Accessibility**. 4 in process.

+2.600 hours dedicated social initiatives in 2022

Commitment to local development
+57 €Mn in purchases from national suppliers.

+16.000 jobs generated



Renewal of the Commitment to the **UN Global Compact** and **SDG goals**.
 Participation in the **SDG Ambition Programme**.



Carbon Footprint Registration
 2018, 2019, 2020 & 2021

AENOR

Obtaining the **Reduzco seal** becoming the first real estate company listed in Spain to achieve it.

- **100%** of the company's assets are currently BREEAM certified.
- **c. 100%¹** of them with an '**Excellent**' or '**Very Good**' rating.
- **100%** of the portfolio under its operational control is ISO 14001 and 45001 certified.



In 2022, Lar España began studying the climate-related risks of its assets under the framework developed by the Task Force on Climate-Related Financial Disclosures (TCFD). The first conclusions drawn from the risk analysis have been included in the Annual Report 2022



MSCI has **ratified and confirmed** their **BBB** ESG Rating for Lar España Real Estate.

BBB MSCI ESG Rating

IBEX GENDER EQUALITY INDEX

Lar España is one of the 30 companies featured on the **IBEX Gender Equality Index®**, an indisputable sign of the Company's commitment to diversity.



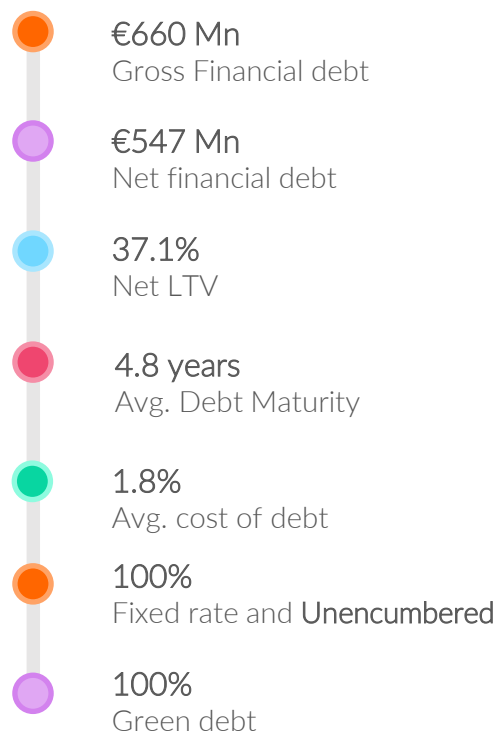
- **8th** consecutive year, EPRA Gold Award regarding financial information.
- **5th** consecutive year, EPRA Gold Award regarding ESG information.



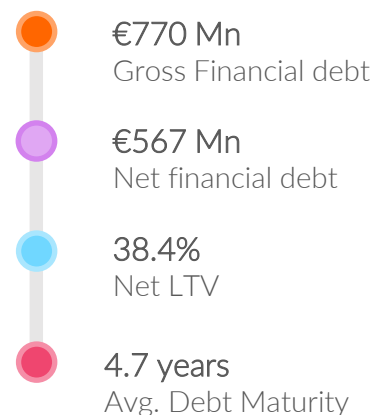
- Score of **85** → **+8%** vs Peer Average.
- Maximum score for the **Management part**.

