



HALF-YEARLY REPORT H1 2023

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Lar España in 2023

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1.1

Lar España in
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1.2

Shopping
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In July 2023, the rating agency Fitch **has announced the maintenance of the Investment Grade or ‘BBB’ stable rating** for both Lar España and its two active green bond issuances. Thus, the Company **remains the highest-rated company in its segment.**





1.1
Lar España in 2023

During the first half of the year, Lar España’s management model has remained focused on **creating value for its shareholders** and maintaining an **open and active dialogue** with its various stakeholders. The Company has continued to develop its business model, one that is specifically tailored to a prime asset portfolio and rooted on **pioneering innovation** and harnessing the latest technology to maximise the efficiency of its management approach.

The Company benefits from a **highly consolidated, solid roster of tenants of proven quality**, maintaining close contact with each and every one of them, strengthening its bond with retailers and supporting long-term, stable lease agreements at all of its shopping centres and retail parks.

Stable and sustainable leverage

In 2021, Lar España placed an issue of two unsecured senior green bonds for a joint total of €700 million, with one maturing in July 2026 and the other in November 2028. Following these two issues, the Company’s net debt stood at €770 million, with an average cost of 1.8%.

In H1 2023, the Company bought back part of the amounts of these bonds for a total of €118.6 million to reduce leverage, recognise a positive effect in the income statement and generate a return on the Company’s cash resources.

The first buy-back of both issues was completed in January for a total of **€110 million** and closed at a **discount of 18%**, equivalent to a total end price of **€90.5 million** that was fully paid using the company’s cash resources. Subsequently, partial repurchases of the first bond maturing in 2026 were made during H1 2023, for **a total amount of €8.6 million**. The average discount rate applied to these transactions was approximately **16%**.

These operations had a positive effect of **more than €20 million** on the Company’s H1 2023 income statement due to the discount with which the amounts were bought back.

Additionally, in July 2023, the rating agency Fitch also announced that it **had renewed the BBB Investment Grade rating** awarded both to Lar España and its two active green bond issues. This means that Lar España **remains the highest-rated company in its category**.

	Rating	Outlook
FitchRatings	BBB	Stable

A beacon for financial resilience

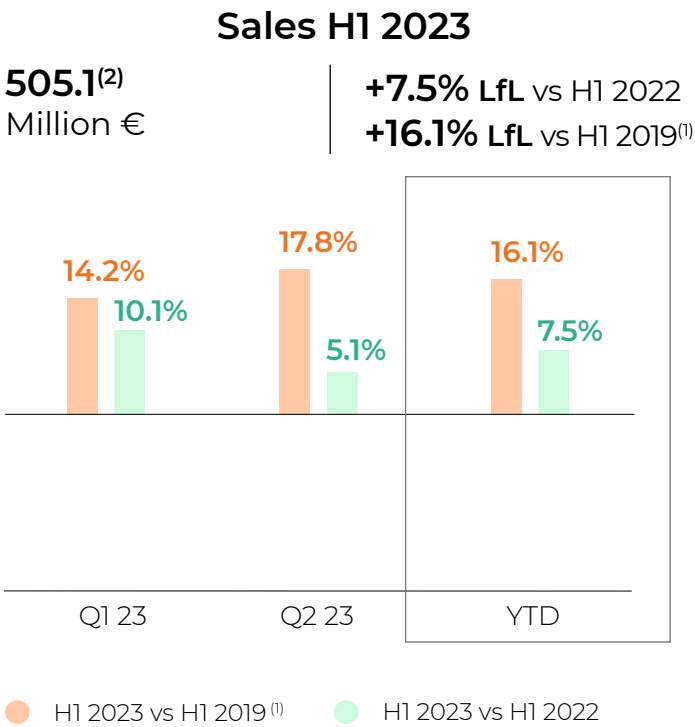
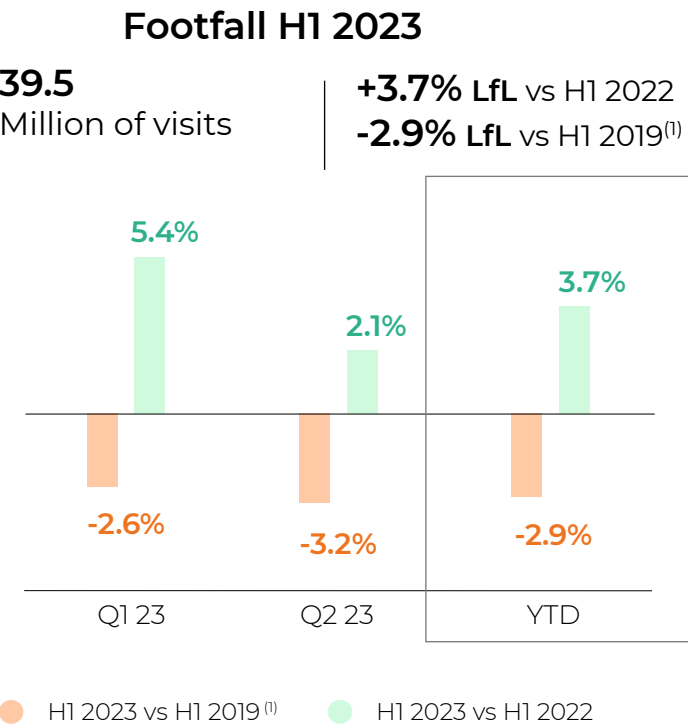
Lar España’s sound financial position, expertise in retail and its constant drive for technological innovation have all played a key role throughout this first half of the year. As has the fact that the Company’s portfolio comprises prime high-potential properties that have been subject to continual improvements during this time. The calibre of its portfolio is also reflected by the quality of the agreements in place with its many tenants, with close to **65% of the leases expiring in or later than 2026** and **occupancy standing at 96% at 30 June 2023**.

Operating income for H1 2023 reached **€49 million, more than 16% up** year on year, while profit for the first half of the year exceeded **€35 million**.

The Company **has continued to see footfall and sales rise** compared to the previous year. In H1 2023, a total of **39.5 million people visited** the assets in the portfolio, **up 3.7%** year on year. With regard to registered sales, the figure has risen to **€505.1 million, 7.5%** more than in the first half of 2022.

If the figures are compared with the first half of 2019, the Company confirms the recovery of activity in its shopping centers and parks, with an **increase of 16.1%** in registered sales and only **2.9% fewer visits** compared to those registered in **the first** six months of 2019. All this demonstrates the increase in the levels of spending made by visitors to assets.

Quarterly evolution of footfall & sales figures for Shopping Centres and Retail Parks in our portfolio (%)



(1) Like for Like excluding Lagoh shopping centre. / (2) Declared sales.
Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

Steadfast commitment to ESG

Incorporating ESG as a core part of its business model has been one of the Company's primary goals since the very outset, working to carry out its operations in a way that generates both an attractive return for shareholders and a positive environmental and social impact. Lar España has created economic value at the same time as it has addressed key environmental, social and governance issues relating to its corporate and operational needs. As such, the Company's roadmap focuses on **continuing to generate a positive impact across the sector**.

Section 3. ESG (Environmental, Social and Governance) of this report details the **chief milestones achieved and the Company's main ongoing projects**, with some of these including:

- Tracking **asset performance** thanks to the automated data collection platform (consumption, emissions, footfall, air quality).
- **100% of Lar España's assets are BREEAM-certified.**
- **100% of the assets under the Company's operational control** are now **ISO 14001 and ISO 45001 compliant.**
- Process put in place to begin analysing the Company's **Water Footprint** in order to achieve a detailed breakdown for consumption and set out potential measures for the future.
- **Installation** of electric vehicle **charging points.**
- Participation in the **Climate Ambition Accelerator programme** promoted by the Spanish Network of the Global Compact.



- **An increased number of green clauses included in lease agreements**, with approximately close to **20%** of agreements signed including such clauses.
- **Awarded three new Universal Accessibility certifications under the UNE-17001 standard**, meaning **more than 60% of the portfolio** is currently certified under this standard.
- Creation of a **Social Impact Committee.**
- **Satisfaction surveys** carried out.
- Promotion of inclusive **social and leisure-based initiatives.**
- In terms of gender, **the percentage of women sitting on the Board of Directors is 33.3%**, in line with the Directive for Gender Balance on Corporate Boards and Good Governance best practices. The Company continues to feature on the **IBEX Gender Equality Index.**
- **Analysis of the risks resulting from climate change** in line with the recommendations published by the Task Force on Climate-Related Financial Disclosures (TCFD) and **public support for the initiative.**
- **Participation in several leading global indices: GRESB, MSCI and Global Compact.**
- **Risk Map** updated in line with the Risk Control and Management Policy.

Thanks to the Company's automated platform for monitoring and analyzing operating data, **this half-yearly report includes figures on consumption and emissions, among others, for the first six months of the year.** According to the results obtained, Lar España made significant gains in environmental performance in the first six months of 2023:

- **Energy and water consumption** (in common areas) were kept in check thanks to the continued excellent work of our technicians, with fuel use down by **-15.5%**, electricity by **-9.8%** and water by **-3.3%**.
- Our **circular waste strategy** is working well: so far this year, the amount of all waste sent for recycling has grown by **+12.6%** thanks to more precise separation and tighter traceability measures.
- Finally, Lar España's efforts to **cut our GHG emissions** (Greenhouse gases) through effective policies and equipment upgrades are proving remarkably successful. Our Scope 1 and 2 emissions, which unlike Scope 3 are under our full control and responsibility, have been reduced by **-39.4%**.

Consumption and emissions data
H1 2023 vs H1 2022^(*)

Fuel consumption	Electricity consumption
-15.5%	-9.8%
Water consumption	Waste recycled
-3.3%	+12.6%
Scope 1+2 emissions	
-39.4%	



^(*) Data used to prepare this report are based on invoices from the supply companies and measurements from the sub-metering network deployed by Lar España in its portfolio. In a small number of cases where no bills have been issued or direct readings were not available, the figure has been estimated based on data from the same month of the previous year.

