



The REIT for the **new retail world**

1H 2023 RESULTS PRESENTATION

28th July 2023



Presenting **Team**



Miguel Pereda

Vice-Chairman of Lar España &
Chairman of Grupo Lar



Jose Manuel Llovet

Chief Executive Officer of
Commercial Real Estate of Grupo Lar



Jon Armentia

Corporate Director and CFO of
Lar España



Hernán San Pedro

Investor Relations and Corporate
Communication Director of Lar España

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3 Operating, financial and ESG results

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1 Highlights

Miguel Pereda

Vice- Chairman of Lar España & Chairman of Grupo Lar



Spain comparative position and Lar España strengths

CPI interannual June 2023



5.5%



1.9%



100% of tenant contracts are indexed to the CPI.

Collection rate stands at 98%

Interest rates eurozone



4.25%



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

Annual change GDP Mar 23



+1.3%



+3.8%



Our NOI has grown +21.6% vs 1H22



2023, a year of relevant milestones



1 Dividend distribution

€50 Mn
14.2% Dividend yield over market cap

2 Bond Buy-Back repurchase

+€20.4 Mn
in the P&L

3 Fitch confirms its investment grade

Fitch again confirms Lar España's BBB investment grade rating and stable outlook

4 ESG Certifications

100% of assets BREEAM certified and 100%¹ ISO 45001 and 14001 certified.

5 Stable Valuations

-0.3%
GAV vs June 2022

6 Divestment

€129.1 Mn
Sale Price
+24%
Revaluation since acquisition

¹ Assets with operational control

Once again, 1H 2023 has been a semester of growth...