Debt profile: optimal leverage, cost and maturity

After the Bond Buy-Back (Jan 23)¹



As of 31/12/22

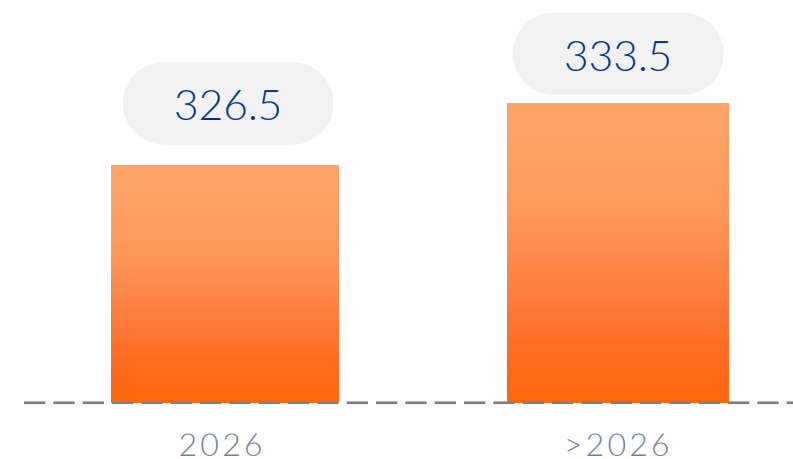


FitchRatings
BBB

ISS

The Green Bond Principles

Maturity Profile
Debt (€Mn)

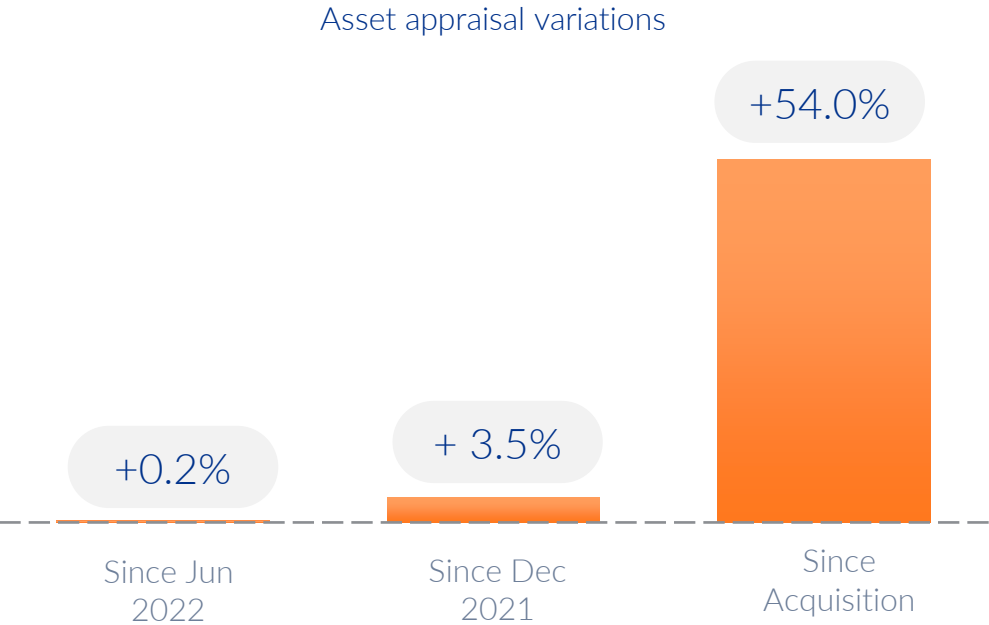


¹ Pro-forma after bond buy-back (January 2023)