Leaders in sustainable financing

The asset management model employed by the Company and the decision to incorporate ESG criteria into this model means that **100% of the Company's debt is sustainable**, given it originates from a European Investment Bank loan granted in 2018 and drawn down in 2020, and following the two green bond issues completed in 2021.



The Company is able to opt for this type of **corporate financing** given that the following aspects, among others, are considered within its management model:

1 Environment and Asset › Promotion of sustainable certificates. › Economic and financial viability of all its investments. › Responsible management of assets and mitigation of environmental impacts.	2 Corporate Governance › Transparency, ethics and regulatory compliance. › Guarantees of good governance within the Company and by its internal bodies.	3 Social Capital › Implementation of measures that promote assets' accessibility. › Commitment to local organisations.
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Regarding the green bond issues, the sustainability strategy was assessed by **ISS Corporate Solutions**, which concluded that it was compliant with a series of criteria based on the **Green Bond Principles^(*)** published by the **ICMA (International Capital Markets Association)**:

The entire portfolio is **BREEAM-certified**.

Eligible project category	Criteria and project type	Related SDG
Green buildings	BREEAM certifications and other types of nationally or internationally recognised certifications.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Renewable energies	Development and installation of solar PV (photovoltaic) and wind power technology.	7 AFFORDABLE AND CLEAN ENERGY

(*) For more information on compliance with the requirements for green bond issues, please see: <https://www.larespana.com/wp-content/uploads/2018/09/green-bond-allocation-report-2022.pdf>

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Since the beginning of 2021, Lar España has had an **automated data collection platform in place to track asset performance in the areas of consumption, emissions and registered operating data.** This platform was specifically designed, developed and implemented for the Company, a bespoke solution that allows it to be individually tailored for each one of the assets in the portfolio.

Pioneers in innovation

Lar España’s steadfast commitment to innovation means it **leads from the front in its business management approach** and asset operations, applying unique, cutting-edge initiatives that maximise operating efficiency. By continuously tracking data, the Company has a greater capacity to react, bolstering its overall **competitiveness**.

The Company is also firmly committed to analysing customer profiles and habits, focusing particularly on the shopping experience element in a bid to provide its visitors with a **distinctive and unique offering** within the Real Estate sector and more specifically within the retail segment, making sure it is very closely aligned with the **latest market trends**.



During the first six months of 2023, some of the Company's projects included:

Continual improvement of customer experience

› Amazon and Inpost lockers

New Amazon lockers at As termas, Albacenter, Portal de la Marina, Parque Abadía, Gran Vía de Vigo, El Rosal and Ànec Blau.

As Termas, Rivas Futura, Albacenter and Ànec Blau also feature Inpost lockers.

› Shopping Centre Gift Cards

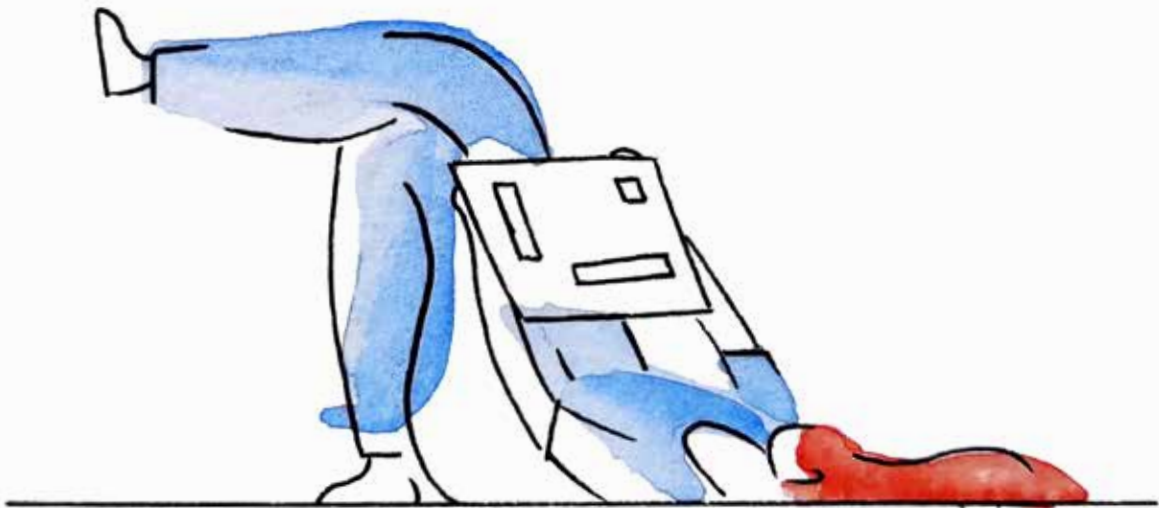
As an opportunity to build customer loyalty with retailers and enhance the physical and digital shopping experience in the businesses of each shopping centre.

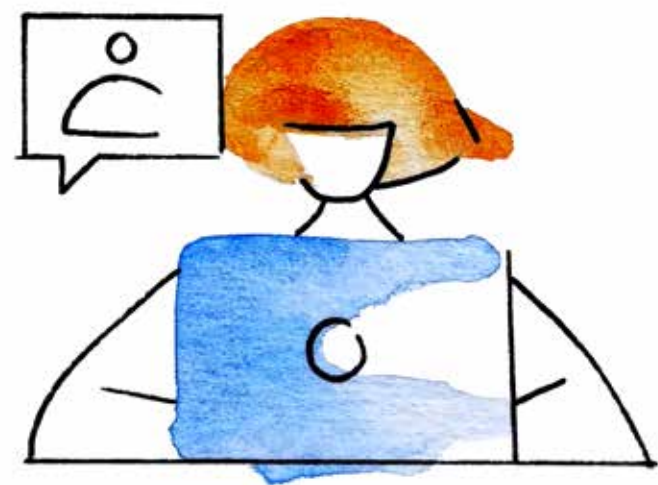
› Click & Shop

Omnichannel sales platform operating at seven of the portfolio's shopping centres. Its objective is to allow a centre's retailers to promote products and discounts of their brands in a bid to both draw customers into their stores and drive sales via digital channels. This initiative is one more example of the Company's commitment to the market's digital transformation, ensuring a centre's offering reaches beyond the physical sphere.

H1 2023 in numbers

Visits	Products
22,090	246





Driving a better understanding of customers through innovation

› CRM Salesforce

- › In collaboration with Salesforce, the Company has rolled out its software and accompanying package of customer relations management applications. By analysing data collected from receipts which are uploaded by customers, the Company is able to optimise what is offered at each of its assets.
- › Develop the new Disfrutones Club app.

Next steps

- › Segmentation based on customer purchase history.
- › Focus on increasing the number of members signing up to the new Disfrutones app.

› Customer Journey for retailers

Research programme focused on **understanding retailer experiences, aimed primarily at redefining the Company's relationship with them**, strengthening collaboration by introducing new services and creating additional value.

- › Identify new areas of opportunity that are aligned with the strategic goals.
- › Create synergies with retailers by piloting new solutions that bolster both the competitive advantage and value proposition.

› Smart Mall

Transforming an asset into a **smart shopping center** is possible by Smart Mall. This technology refers to the creation of data collection points, tools to process the data collected and dashboards that display **any information that is relevant for customers** visiting any of the centres via, for example, interactive kiosks, phone charging stations, parking access points, visitor metres, Wi-fi connections or coupon downloads.

The **hyperconnected shopping centre** offers a unique opportunity to learn more about how customers interact with the different touchpoints while at a shopping centre, allowing it to optimise a centre's layout, improve its offering and better meet the needs of its customers, ultimately enhancing customer relations.

› Seeketing

Seeketing is a platform that **collates the information generated by a shopping centre's various channels**, cross-referencing and analysing data that allows the Company to generate value for its customers. The Company is able to gain a greater understanding of customer preferences and habits thanks to nodes or beacons installed at the shopping centres and the use of advanced marketing intelligence software.

Optimising management and improving communication via innovation

› Mallcomm

A 360° platform that creates a **communication channel between retailers and the various levels of shopping centre management** and service provision: store employees, management, etc. This system provides a means to manage potential staff discounts, job offers, events and marketing, security, critical communications, maintenance and cleaning, as well as offering the option to obtain feedback.



Innovation to increase business visibility

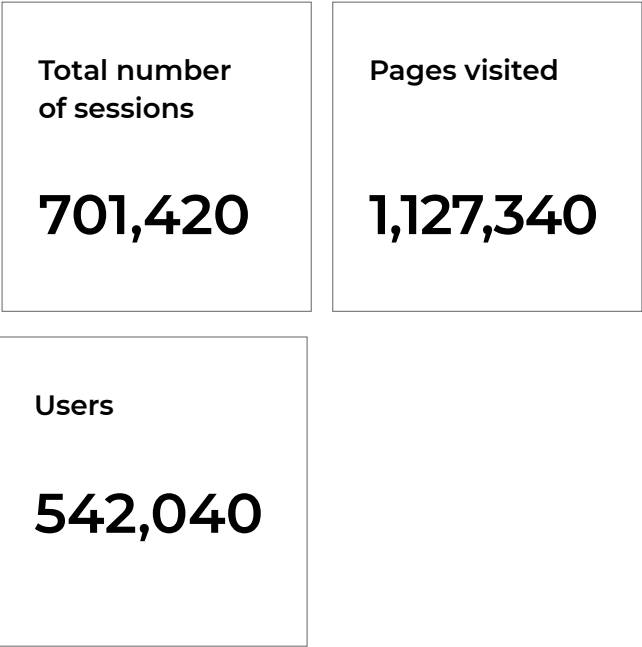
› Lar Conecta

- › Lar Conecta is an initiative that gives retailers at the assets access to **digital communication channels** and to their online traffic, offering them increased visibility and helping them better market their products and services. Ultimately helping them to promote their brands and increase their sales.
- › The pilot project was launched last march at Portal de la Marina. The project could be extended portfolio-wide depending on the results of the pilot.

› SEO Positioning

SEO positioning refers to **website visibility** in terms of the organic search results of different internet search engines. With this project, Lar España continues to work on designing and adapting its websites, moving towards a smarter and more effective solution.