Our centers



Sales¹

€505.1 Mn +7.5% vs 1H 2022
+16.1% vs 1H 2019²



Footfall

39.5 Mn visits +3.7% vs 1H 2022
-2.9% vs 1H 2019²

How it has been reflected in our P&L



GRI

€48.9 Mn +16.4% vs 1H 2022



Net profit

€35.1 Mn 3.4x vs 1H 2022³

1 Declared sales

2 LfL excluding Lagoh shopping centre

3 Without taking into account the change in the value of the assets

2

Active management

Jose Manuel Llovet

Chief Executive Officer of Commercial Real Estate of Grupo Lar



Leasing activity 1H 2023

EXISTING
CONTRACTS

> 1,000

GLA ROTATED

28,149 sqm

NEGOTIATED
RENTS

€7.1 Mn

RENT UPLIFT

+7.7%¹

ANNUALIZED
ROTATION RATE

10%

100

Operations



8

New lettings

22

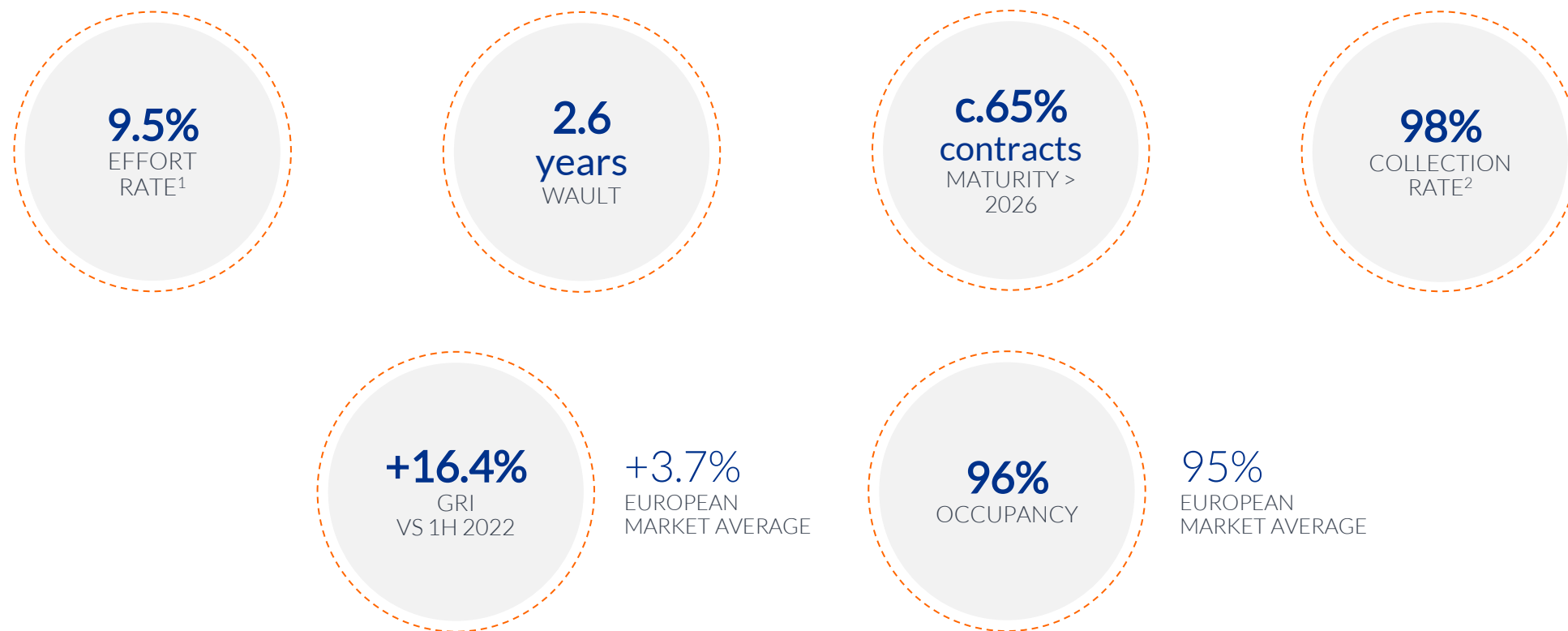
Relettings

70

Renewals

¹ In addition to the indexation of contracts

Operating results in 1H 2023



1 Including expenses

2 Percentage of rents and expenses collected from tenants in 2023

Sales by activity 1H 2023

Sales 1H 2023¹:
€505.1 Mn +7.5% vs 1H 2022

FOOD

+9.1% vs 1H 2022

CULTURE, TECH AND MULTIMEDIA

+11.5% vs 1H 2022

LEISURE AND ENTERTAINMENT

+13.6% vs 1H 2022

HOME

-2.9% vs 1H 2022

FASHION

+7.5% vs 1H 2022

DINING

+15.9% vs 1H 2022

HEALTH AND BEAUTY

+19.1% vs 1H 2022

SERVICES

+2.6% vs 1H 2022

SPORTS AND ADVENTURE

+18.0% vs 1H 2022

OTHERS

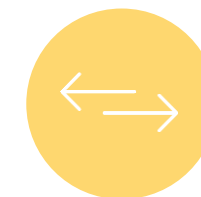
+24.1% vs 1H 2022

¹ Declared sales

€4.3 Mn invested in the improvement of our assets: generating more value

As **Termas** with close to **€2 Mn** lead the investment made during the first six months of the year, mainly due to an agreement with the Inditex Group for the remodeling, expansion and incorporation of the most advanced digital tools in the Zara store, improving the shopping experience at an aesthetic and functional level.

The project has also opted for the use of **sustainable materials**. The shopping center now has the only Zara store in the province of Lugo.



