



The REIT
for the new retail world!

LAR ESPAÑA AT A GLANCE

December 2022





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Company Overview

1



Lar España at a glance

14

Assets

100%

Overship of the assets

551,405

Sqm GLA

100%

Focused on Spanish retail

€1,474 Mn

Gross Asset Value

74.4 Mn

Foot-fall in 2021



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.



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



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



Ànecblau | SC
29,069 sqm
Visits: 2.9 Mn
Sales: €34.4 Mn
Dominant



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



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



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



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



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



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



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



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



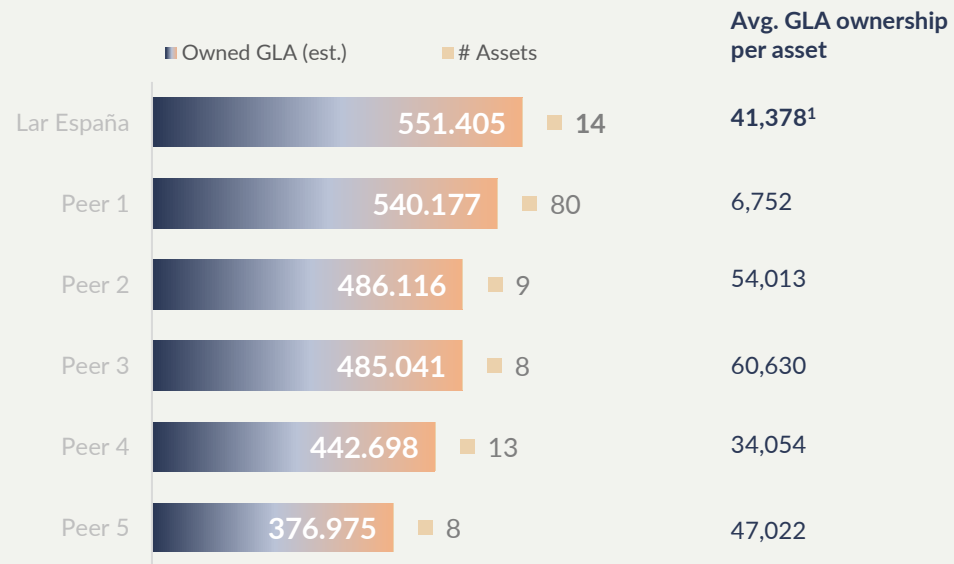
Albacenter | SC
26,310 sqm
Visits: 3.5 Mn
Sales: €26.3 Mn
Dominant



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

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

2021, a strong performance video



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 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.

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



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9M 2022 Results

2



9M 2022 Financial Results

GRI

€64.1Mn
+7.2%¹ vs 9M 2021

NOI

€55.4Mn
+10.4%¹ vs 9M 2021

NET PROFIT

€68.4 Mn
5x vs 9M 2021

EPRA EARNINGS p.s.

€0.33
+42% vs 9M 2021

EPRA NTA p.s.

€10.88²
+5% vs Dec 2021

GAV

€1,474 Mn

WAULT

2.6 years

EPRA “TOPPED-UP” NIY

6.0%

OCCUPANCY

95.4%

COLLECTED RENTS

97%

¹ Like for Like (excluding 22 supermarkets portfolio)

² When analyzing the evolution of this measure it is important to take into account the dividend paid Q2 2022 (0.36€ p.s.)

9M 2022 Corporate Results

DIVIDEND

€30.0 Mn

€0.36 p.s. paid dividend

DIVIDEND YIELD OVER MARKET CAP

7.0%

LIQUIDITY

ca. €200¹ Mn

NET LTV

38.9%

AVERAGE COST OF DEBT

1.8%

100% debt at fixed rate.
Maturities beyond 2026

GREEN BOND ISSUANCES

July 2021

€400 Mn

1.75% Interest rate

Nov. 2021

€300 Mn

1.84% Interest rate

¹ Not included the credit facility of €30 Mn

P&L 9M 2022: clear recovery of the profit during the period

Consolidated Income Statement 9M 2022 (€ Thousands)	9M 2022	9M 2021	Var %
	Total		
Revenues	61,830	58,354	
Other Income	2,263	2,053	
Total Income	64,093	60,407	+6%
Personnel expenses	(690)	(416)	
Other expenses	(19,854)	(24,409)	
Changes in the Fair Value of investment properties	41,055	(7,564)	
Results from Divestment	-	9	
EBIT	84,604	28,027	3x
Financial Result	(11,910)	(16,197)	
Changes in the Fair Value of financial instruments	(4,336)	865	
EBT	68,359	12,695	5x
Income Tax	-	1,623	
Profit/(Loss) for the Period	68,359	14,318	5x

Notes: May not foot due to rounding.