The figures registered for H1 2023 were:



1.2 Shopping Centres and Retail Parks openings

The proactive management of the portfolio allows us to have a **solid and diversified tenant base**. During the first half of the year, leading chains opened at some properties, such as:



GEOX
SC AS TERMAS
Opening 02.03.2023



CÓDIGO DENIM
SC AS TERMAS
Opening 31.03.2023



ZARA
SC AS TERMAS
Opening 05.05.2023



ZARA MAN
SC AS TERMAS
Opening 26.05.2023



BRASAYLEÑA
SC ÀNEC BLAU
Opening 03.07.2023



QUEROL
SC ÀNEC BLAU
Ampliation 27.01.2023



PULL&BEAR
SC ALBACENTER
Opening 17.03.2023



STRADIVARIUS
SC ALBACENTER
Opening 29.03.2023



FIFTY
RP MEGAPARK
Reopening 15.04.2023



LANDED
RP MEGAPARK
Reopening 10.03.2023



DÉCIMAS
RP MEGAPARK
Opening 17.03.2023



LLAOLLAO
RP MEGAPARK
Opening 16.06.2023



THE PHONE HOUSE
SC PORTAL DE LA MARINA
Opening 22.06.2023



MULTIÓPTICAS
SC GRAN VÍA DE VIGO
Opening 13.06.2023



BESSON
RP RIVAS FUTURA
Opening 27.04.2023



TONY ROMA ´S
RP VISTAHERMOSA
Opening 23.01.2023



Shopping Centre
As Termas (Lugo)

Executive Summary

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Lar España has continued with its active portfolio management strategy, having formalized **100 commercial agreements** with tenants, representing an annualized turnover rate of 10% and recording a **7.7%^(*) increase in new rents agreed.**



() Excluding 6 non-comparable operations and the effect of CPI/indexation*

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2.1
Highlights H1 2023

→ PORTFOLIO
INFORMATION

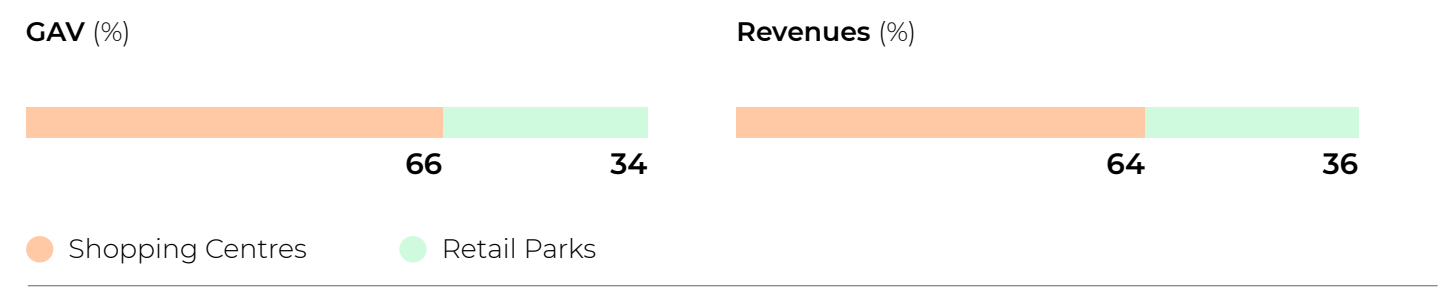
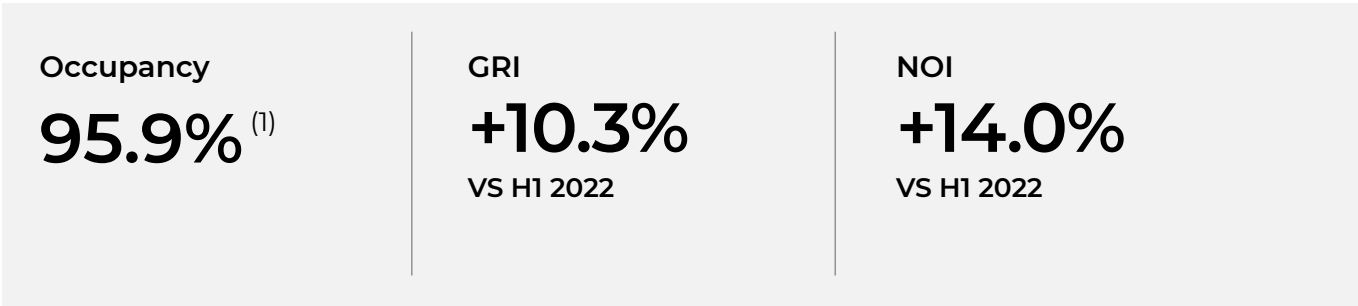
GAV ⁽¹⁾
1,465
Million €
14
Assets
WAULT
2.6 years
98%
Rents collected ⁽²⁾
GLA
550,395 sqm

→ FINANCIAL INFORMATION

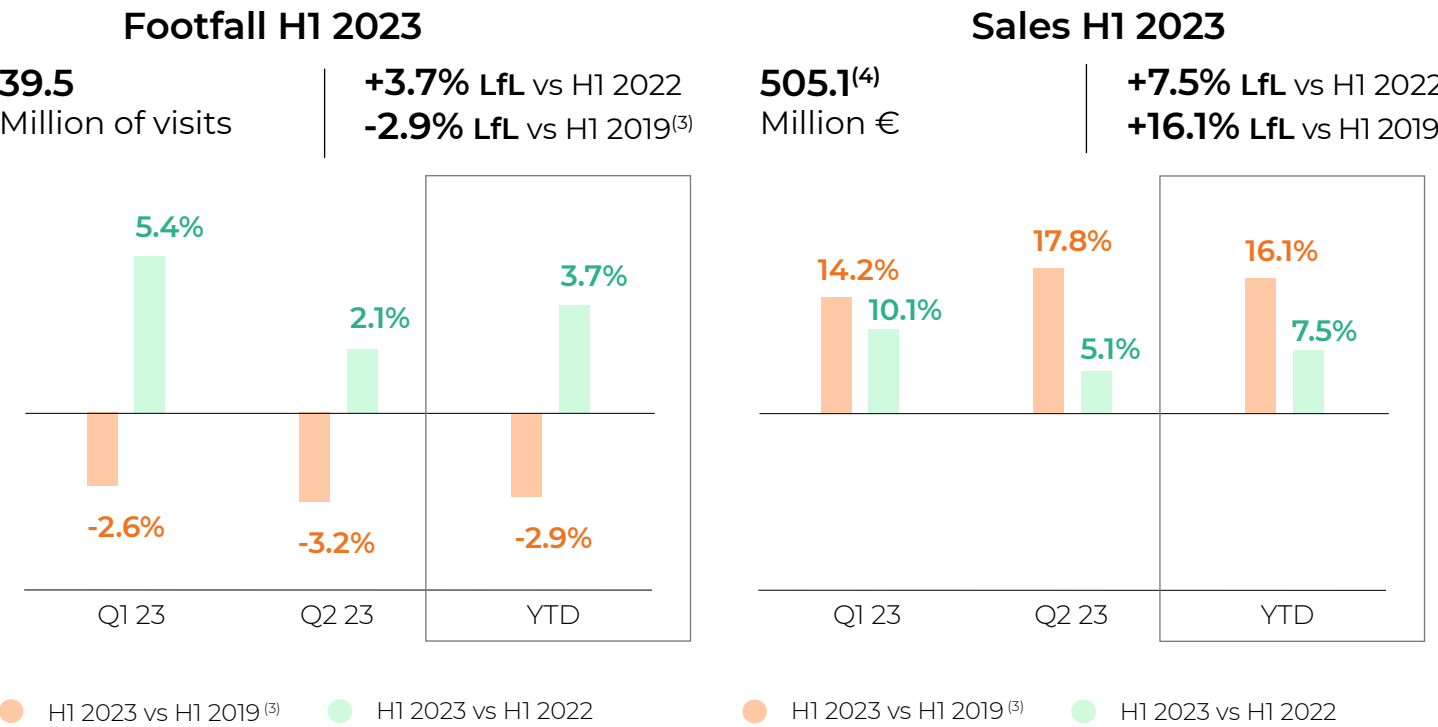
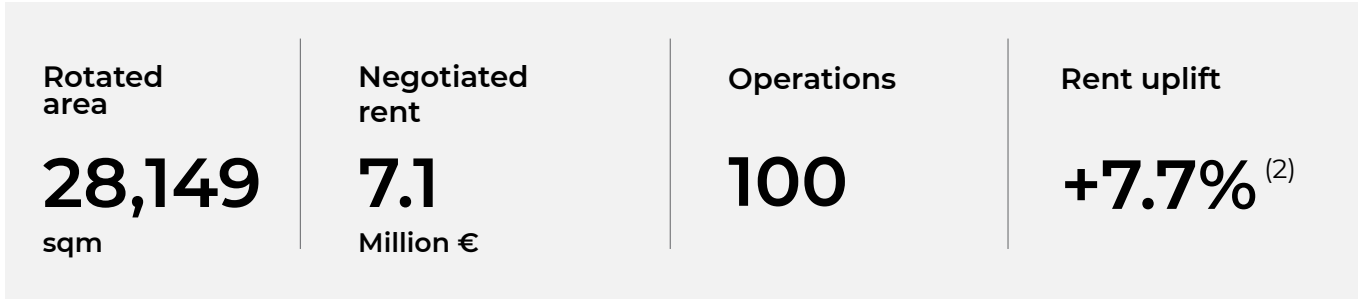
Income ⁽³⁾	EPRA Earnings
48.9	47.2
Million €	Million € (0.56€/share)
EBITDA	Profit
33.5	35.1
Million €	Million €
EPRA NTA	Financial Debt
899.4	651.4
Million € (10.76€/share) ⁽⁴⁾	Million €
Net LTV	Average Cost of Debt
38.1%	1.8%

(1) Information based on valuations carried out by independent valuers on 30 June 2023. / (2) Percentage of rents and expenses collected from tenants in 2023. / (3) Rental income and Other income. / (4) When analyzing this measure it is important to take into account the dividend paid in Q2 2023 (0.60€/share).