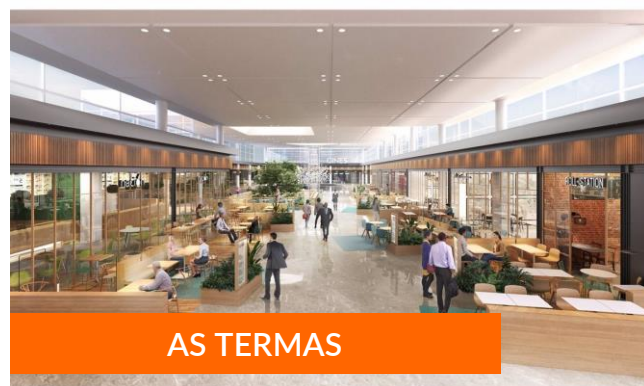
€4.3 Mn

Invested in capex



+53.2%

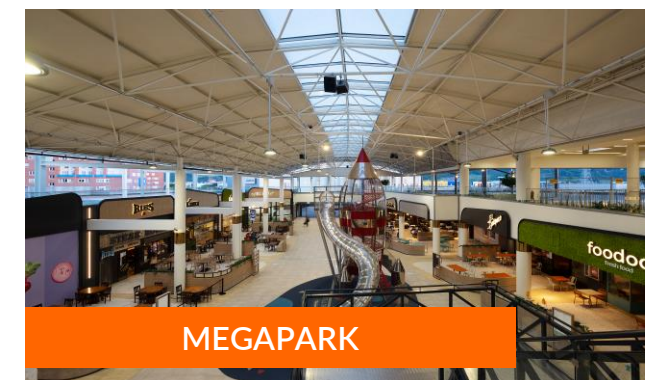
Revaluation since acquisition



AS TERMAS



GRAN VÍA DE VIGO



MEGAPARK

New openings in our shopping centers and retail parks



100
Operations



GEOX

STRADIVARIUS

ZARA

FIFTY

CódigoDenim

Brasayleña
Churrascarias

 **Landed**

DECIMAS

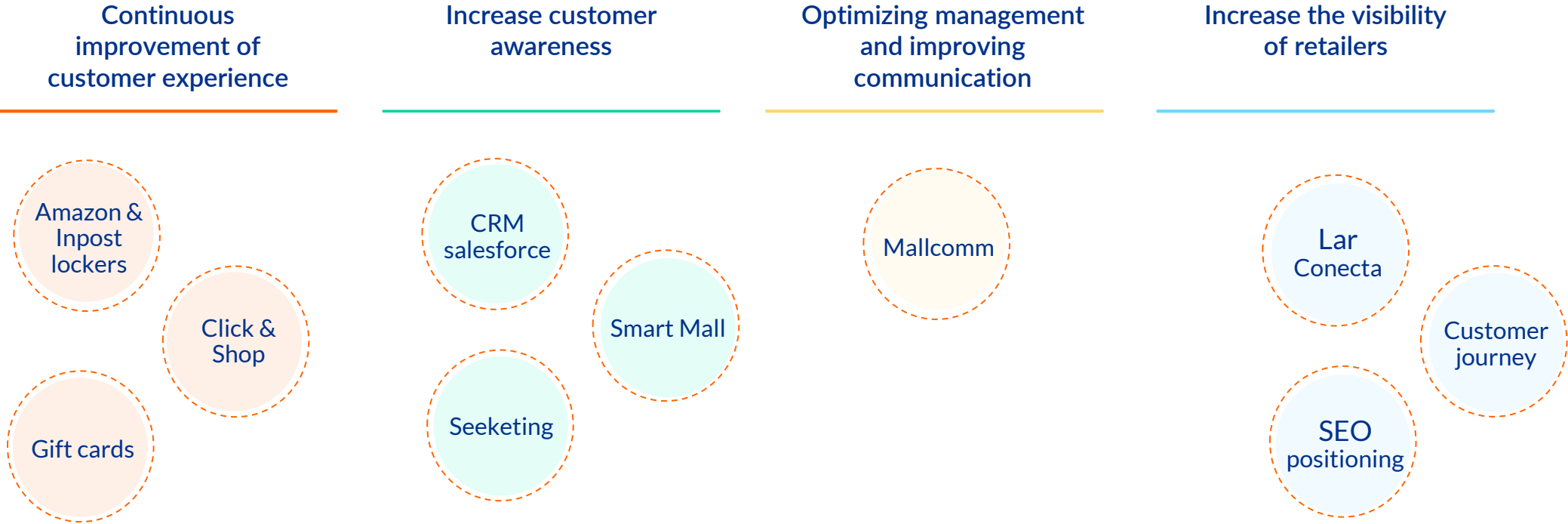
PULL&BEAR

llaollao.TM
NATURAL
FROZEN YOGURT.