ESG Video



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



24th out of 116; General ranking
5th out of 25; Real Estate ranking



EPRA Gold Award Financial Information
2015-2022 (8 years in a row)

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. Working on 2021 registration



EPRA Gold Award ESG Information
2018-2022 (5 years in a row)

Scorings



Certifications



ISO 14001 & ISO 45001



100% portfolio certified:

3 Excellent
10 VeryGood
1 Good

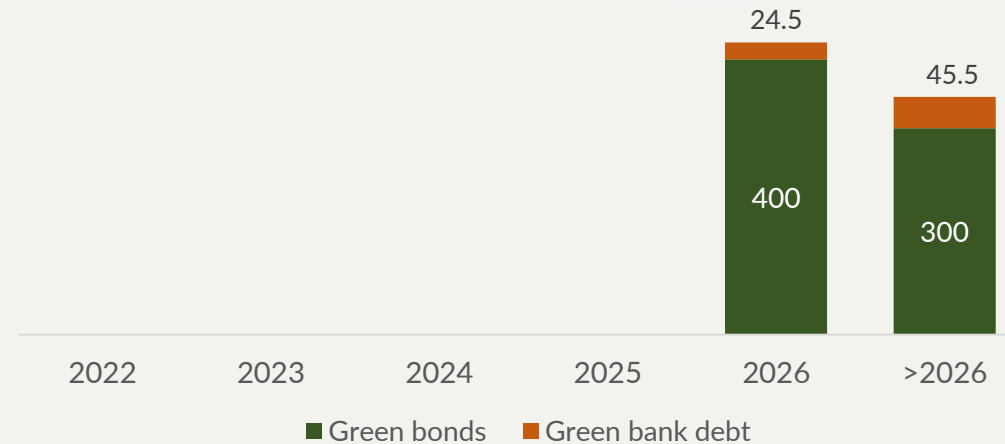
Debt profile: investment grade and successful bond issuances

BBB
FitchRatings

As of
30/06/22

- **€770 Mn**
Gross Financial debt
- **€585 Mn**
Net financial debt
- **1.8% average cost of debt**
(40 bps improvement vs 1H21)
- **5.2 years**
Avg. Debt Maturity
- **100% Fixed rate and Unencumbered**
- **100% Green debt**

Maturity Profile – Post issuances
Debt (€Mn)



ISS
Second party opinion

BBB stable outlook - Rating affirmed

BBB

FitchRatings

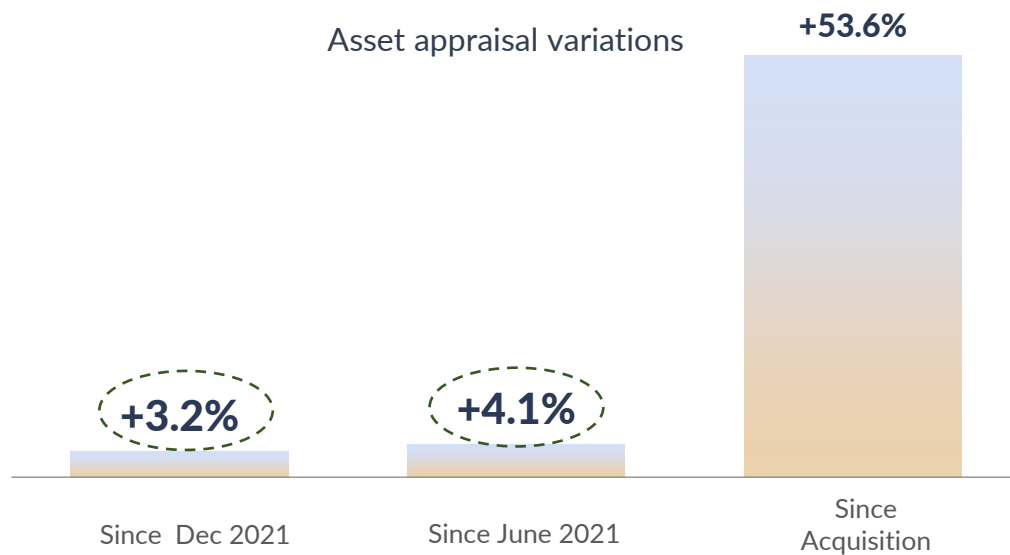
Fitch underlines that:

- Its rating reflects both the **regional dominance** and the high retail space of Lar España's portfolio of 14 shopping centers and retail parks, as well as **its valuation of more than 1.4 billion euros** at the end of 2021.
- The rents set for its portfolio are affordable and assume reasonable occupancy costs.
- The degree of financial leverage is moderate, with normalised debt below eight times EBITDA.
- It valued the **steady improvement in occupancy** rates at Lar España's assets to around 96%, while final sales by its tenants are already 10% above pre-pandemic figures.
- The **high recurrence of income** over the past year, as well as the good pace of **renovations and payments** so far in 2022, corroborate the quality of the locations and the dominance of the firm assets in their respective areas of influence.
- From 2023 onwards, **Lar España's rental income is expected to grow significantly, once tenant incentives are completed and the effects of asset modernisation and capex investments undertaken by the company crystallise.**