→ OPERATING RESULTS



→ LEASING ACTIVITY



(1) Physical occupancy based on square meters. / (2) Excluding 6 non-comparable operations and the effect of CPI/indexation. / (3) Like for Like, excluding Lagoh shopping centre. / (4) Declared sales.

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2.2
Main Milestones

JANUARY (16.01.2023)

Lar España carries out a green bond buy-back for a nominal amount of €110 million.

Lar España bought back green bonds totalling €110 million so as to cancel a part of its debt once liquidation was completed and thus reduce the Company's borrowings.

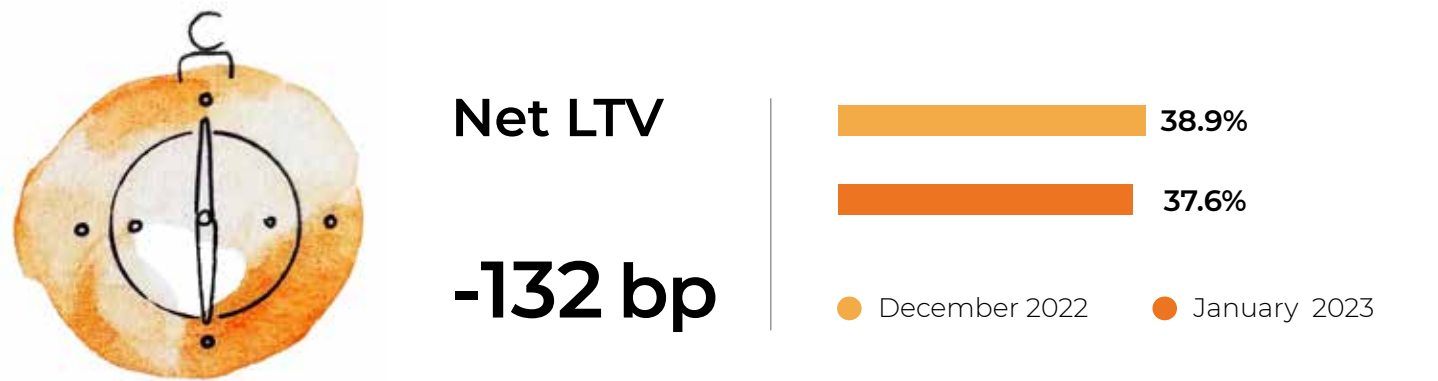
This buy-back deal related to the two bonds issued in 2021. The first was issued in July 2021 in the amount of €400 million at an annual fixed interest rate of 1.75%, maturing in 2026. The second was issued in November 2021 in the amount of €300 million at an annual fixed interest rate of 1.843%, maturing in 2028. Both issues were admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market.

The buy-back was closed at a discount of 18%, equivalent to a total final price of €90.5 million that was fully paid using the Company's cash resources.

The resulting liquidity remained above €100 million, and the debt reduction will have a positive impact of around €20 million on the 2023 income statement.

By redeeming the debt, the company managed to reduce its borrowings from 38.9% to 37.6% of total asset value. Previously, the rating agency Fitch had already maintained the BBB stable outlook investment grade rating for both Lar España and its two green bond issues.

The Company appointed J.P. Morgan as the only dealer manager for the transaction, which exclusively targeted certain eligible bondholders and was settled on 19 January.



FEBRUARY (23.02.2023)

Termination of the liquidity contract with JB Capital Markets

Pursuant to section 2.c) of Rule Four of CNMV Circular 1/2017 of 26 April on liquidity contracts ("Circular 1/2017"), Lar España announces that the liquidity contract entered into with JB Capital Markets, Sociedad de Valores, S.A.U., effective from 11 July 2017 and the subscription of which was communicated to the market through the relevant fact published on 10 July 2017 (record number 254,421), **has been terminated** with effect from 23 February 2023.

MARCH (13.03.2023)

Signing of liquidity contract with GVC Gaesco

Pursuant to section 2 of Rule Four of CNMV Circular 1/2017 of 26 April on liquidity contracts ("Circular 1/2017"), Lar España announces that it has **entered into a liquidity contract** (the "Liquidity Contract") with **GVC Gaesco Valores, Sociedad de Valores, S.A.** (the "Financial Intermediary"), effective since that date.

It is hereby stated for the record that **the Liquidity Contract is in accordance with the form agreement** included in Circular 1/2017, and that a copy thereof has been sent to the CNMV for the purposes set forth in section 3 of Rule Four of Circular 1/2017.

MARCH (31.03.2023)

Annual General Shareholders Meeting

The Lar España **Annual General Shareholders Meeting** was held on 31 March 2023, to approve the agreements submitted for their consideration. The monitoring of the event could be done both physically and telematically through streaming.

APRIL (28.04.2023)

Dividend

Following approval at the Annual General Shareholders Meeting, the shareholder **dividend payment** was distributed, amounting to a total of **€0.60 per share**.

MAY (16.05.2023)

Lagoh awarded "Best New Shopping Centre"

On 16 May 2023, the Lagoh shopping and leisure complex was announced as the winner in the category of **"Best new European shopping centre over 70,000 square metres"** at the 2023 Design and Development Awards, an initiative of the **European Council of Shopping Places** in partnership with the Italian Council of Shopping Centres and the German Council of Shopping Places.

This accolade recognises the scope and quality of Lagoh's offer, from the sensory delights of its spacious food court to its extensive lakeside terraces, groundbreaking cultural and leisure programme and unbeatable choice of leading local, national and international fashion brands. At 100,000 sqm, Lagoh is Andalusia's largest shopping and family entertainment complex, offering a unique and unparalleled visitor experience.



Events after the reporting period

JULY (10.07.2023)

Fitch upholds Lar España’s BBB rating

Rating agency Fitch **has renewed the ‘BBB’ Investment Grade rating** awarded both to the SOCIMI Lar España and its two active green bond issues, worth a total of €590 million. This means that Lar España **remains the highest-rated company in its category**.

Its debt package, comprising two issues of senior unsecured green bonds, was completed in July and November 2021 for **€400 million and €300 million** respectively, the maximum projected sums. Each issue was oversubscribed, four times over in July and five times in November.

	Rating	Outlook
FitchRatings	BBB	Stable

Jon Armentia, CFO and Corporate Director of Lar España, remarked: “Fitch’s decision in June 2023 to uphold the solid “BBB” rating previously awarded to both the company and our debt package marks another qualitative leap for Lar España, especially when we consider that the volatile macroeconomic climate and soaring interest rates experienced in the last 12 months have resulted in many companies being downgraded. Fortunately, that is not the case for us.

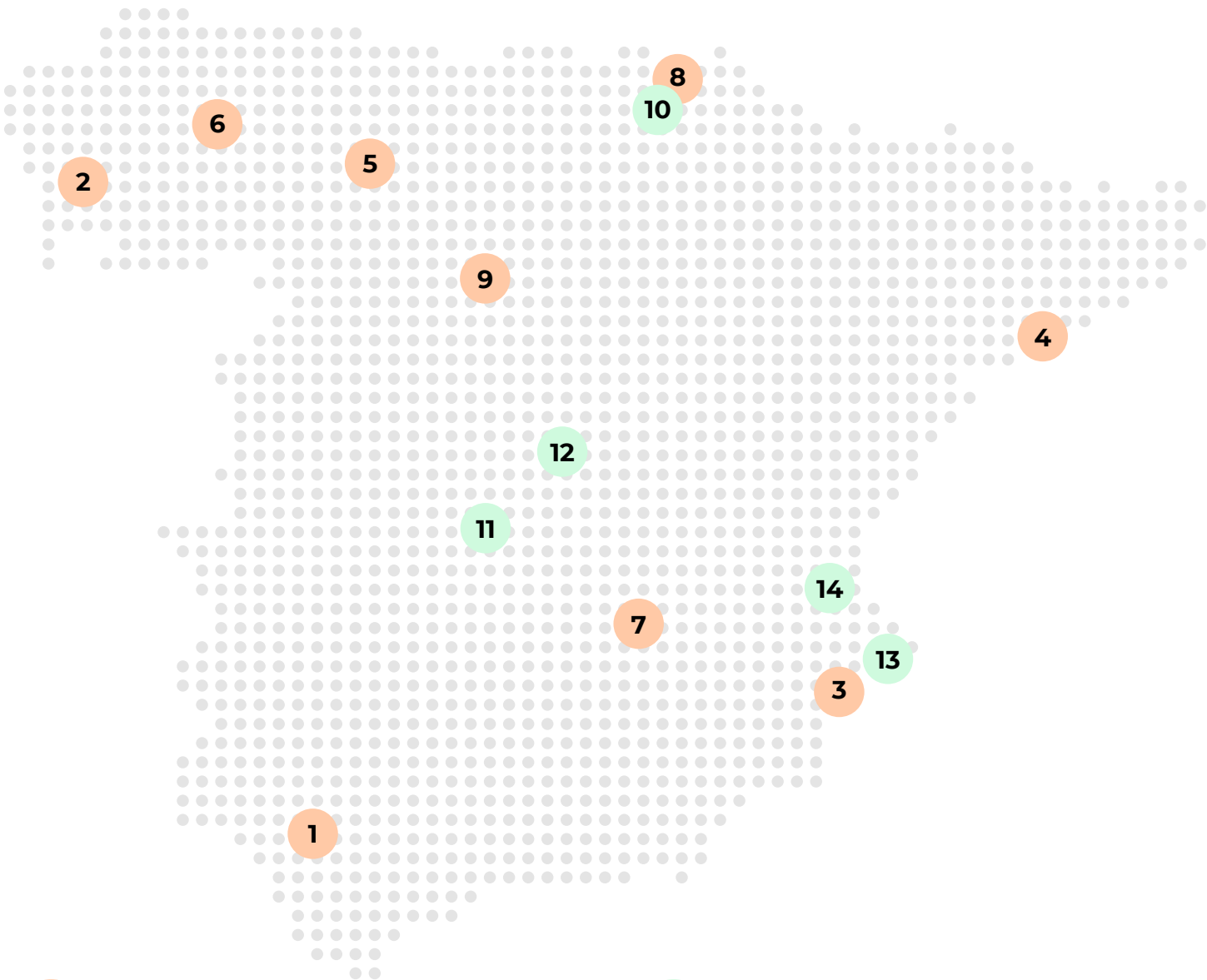
It is also an endorsement of the successful management that led to such exceptional levels of demand for this year’s bond issue and buy-back. The fact that we were able to get to this stage so far in advance of the debt maturity date, combined with the excellent take-up of both our bonds and the partial buy-back offer and now Fitch’s confirmation of our credit rating, is a testament to Lar España’s international reputation for innovation in the retail sector in Spain and Europe, and the outstanding quality of our portfolio.”