Besson
· calzados ·

TONY ROMA'S

With permanent focus on innovation



3

Operating, financial & ESG results

Jon Armentia

Corporate Director and CFO of Lar España



Strong set of results

€33.5 Mn
EBITDA

+25.6%
vs 1H 22

€47.2 Mn
EPRA EARNINGS

3.4x
vs 1H 22

€10.76 p.s.
EPRA NTA PER SHARE

+6.0%¹
vs 1H 22

€1,465.3 Mn
GAV

-0.3%
vs June 22

1 Taking into account the dividend distributed in Q2 2023

with a solid financial profile



1 NET FINANCIAL
DEBT

€558.2 Mn

2 NET LTV

38.1%

3 AVERAGE COST
OF DEBT

1.8%

4 AVERAGE DEBT MATURITY

4.3 years

5 GREEN, FIXED RATE
AND UNENCUMBERED

100%

6 SOLID CASH
POSITION

c. €95 Mn



that has been recognized again by Fitch

Fitch Ratings

again confirms Lar
España's BBB
investment grade
rating and stable
outlook because of...

Maintenance of a **high occupancy rate of 96%**

Affordability of rents

Rapid normalisation of **rent collection** after the pandemic

Higher spending per visitor

Quality of the portfolio

Reduction of financing costs



Successful Bond-buy-back program

Key transaction terms

Strong bondholder demand resulting in a successful transaction for Lar España's shareholders

Implied discount achieved on bond repurchase of 18%

Accretive transaction on an EPRA NTA basis, increasing NTA per share to €10.76¹ p.s.

Sources and uses

Sources	€mm
Cash from Balance Sheet 1Q 2023	90.5
Cash from Balance Sheet 2Q 2023	7.2
Total Sources	97.7

+ €20.4 Mn profit in the P&L

¹ When analyzing this figure it is important to take into account the dividend paid in Q2 2023 (0.60€/share).