Strong valuations

31st December 2022 Valuation
€1,473 Mn

Including Capex Invested

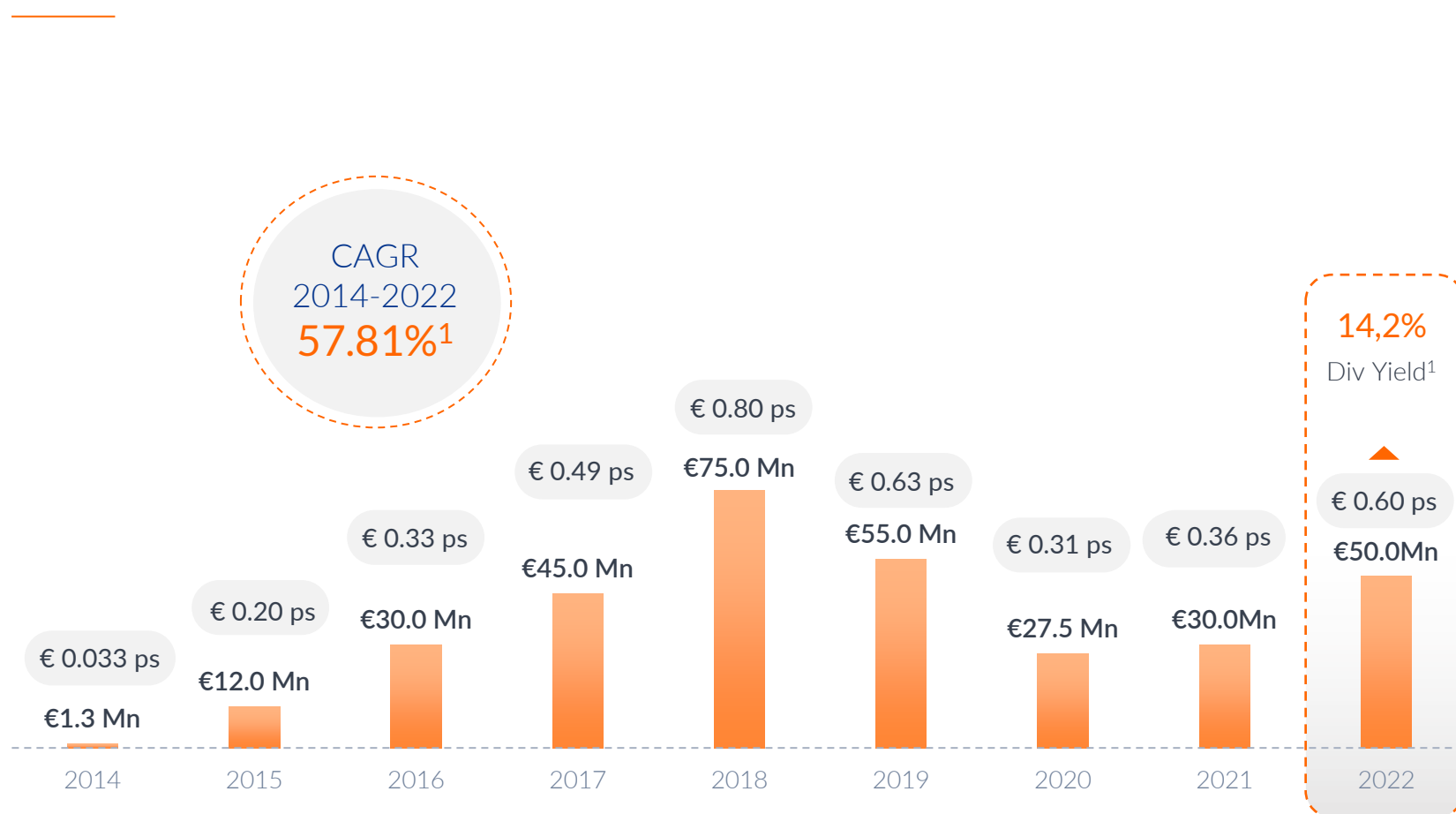


Asset appraisal variations

	Dec 2022 vs Dec 2021	Dec 2022 vs Jun 2022
Lar España	+3.5%	+0.2%
Peer 1	-2.7%	-2.3%
Peer 2	-0.2%	+0.2%
Peer 3	-0.7%	-1.1%
Peer 4	+0.9%	-0.8%
Peer 5	+1.0%	-0.1%

The capital value/sqm is solid and remains fully controlled

We have paid one of the highest ordinary dividends in our history



¹ Over market cap 31 December
² Including the 2022 dividend paid in April 2023

One of the most profitable options, not only by dividends, in the Spanish market

One of the most profitable options for investors in the Spanish market

Dividends		
2023	€ 50.0 Mn	14.2% Div yield ¹
2022	€ 30.0 Mn	7.0% Div yield ¹
2021	€ 27.5 Mn	6.7% Div. yield ¹
2020	€ 55.0 Mn	8.9% Div. yield ¹
Total	€162.5 Mn	