Shopping Centre
Lagoh (Seville)

2.3
Portfolio at 30 June 2023



Shopping Centres

- 1. Lagoh (Seville)
- 2. Gran Vía de Vigo (Vigo)
- 3. Portal de la Marina + Hypermarket (Alicante)
- 4. Ànec Blau (Barcelona)
- 5. El Rosal (León)
- 6. As Termas + Petrol Station (Lugo)
- 7. Albacenter + Hypermarket and Retail Units (Albacete)
- 8. Txingudi (Guipúzcoa)
- 9. Las Huertas (Palencia)



Retail Parks

- 10. Megapark + Megapark Leisure Area (Vizcaya)
- 11. Parque Abadía and Commercial Gallery (Toledo)
- 12. Rivas Futura (Madrid)
- 13. Vistahermosa (Alicante)
- 14. VidaNova Parc (Valencia)

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GAV

€ 1.5

Billon euros



Shopping Centre
Portal de la Marina (Alicante)

Lagoh | Shopping Centre



Asset Characteristics	
Location	Seville
GLA	69,734 sqm
Purchase Date	1 March 2016
Land Acquisition Price	€ 38.5 million
WAULT	2.3 years

Gran Vía de Vigo | Shopping Centre



Asset Characteristics	
Location	Vigo
GLA	41,447 sqm
Purchase Date	15 September 2016
Acquisition Price	€ 141.0 million
WAULT	1.8 years

Portal de la Marina + Hypermarket | Shopping Centre



Asset Characteristics	
Location	Alicante
GLA	40,309 sqm
Purchase Date	30 October 2014/ 30 March 2016/ 9 June 2015
Acquisition Price	€ 89.2 million
WAULT	2.4 years

Ànec Blau | Shopping Centre



Asset Characteristics	
Location	Barcelona
GLA	29,084 sqm
Purchase Date	31 July 2014
Acquisition Price	€ 80.0 million
WAULT	3.4 years

El Rosal | Shopping Centre



Asset Characteristics		
Location	Ponferrada (León)	
GLA	50,811 sqm	
Purchase Date	7 July 2015	
Acquisition Price	€ 87.5 million	
WAULT	1.8 years	

As Termas + Petrol station | Shopping Centre



Asset Characteristics		
Location	Lugo	
GLA	35,149 sqm	
Purchase Date	15 April 2015/ 28 July 2015	
Acquisition Price	€ 68.8 million	
WAULT	2.9 years	

Albacenter, Hipermarket + Retail Units | Shopping Centre



Asset Characteristics		
Location	Albacete	
GLA	27,199 sqm	
Purchase Date	30 July 2014/ 19 December 2014	
Acquisition Price	€ 39.9 million	
WAULT	2.5 years	

Txingudi | Shopping Centre



Asset Characteristics		
Location	Irún (Guipúzcoa)	
GLA	10,712 sqm	
Purchase Date	24 March 2014	
Acquisition Price	€ 27.7 million	
WAULT	1.6 years	

Las Huertas | Shopping Centre



Asset Characteristics	
Location	Palencia
GLA	6,265 sqm
Purchase Date	24 March 2014
Acquisition Price	€ 11.7 million
WAULT	1.8 years

Megapark + Megapark Leisure Area | Retail Park



Asset Characteristics	
Location	Barakaldo (Bilbao)
GLA	80,797 sqm
Purchase Date	19 October 2015/ 27 October 2017
Acquisition Price	€ 178.7 million
WAULT	3.9 years

Parque Abadía + Commercial Gallery | Retail Park



Asset Characteristics	
Location	Toledo
GLA	43,109 sqm
Purchase Date	27 March 2017/ 20 February 2018
Acquisition Price	€ 77.1 million
WAULT	2.0 years

Rivas Futura | Retail Park



Asset Characteristics	
Location	Madrid
GLA	36,447 sqm
Purchase Date	6 February 2018
Acquisition Price	€ 61.6 million
WAULT	2.3 years

Vistahermosa | Retail Park



Asset Characteristics		
Location	Alicante	
GLA	33,763 sqm	
Purchase Date	16 June 2016	
Acquisition Price	€ 42.5 million	
WAULT	2.8 years	

VidaNova Parc | Retail Park

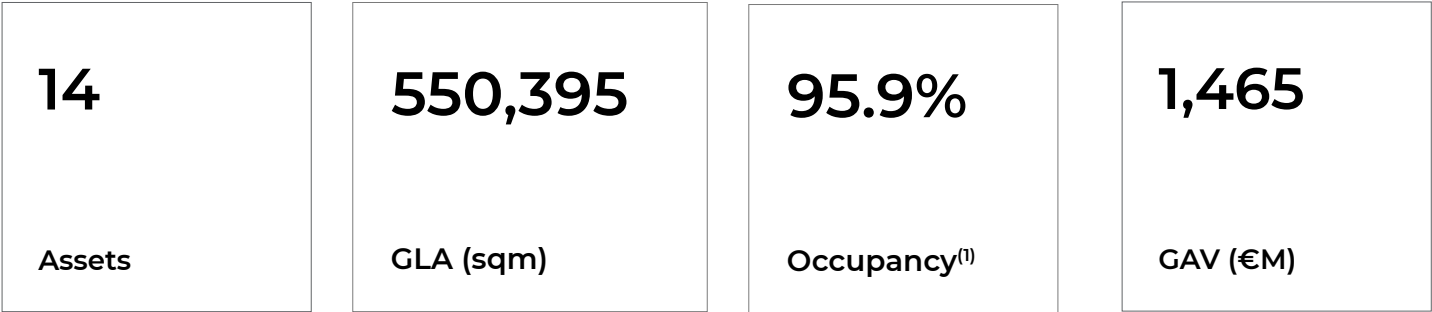


Asset Characteristics		
Location	Sagunto (Valencia)	
GLA	45,568 sqm	
Purchase Date	3 August 2015	
Land Acquisition Price	€ 12.6 million	
WAULT	2.6 years	



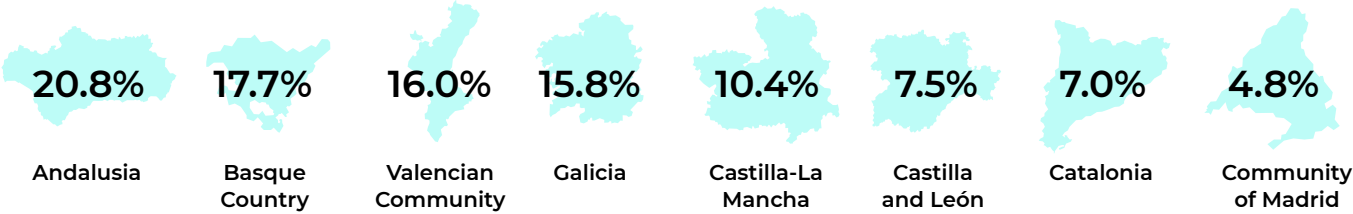
Our retail portfolio at a glance

Dominant prime shopping centres and retail parks in their catchment area in relevant locations:



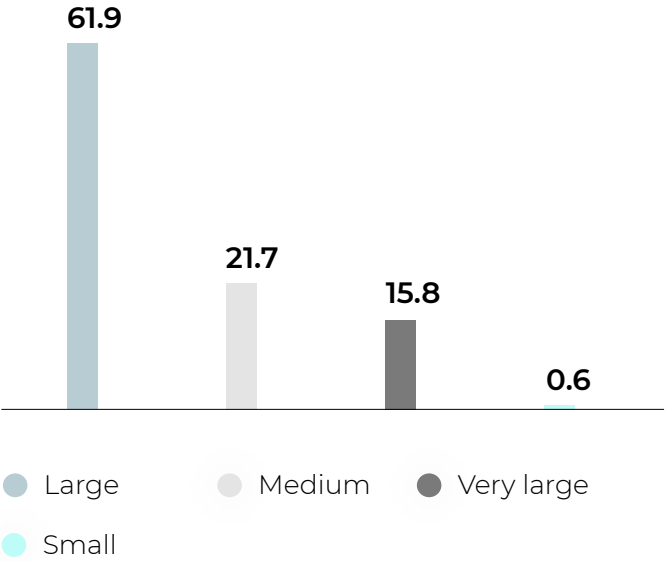
(1) Physical occupancy based on square meters.

By geography (GAV)

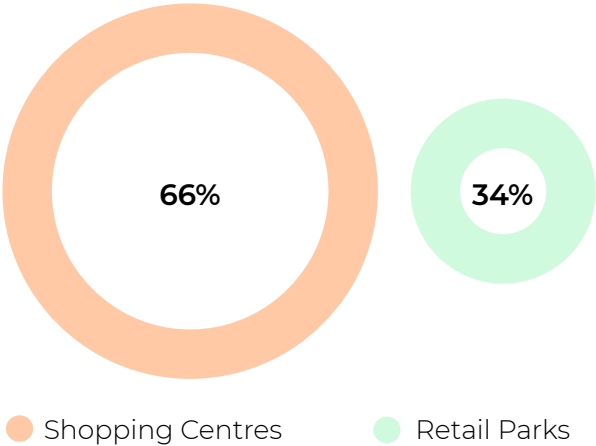


c. 80%
of our retail assets are
classified as Large
or Very Large.