Outperforming again the market average

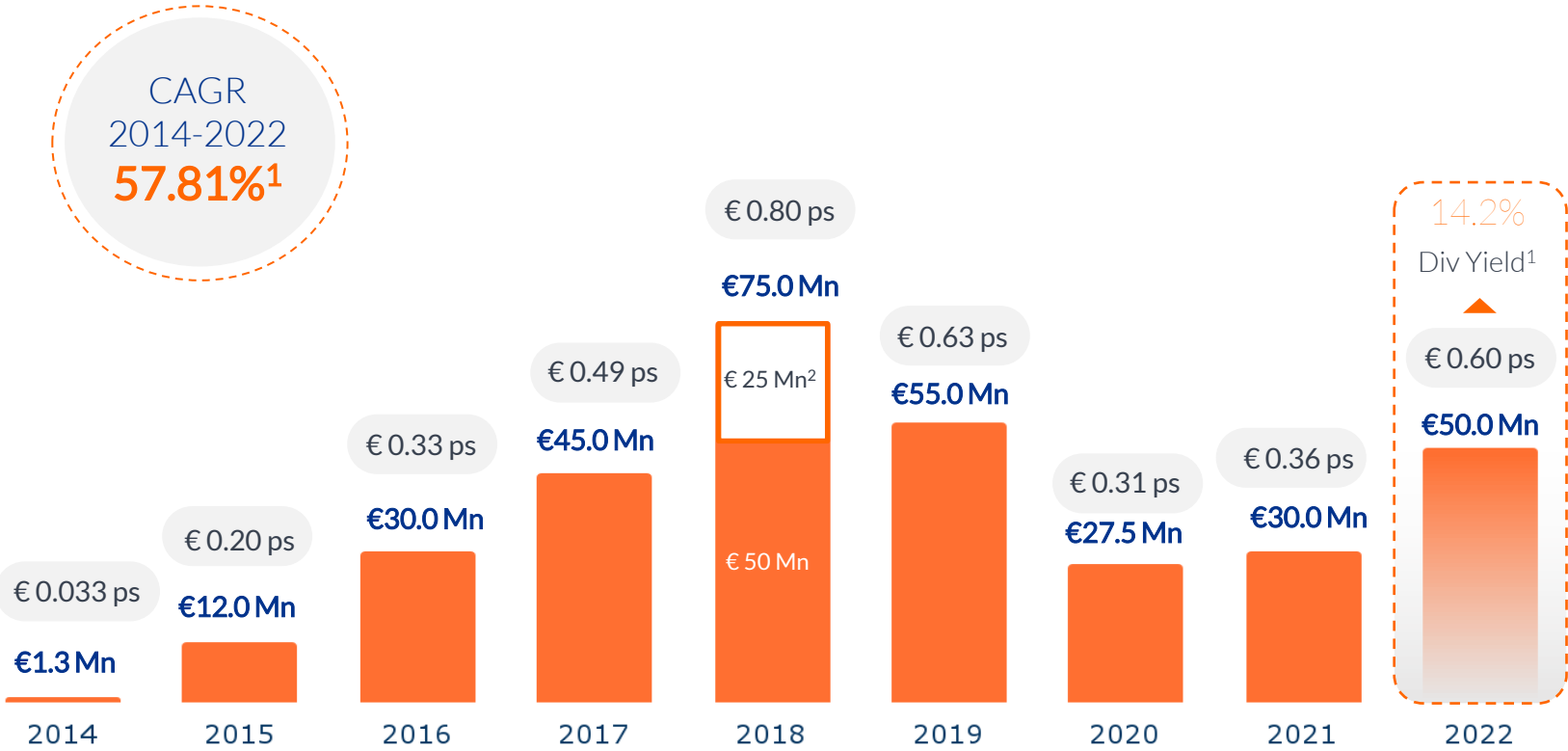


	LAR ESPAÑA	MARKET AVERAGE ²
GRI vs 1H 2022	+16.4%	+3.7%
NOI vs 1H 2022	+21.6%	+1.1%
Occupancy	96%	95%
Asset Valuation vs Dec 22	-0.5%	-3.0%
Asset Valuation vs Jun 22	-0.3%	-4.8%
NTA per share ² vs Dec 22	-1.6%	-5.6%
Dividend Yield over market cap ¹	14.2%	7.5%