Strong valuations

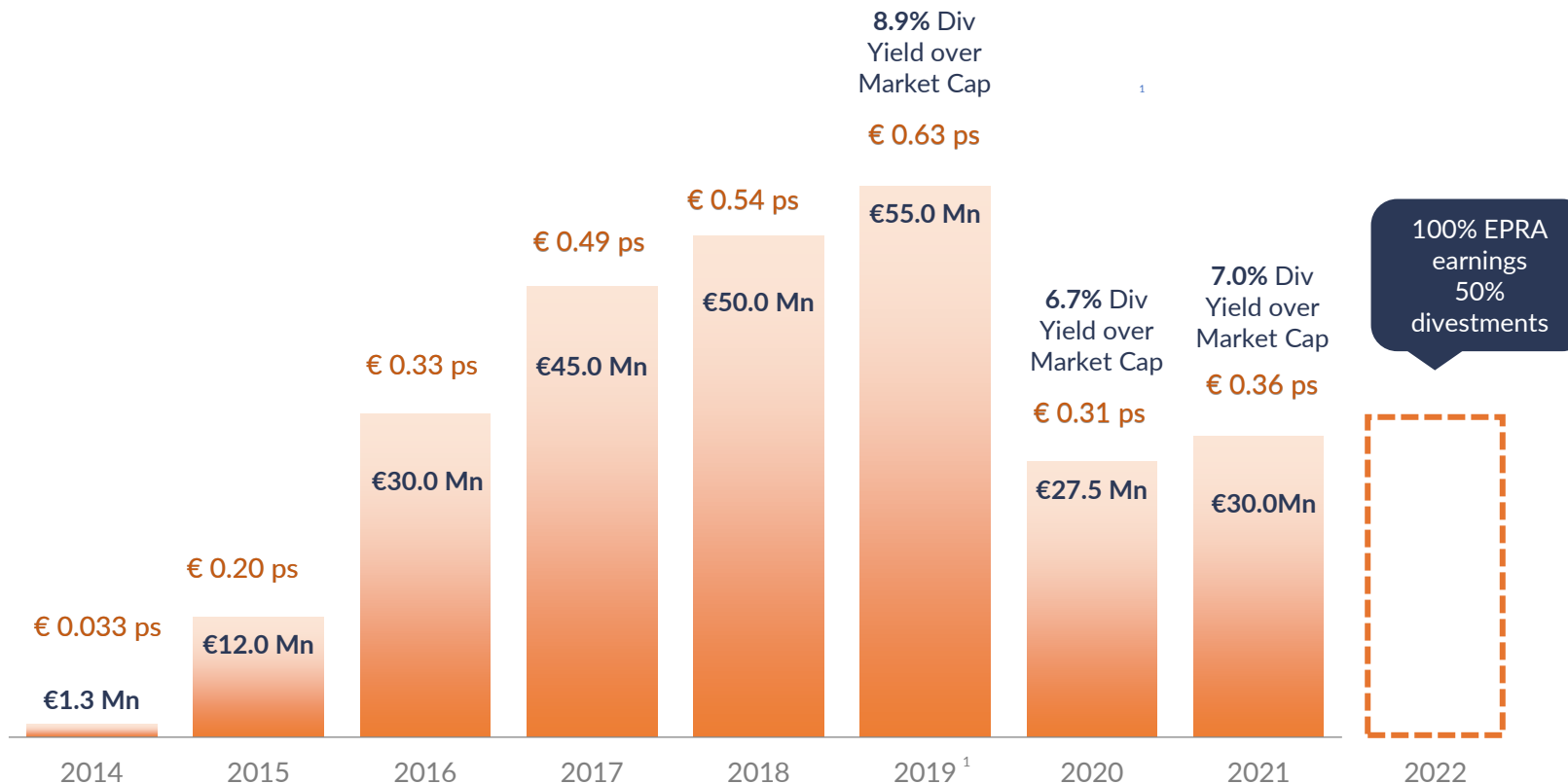
30th June 2022 Valuation
€1,470 Mn

Including Capex Invested



- A **resilient** portfolio of **dominant** shopping centers 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.