By size ⁽²⁾ (GAV) (%)



By type (GAV)



(2) According to Spanish Association of Shopping Centres (AECC):
Very Large (>79,999 sqm) / Large (40,000-79,999 sqm) / Medium (20,000-39,999 sqm) / Small (5,000-19,999 sqm)



Shopping Centre
Las Huertas (Palencia)

2.4
Key Indicators

In the first six months of 2023 Lar España generated **revenues of 48,946 thousand Euros** and a **Net Profit** of **35,138 thousand Euros**, being the most relevant figures the following:

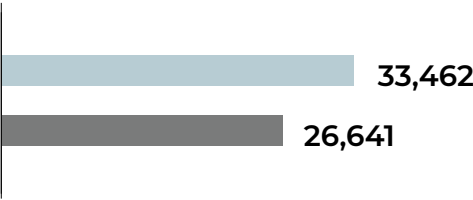


● H1 2023 ● H1 2022

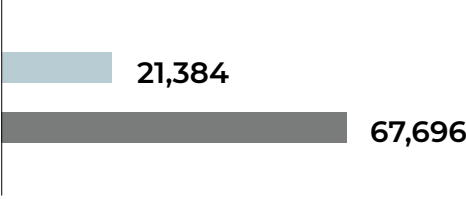
Revenues (*)
(Thousands of euros)



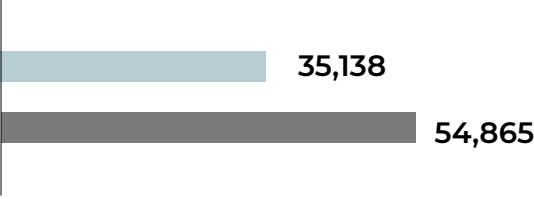
EBITDA
(Thousands of euros)



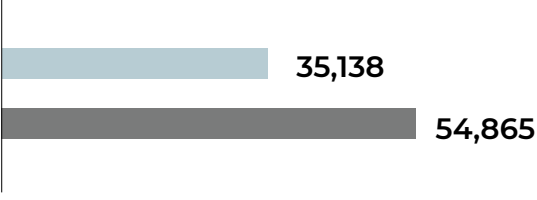
EBIT
(Thousands of euros)



EBT
(Thousands of euros)



Net Profit
(Thousands of euros)



For more clarity as regards these figures, see the Consolidated Statement of Comprehensive Income (see page 81).

(*) This amount includes Revenues and Other income.

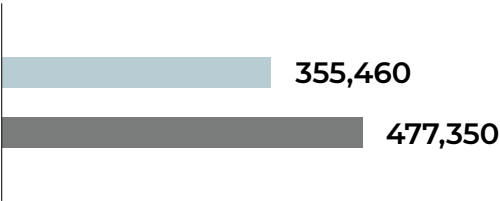
Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

Other financial indicators

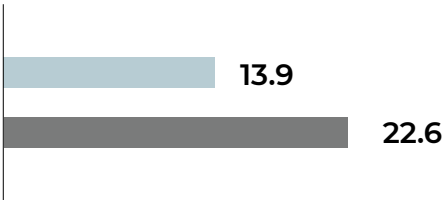
The Group presents the following financial indicators:

30/06/2023 31/12/2022

Working capital
(Thousands of euros)



Liquidity ratio
(%)



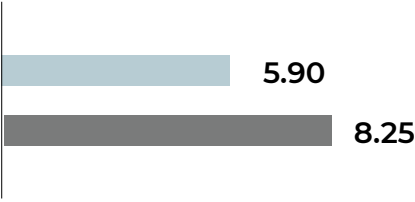
Solvency ratio
(%)



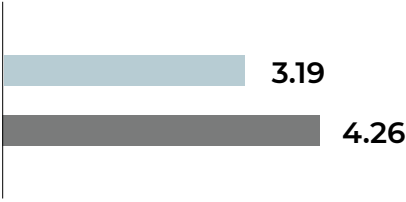
Net LTV
(%)



ROE
(%)



ROA
(%)



At 30 June 2023, and 31 December 2022, the Group exhibited ratios related to liquidity (working capital and liquidity ratio) with very high values, showing that the Group has sufficient liquidity and a high safety margin to meet its payments.

At 30 June 2023, the **ROE (Return on Equity)**, which measures Group’s profitability as a percentage of shareholders equity, amounted to **5.90%** (8.25% at 31 December 2022), whilst the **ROA (Return on Assets)**, which measures the efficiency of Group’s total assets regardless of the sources of financing used, i.e. the ability of the company’s assets to generate income, was **3.19%** (4.26% at 31 December 2022).

2.5 Business Performance

a. Income Distribution

Rental income reached **47,229 thousand Euros** in the first half of 2023 (versus 40,493 thousand Euros in the same period of the year before).

The relative weigh of rental income by line of business at 30 June 2023 is as follows:

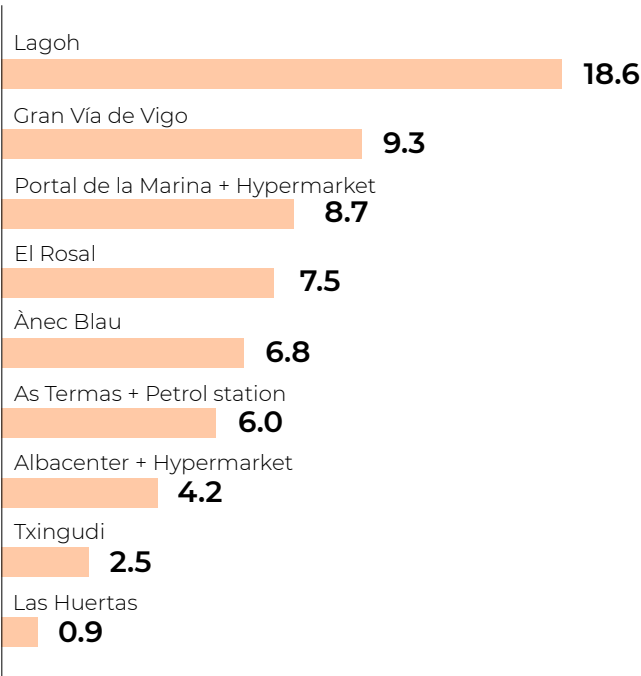
Rental Income by asset class H1 2023 (%)

● Shopping Centres ● Retail Parks

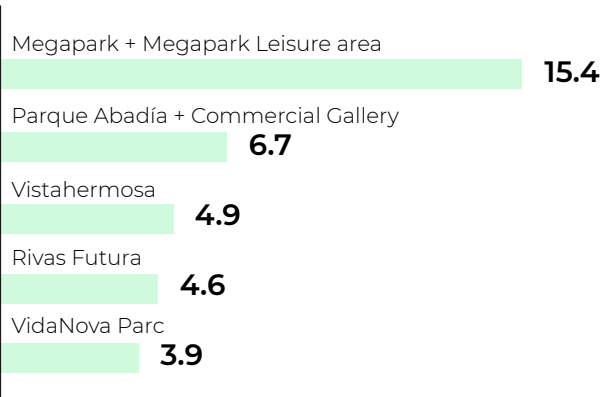


The breakdown of **income per asset** type during the first half of 2023 is as follows:

Income by Shopping Centres (%)

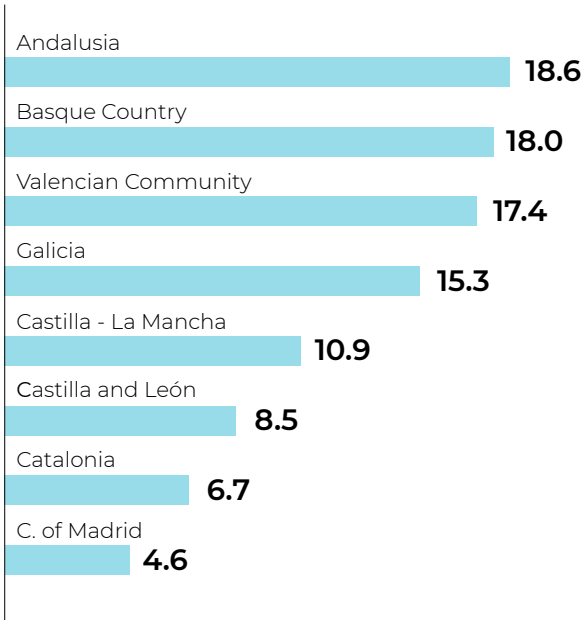


Income by Retail Park (%)



This graph details the breakdown of **rental income per region** for H1 2023:

Income by region (%)



Over 35% of revenues have been recorded in the Basque Country and Andalusia, being Lagoh the largest shopping centre in the first half of 2023.

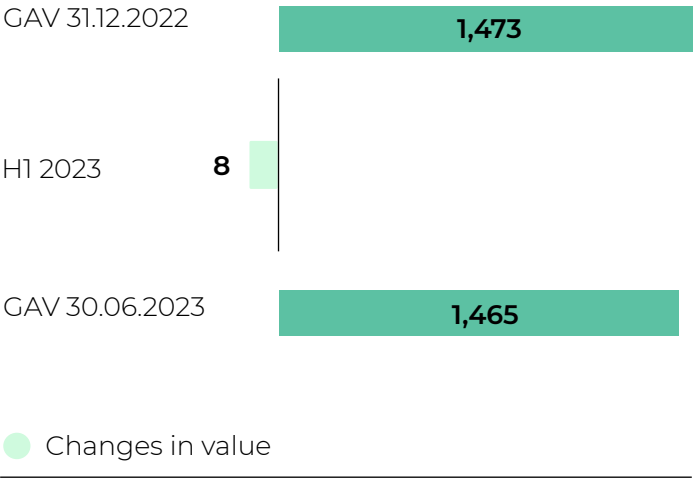
Below are the **ten tenants that have generated the most revenue** during the first six months of 2023:

		Total rental income	Accumulated
1.	INDITEX	10.43%	10.43%
2.	Carrefour	3.93%	14.36%
3.	MediaMarkt	3.82%	18.18%
4.	LEROY MERLIN	3.38%	21.56%
5.	DECATHLON	2.41%	23.97%
6.	YELMO CINES	2.08%	26.05%
7.	TENDAM GLOBAL FASHION RETAIL	2.08%	28.13%
8.	El Corte Inglés	2.04%	30.17%
9.	MERCADONA SUPERMERCADOS DE CONFIANZA	2.03%	32.20%
10.	Conforama	1.96%	34.16%

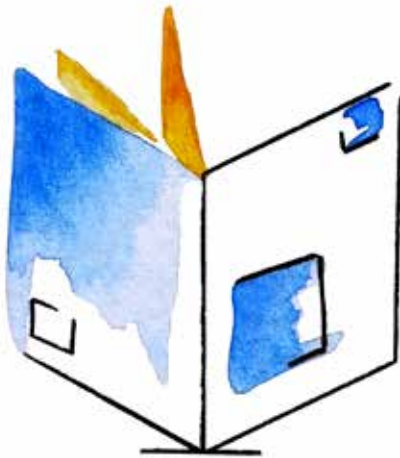
b.
Value of Lar España´s portfolio at 30.06.2023

As at 30 June of 2023 the total value of Lar España´s portfolio amounts to **€1,465 million**:

GAV reconciliation 30.06.2023
(Million €)



The **negative change** in the fair value of investment properties for an amount of **€8 million** corresponds to information based on valuations carried out by independent valuers on 30 June 2023.