¹ Over market cap 31 December 2022

² According to 1H 2023 results published by European peers

Paying one of the highest ordinary dividends in our history

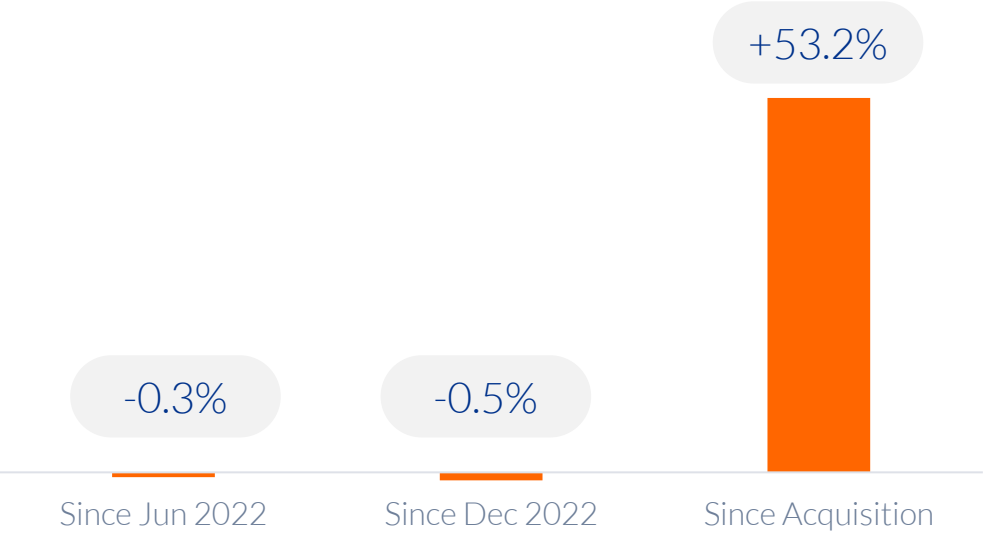


1 Over market cap 31 December
2 Extraordinary dividend Lagasca sale

And our valuations keep stable

30th June 2023 Valuation
€1,465.3 Mn

Asset appraisal variations



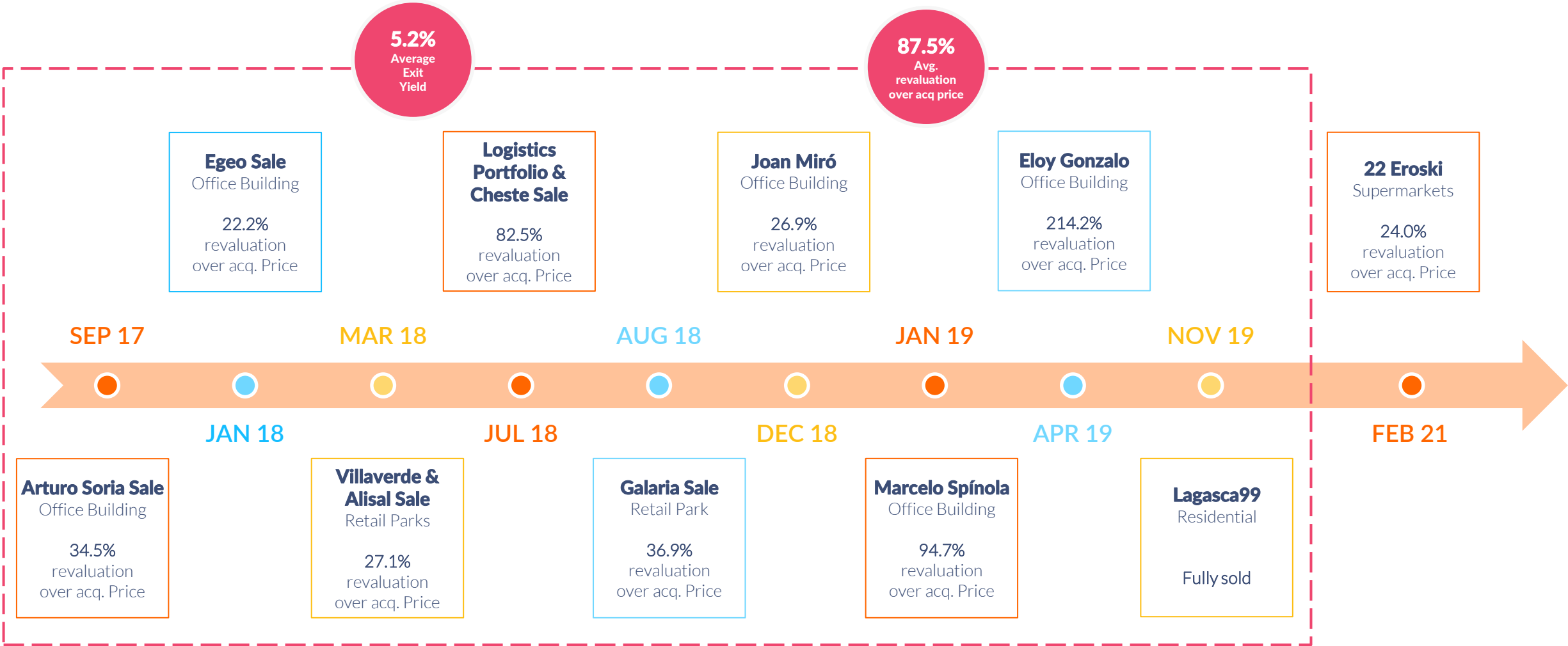
The capital value/sqm is solid and remains fully controlled

Valuation evolution vs European peers¹

	June 2023 vs December 2022
Lar España	-0.5%
Peer 1	-2.9%
Peer 2	-2.3%
Peer 3	-3.4%
Peer 4	-2.3%
Peer 5	-8.0%

1 According to 1H 2023 results published by European peers

From the very beginning, we have been pursuing a successful asset rotation policy...



...which we have confirmed once again



GLA
33,763 sqm

WAULT
2.8 years

Occupancy
97.9%

€129.1
Mn
Sale Price

+24.0%
Revaluation
since
acquisition



GLA
36,447 sqm

WAULT
2.3 years

Occupancy
92.4%

6.3%
Average
Exit
Yield¹

We continue with our focus on ESG...

Carbon footprint



Working in registration of Company's carbon footprint for a fifth consecutive year, submitting 2022 data with the MITERD. This process will once again receive independent verification of its calculation from Bureau Veritas.

Water management

Water consumption analysis for each asset in accordance with the criteria set out under ISO 46001.

Climate Risks



Lar España has become a supporter of the initiative. This analysis is currently in the final stages of its evaluation in which the impact of transition risks are also identified and assessed.