Attractive dividend: Maintained despite Covid-19 and macro environment



CAGR (Compound Average Growth Rate) 2014-2021
41%

7.0% dividend yield on market cap Dec 2021
(Among the leading Spanish in terms of shareholder remuneration)

Dividend is slightly recovering from COVID-19 pandemic impact (+16.1% vs 2020)

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



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Business Plan 2022-2025

3



New Business Plan 2022-2025: Strategy



**Preserve
occupancy
levels**



**Support
tenants** in
the recovery
of their
activity levels
and sales



**Recover
leasing
activity levels,**
returning to
pre-pandemic
transaction
numbers



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



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



**Return to
pre-pandemic
valuation
levels**

New Business Plan 2022-2025: Asset Rotation

Lar España has a tier-one retail portfolio, with certain assets that will be rotated over the 2022-2025 period as fully optimized.

The disposal strategy of this type of assets would generate CF in order to buy assets that would **increase the return and the profitability of our shareholders.**

After a detailed analysis of all the assets in the portfolio and their growth prospects, **as potential divestments we have included those assets that are more mature in our portfolio.** The execution of these divestments would depend on the market.



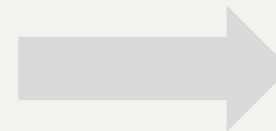
**ca.30%
Rotation
included**



**>€400Mn
Total
divestments**



**>€500Mn
Total new
investments**



- ✓ **Shopping centres and retail parks, with strong growth potential.**
- ✓ **New developments.**

New Business Plan 2022-2025: Assumptions

1 **LEVERAGE**

40%-45%
Moderate Net LTV levels

2 **SHARE CAPITAL**

No capital increases considered currently

3 **MANAGEMENT AGREEMENT**

Investment Management Agreement with
best-in-class practices across European
REITs

4 **SHARE BUY-BACK PROGRAMMES**

No additional Share Buy-Back Programmes
included in the Business Plan at the moment

5 **DIVIDENDS**

100% EPRA earnings + 50% Divestment
gains (to be distributed annually)

6 **RETURNS**

Back to returns above 10%

New Business Plan 2022-2025: Targets

●	GAV	ca. 7%	Average growth per annum	●	Annualized GRI ⁽²⁾	ca. 7%	Average growth per annum
●	NAV/NTA	ca. 7%	Average growth per annum	●	Annualized NOI ⁽²⁾	ca.8%	Average growth per annum
●	Net LTV ⁽¹⁾	ca.41%	BBB Fitch 	●	EPRA Earnings ⁽²⁾	ca.45%	Average growth per annum
●	Occupancy ⁽²⁾	towards 98%		●	Dividend yield over NAV/NTA	>5%	Starting in 2023
				●	Total Annual Return ⁽³⁾	>10%	

(1) Estimated as at 31 December 2025

(2) In accordance with EPRA BPRs.

(3) EPRA NAV/NTA growth + Dividend.

* These are targets only and not profit forecasts. There can be no assurance that these targets can or will be met and they should not be seen as an indication of Lar España Real Estate SOCIMI, S.A.'s expected or actual results or returns. Accordingly, investors should not place any reliance on these targets in deciding whether to invest in its shares. In addition, as noted previously, prospective purchasers of securities of the company are required to make their own independent investigation and appraisal.



Final remarks

4



The company continues to be well prepared for major uncertainties



Rents

Strong results.
GRI +7.2%¹ vs 9M 2021
Effort rate including all
the expenses: 9.3%



Occupancy

Increase of occupancy levels
with ca. 100% agreements with
retailers already signed and no
relevant losses in the tenant mix.



Portfolio

100% refurbished.
Solid valuation of the assets.
Stable occupancy 95% in
2018-2022



Essential activities

Higher exposure to food and
other essential activities:
about 25%.



Retailers

We strengthened our
commitment and relationship
with retailers.



Inflation

100% of tenant contracts are
indexed to the CPI.
The average ticket of our centers
is medium/low.



Interest rates

All our financial debt is at a
fixed rate (1.8%) and with
maturities beyond 2026.



Debt structure

Improved capital structure
through issuance of 2 green
bonds, extending maturity and
improving cost of debt.



Energy

All energy costs are passed on to
tenants.
See ESG slide for further
information.



Business Plan

We reinforced our business plan,
its implementation and
communication.
We expect ca. 7% average
growth per annum in GRI and
GAV.

¹ Like for Like (excluding 22 supermarkets portfolio)

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

1

Increase in rental income.

+7.2% GRI vs 9M 2021

2

Solid operating results.

+10.4% NOI vs 9M 2021

3

Major increase in revenues.

5X net profit vs 9M 2021

4

Moderate debt level.

LTV 38.9%

5

Improvement in EPRA figures.

€10.88 EPRA NTA p.s.
+5% vs 9M 2021

6

Strong valuations.

€1,474 Mn GAV

7

Attractive dividend policy.

7.0% dividend yield over market cap
(Dec 2021)

8

Highest % of positive sell side
recommendations among European peers:
(91.7%).

+59.9 potential revaluation

9

Committed to 100% compliance with good
governance practices and the highest
environmental and social standards.

Top class ESG practices



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