



Fitch confirms BBB Investment Grade rating and stable outlook for LAR ESPAÑA and debt

Madrid, 11 July 2022. Ratings agency Fitch has maintained the investment grade rating or BBB stable rating for both real estate firm Lar España and its two green bond issues totalling 700 million euros, as has been communicated to the market today. Lar España, the only real estate firm specialising in retail that is listed on Spain's Continuous Market, thus maintains the highest rating in its segment.

Lar España debt, comprising two senior unsecured green bond issues, was raised by the firm in July and November last year, for respective amounts of 400 million and 300 million euros, the maximum amounts foreseen. They were oversubscribed by four and five times in each case.

Through these bond issues, Lar España ensured greater flexibility for all its corporate debt, eliminating asset guarantees and significantly extending maturities to July 2026 for the first bond issue and to November 2028 for the second. Following both issues, the average maturity was increased from 2.6 years to 6.2 years, and the average total cost of debt was reduced from 2.2% to 1.8% at a fixed rate.

Both issues were placed with qualified investors and are listed on the official list of the Luxembourg Stock Exchange, where they trade on its multilateral trading system Euro MTF Market.

Jon Armentia, corporate director and CFO of Lar España, said: *"Fitch's ratification of Lar España's BBB stable rating confirms that the very high demand obtained last year for the two senior bond issues among top-tier institutional investors was a management success. Being so significantly ahead of maturity of the debt, the excellent reception of the two bonds and now the ratification of the Fitch rating once again highlight international confidence in the differential retail project that Lar España represents in the Spanish and European landscape, and the very high quality of our assets as a whole".*

In today's announcement, Fitch underlines that its rating reflects both the regional dominance and the high retail space of Lar España's portfolio of 14 shopping centres and retail parks, as well as its valuation of more than 1.4 billion euros at the end of 2021. It considers that rents set for its portfolio are affordable and assume reasonable occupancy costs, and that the degree of financial leverage is moderate, with normalised debt below eight times EBITDA.

The rating agency particularly 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. It also stresses that 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 firms assets in their respective areas of influence. It adds that 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.

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 550,000 square meters for rent and 1,425 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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