One of the largest capital reductions in the Spanish stock market during last years

Share Buy-Back	
2021	4.5% Share Capital ²
2020	5.4% Share Capital ²
2019	3.5% Share Capital ²
Total	13.4% Share Capital

A new way to improve profitability:
Bond Buy-Back

Bond Buy-Back	
2023	€ 90.5 Mn
Total	€ 90.5 Mn

+c.€20 Mn

profit in the income statement for Q1 2023



1 Over market cap
2 % calculated over 87.633.730 share capital

We continue to overperform our European peers...

	LAR ESPAÑA	MARKET AVERAGE ¹
GRI vs FY 2021	+6.1%	+5.1%
Net Profit vs FY 2021	+182.8%	+47.2%
Occupancy rate	96.6%	95.4%
Asset Valuation vs Dec21	+3.5%	-0.1%
NTA per share vs Dec 2021	+7.2% ²	+0.3%
LTV	37.1% ²	38.8%
Average cost of debt	1.8%	1.9%
Dividend over market cap	14.2% ³	8.3% ³
Sell-side potential share revaluation	+68.9%	-1.7%
% of positive sell-side recommendations ⁴	90.0%	76.7%

1 According to FY2022 results published by European peers

2 Pro-forma after Bond buy-back (January 2023)

3 Dividend proposed (0.6 €p.s). Market Cap at 31 Dec 2022

4 According to Reuters 23/02/23

... and we have a New Business Plan to be developed in the next few years



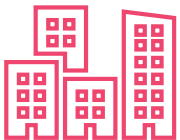
Preserve occupancy levels.



Support tenants in the improvement of their activity levels and sales.



Maintain a strategy of proximity to the most important retailers to implement potential new projects with them in our assets.



Reinvest in the assets that need it most in terms of image and promote profitable operations.



Moving forward thanks to an omni-channel strategy.



Returning to the normalized asset rotation policy.

3

Final Remarks



Strong leadership in Spanish Retail makes Lar España an extremely attractive company



1 SOLID OPERATING RESULTS

+6.3% LfL NOI vs FY21

2 MAJOR INCREASE IN PROFIT

c. 3X Net profit vs FY21

3 SOUND VALUATION

1,473 GAV
+3.5% vs Dec 2021

4 MODERATE DEBT LEVEL

37.1% LTV
1.8% average cost of debt
100% fixed rate and
unencumbered

5 IMPROVEMENT IN EPRA FIGURES

€914.3 EPRA NTA
11.16 p.s.

6 ONE OF THE HIGHEST ORDINARY DIVIDENDS IN OUR HISTORY

€50 Mn
€0.60 p.s.
+66.7% vs FY 2021

by the hand of our strategy

**STRONG
PORTFOLIO**

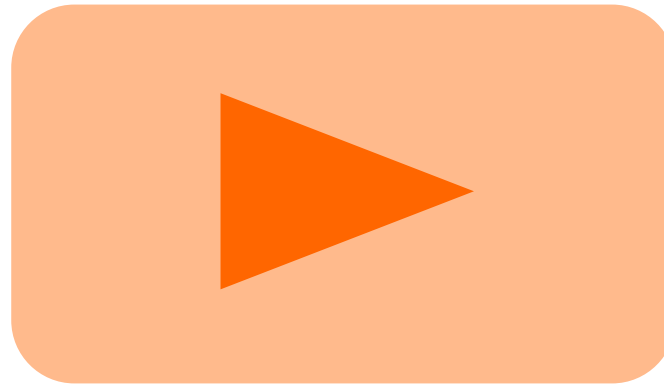
**ACTIVE ASSET
MANAGEMENT**

**OMNICHANNEL
STRATEGY**

**TOP IN CLASS ESG
PRACTICES**

**SHAREHOLDER
PROFITABILITY**

As you can see in two minutes



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