Sustainable Mobility

+200 charging points for electric vehicles.
All España's assets are within the scope of local public transport networks

Accessibility

Awarded 3 new Universal Accessibility certifications under the UNE-170001 standard, meaning more than 60% of the portfolio is currently certified under this standard.

UN Global Compact

Renewal of the Commitment to the UN Global Compact and SDG goals.
Participation in the Climate Ambition Accelerator program



Green clauses

c. 20% of leases signed by Lar España's portfolio include Green Leasing Clauses

International indexes



BBB MSCI ESG Rating

MSCI has ratified and confirmed in 2023 their **BBB ESG Rating** for Lar España Real Estate. Sixth year running in GRESB Real Estate-related assessment.

Ibex Gender Equality

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.

...improving our ESG KPIs...

Environmental data for effective reporting

Electricity consumption

Electricity consumption	-9.8%
	vs H1 2022
Intensity of energy consumption	-13.3% per visitor
	vs H1 2022

Water consumption

Water consumption	-3.3%
	vs H1 2022
Intensity of water consumption	-5.5% per visitor
	vs H1 2022

Fuel consumption

Fuel consumption	-15.5%
	vs H1 2022

GHG emissions

Scope 1+2	-39.4%
	vs H1 2022
Scope 1+2+3	-38.3%
	vs H1 2022
Scope 1+2+3 per visitor	-40.5%
	vs H1 2022

Waste generation

Waste generation	+10.6%
	vs H1 2022
Waste recycled	+12.6%
	vs H1 2022

Social impact for better communities

+1,500 hours

dedicated to **social**
actions and initiatives

+€160,000

invested in social initiatives

+2,500 kgs

clothes donated

+4,000 kgs

food collected

The Company has worked with over 70 organizations, companies, NGOs and foundations.

...and also our ESG certifications at asset level



ISO 14001

Recognizes Lar España's **commitment to the environment**, as it promotes sustainability internally and externally.



ISO 45001

Recognizes the **health and safety prevention system** that ensures that Lar España shopping centers are safe and healthful.



BREEAM

In 2022, Lar España achieved that its entire portfolio, made up of 14 assets, was certified by BREEAM which includes the degree of **environmental sustainability in buildings**.



P&L 1H 2023

	1H 2023	1H 2022	
Consolidated Income Statement 1H 2023 (€ Million)	Total	Total	
Revenues	47.2	40.5	<i>+16.6%</i>
Other Income	1.7	1.6	
Total Income	48.9	42.1	<i>+16.4%</i>
Personnel expenses	(0.4)	(0.5)	
Other expenses	(15.1)	(14.9)	
Changes in the fair value of investment properties	(12.1)	41.1	
Results from divestment	-	-	
EBIT	21.4	67.7	
Financial Result	(6.6)	(8.3)	
Impairment and result of financial instruments	20.4	(4.5)	
EBT	35.1	54.9	
Income Tax	-	-	
Profit/(Loss) for the Period	35.1	54.9	
Profit/(Loss) for the Period ex change in fair values ¹	47.2	13.8	3.4x

Notes: May not foot due to rounding

¹ Calculated without taking into account the change in the value of the assets

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Closing Remarks

Miguel Pereda

Vice- Chairman of Lar España & Chairman of Grupo Lar



In summary: another semester of strong results at operating, financial and corporate level

GROWING RENTS

+16.4%
GRI vs 1H 2022

MAJOR INCREASE IN PROFIT

3.4x
Net Profit¹ vs 1H 2022

MODERATE DEBT LEVEL

38.1%
Net LTV

BOND BUY-BACK

+€20.4 Mn
Profit in the P&L

STABLE VALUATIONS

-0.3%
GAV vs June 2022

STRONG DIVIDEND POLICY

€50 Mn
Dividend yield² 14.2%

IMPROVEMENTS IN ESG

100% of the portfolio
BREEAM certified

ISO 14001 & 45001
in 12 assets

DIVESTMENTS IN JULY 23

+24.0%
Revaluation since acquisition
€129.1 Mn
Sale price

¹ Calculated without taking into account the change in the value of the assets

² Over market cap

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