LfL change in the portfolio value at 30 June 2023 (*)

+53.2% vs purchase price	-0.3% vs June 2022	-0.5% vs December 2022
--	--	--

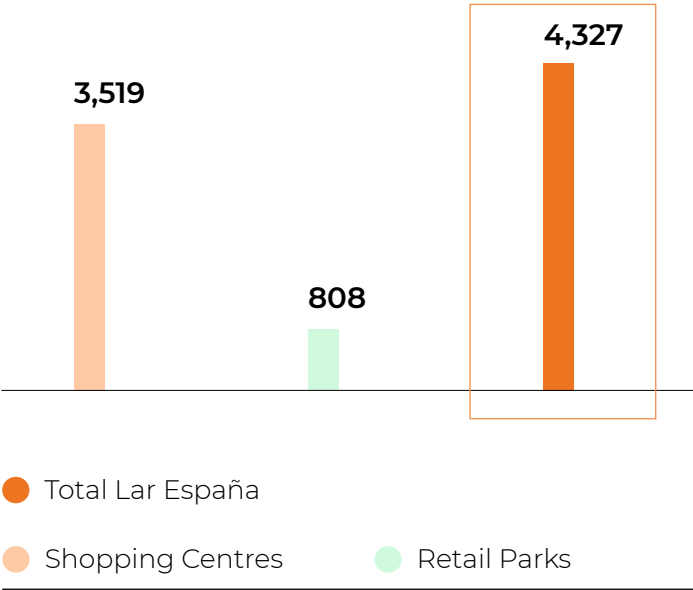
(*) Excluding CAPEX invested the percentages would be: +18.4%, -1.4% and -0.8% respectively.
Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

As Termas with close to **€2 million** 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.

c.
CAPEX

The company has continued revamping its portfolio of assets in order to generate more value, investing **€4,3 million** during the first half of 2023.

The breakdown of investment by asset class is as follows:



* Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

d.
Lease expiration and WAULT

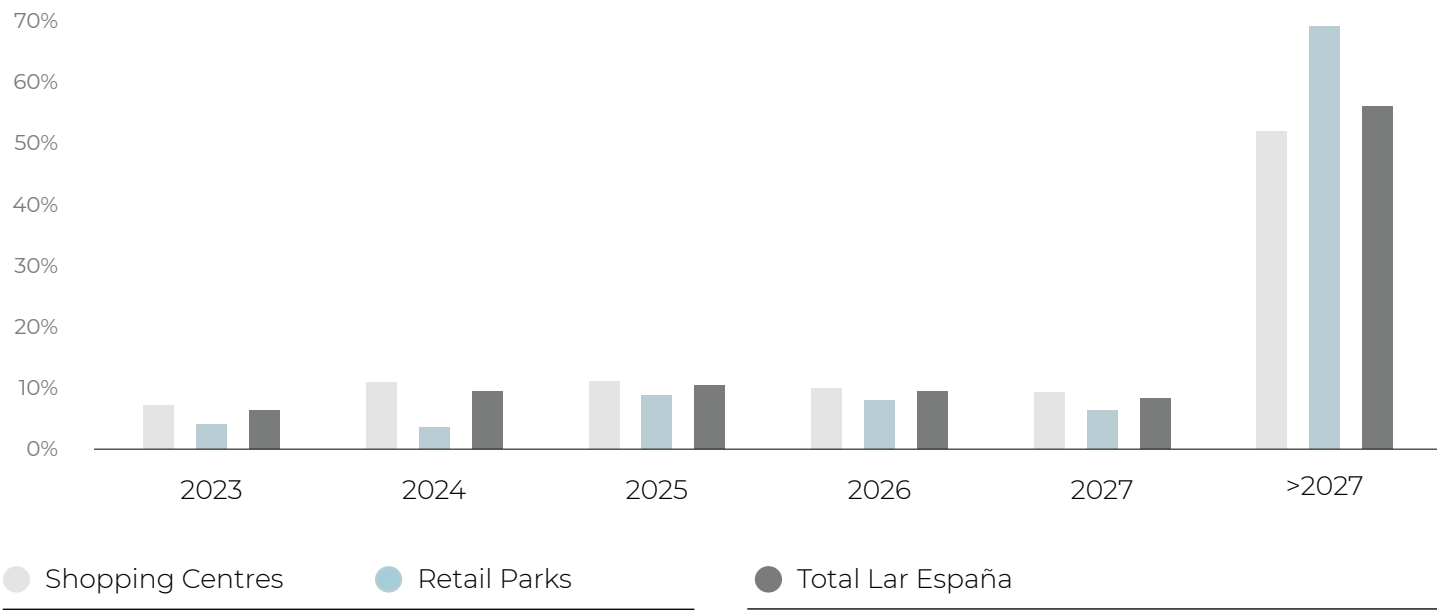
The proactive management carried out by Lar España allows us to have **a solvent and diversified tenant base**.

Renovations have been carried out at the properties occupied by our key tenants, thereby prolonging the lease terms, allowing us to have a significant level of guaranteed minimum rents. During H1 2023 new long-term lease agreements have been signed with new tenants and negotiations has been carried out.

We note that as of 30 June 2023, **close to 65%** of all Lar España's active lease agreements have lease expiries beyond 2026.

Close to 65% of the contracts have a maturity beyond 2026.

Annual lease expiration (end of contract) (%)



Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

Thus, the **WAULT^(*)** (weighted average unexpired lease term) at 30 June 2023 of Lar España's portfolio is **2.6 years**. Below you will find the detail by asset class:

More than

1,000

existing contracts

Lar España



2.6

Shopping
Centres



2.3

Retail
Parks



3.0

() Calculated as the number of years from the current date to the first break option, weighted by the gross rent for each lease. The WAULT of each asset is detailed in section 2.3 "Portfolio at 30 June 2023".*



95.9%

Occupancy
(sqm)

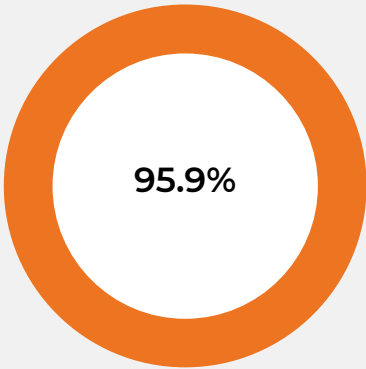
550,395

Total GLA (sqm)

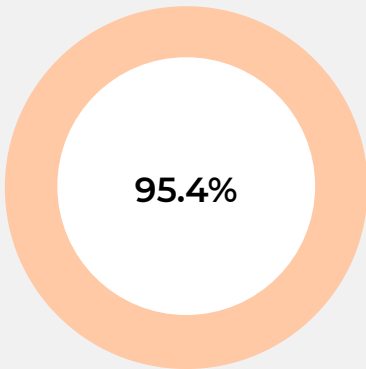
e.
Occupancy (sqm)

The gross leasable area (GLA) of Lar España's income producing assets at 30 June 2023 stood at **550,395 sqm**, whilst the average occupancy rate stood at **95.9%**.

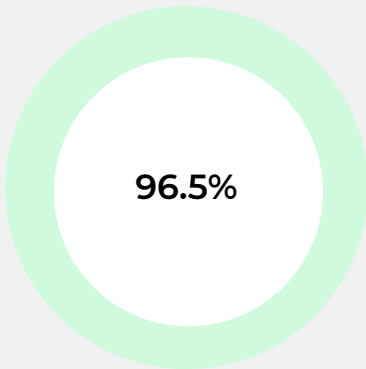
The occupancy rate by asset class at 30 June 2023 is shown below:



● Total Lar España



● Shopping Centres



● Retail Parks



Shopping Centre
Ànec Blau (Barcelona)

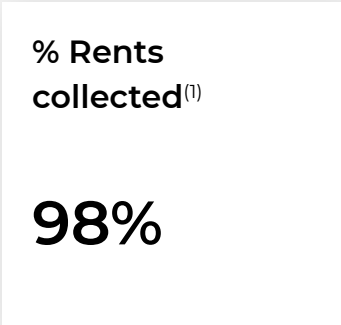
f.
Main milestones

During the first half of 2023 Lar España has continued its active portfolio management, achieving the following operational results:

Operating key indicators evolution



Key indicators evolution (P&L)



(1) Percentage of rents and expenses collected from tenants in 2023.

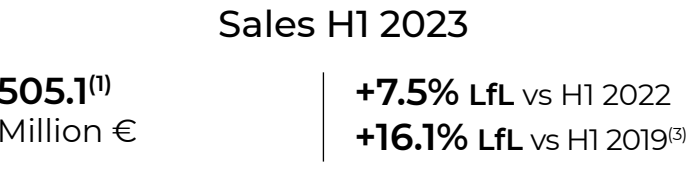
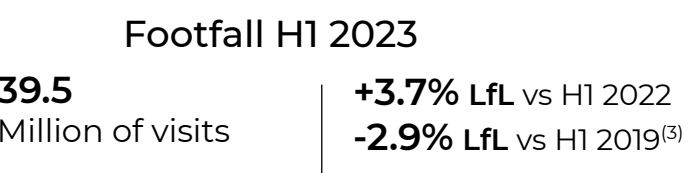
Major operative milestones

During the first six months of the year 2023, the total sales declared reach **€505.1⁽¹⁾ million** in the Shopping Centres and Retail Parks, supported by the increase in the number of visits (footfall of **39.5 million**).

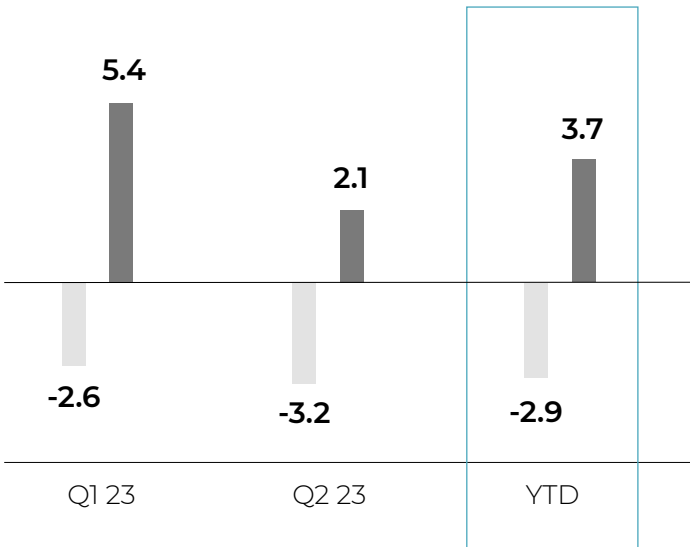
Lar España continued to actively manage its retail portfolio. It closed **100 operations** including renewals, relocations, relettings and new lettings, resulting in an annualised tenant rotation rate of **10%** for the portfolio.

Rotated	Negotiated rent	Operations	Rent uplift
28,149 _{sqm}	7.1 Million €	100	+7.7% ⁽²⁾

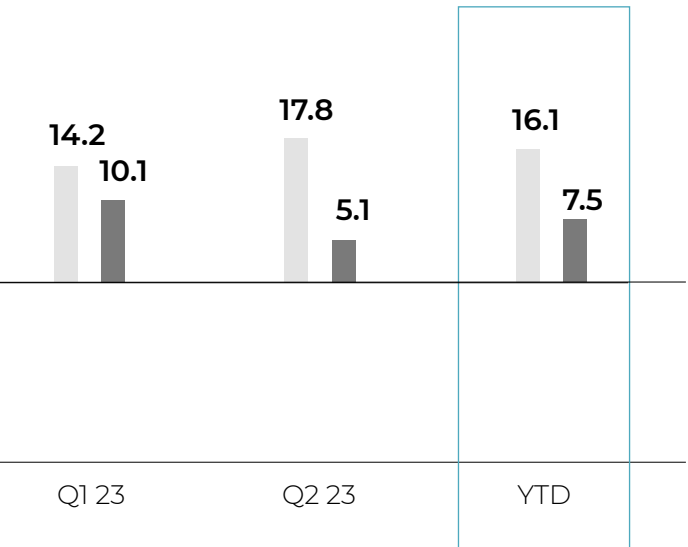
	Renewals	Relocations and Relettings	New lettings	TOTAL
Number of operations	70	22	8	100
sqm	19,552	7,124	1,473	28,149



Quarterly footfall at Lar España’s shopping centres and retail parks (%)



Quarterly sales figures for Lar España’s shopping centres and retail parks (%)



● H1 2023 vs H1 2019⁽³⁾ ● H1 2023 vs H1 2022

● H1 2023 vs H1 2019⁽³⁾ ● H1 2023 vs H1 2022

(1) Declared sales. / (2) Excluding 6 non-comparable operations and the effect of CPI/indexation. / (3) Like for Like 2023 vs 2019 (excluding Lagoh shopping centre).

Main operations

Some of the **main operations** during the period between 1 January and 30 June 2023 are detailed below:



Main operations



Renewals

C&A (1,562 sqm)

Casa (467 sqm)

Springfield (376 sqm)

More than
€1,550,000
annual
negotiated
rent

21
Operations

4,539 sqm



Main operations



Renewals

H&M (1,256 sqm)

Décimas (747 sqm)

Scalpers (256 sqm)

More than
€950,000
annual
negotiated
rent

15
Operations

3,115 sqm



Main operations



Renewals

Primark (4,213 sqm)

Soloptical (134 sqm)



Relocations / Relettings

New Yorker (1,342 sqm)

Close to
€920,000
annual
negotiated
rent

5
Operations

5,807 sqm



Main operations



Renewals

Conforama (4,329 sqm) at Rivas Futura

Cortefiel (623 sqm) at El Rosal



Relocations / Relettings

Puma (846 sqm) at Rivas Futura

Druni (342 sqm) at Megapark

More than
€3,650,000
annual
negotiated
rent

59
Operations

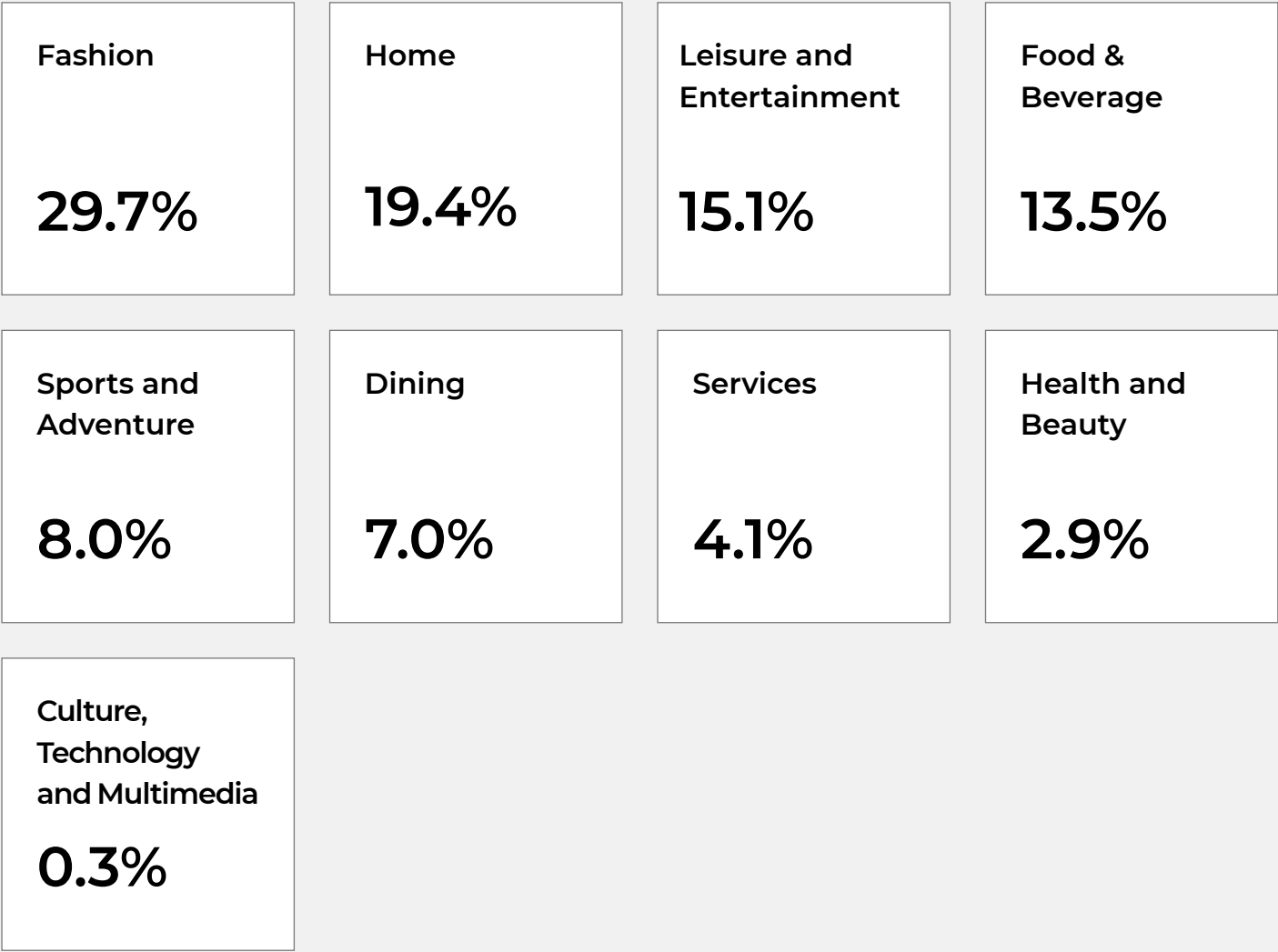
14,688 sqm

Retail Tenant Mix

Below we display the **tenant mix** of Lar España's retail portfolio at 30 June 2023 by space let.

Effort rate
(including
expenses)

9.5%



ESG

3

3.1

**Committed
to the
Environment**
57

3.2

**Contribution
to Society**
66

3.3

**Leaders in
Corporate
Governance**
74

Lar España promotes **responsible asset management** of its assets through a cross-cutting approach that encompasses its commitment to environmental, social and governance, while at the same time seek to maximize financial returns for its shareholders.



ESG (Environmental, Social and Governance)

For Lar España, **two critically important aspects** of its strategy hinge on **correctly adopting regulations and standards**, and on developing **ESG-related projects** and initiatives.

This approach not only allows the Company to **continue to strengthen and extend the positive impacts** of its business activity, but also helps it to reduce and mitigate the potentially negative impacts that affect its different stakeholders.

A business model committed to the environment, society and good governance

As part of its unwavering resolve to conduct its business operations **ethically and responsibly**, and to drive **innovation and sustainability** through its actions, Lar España identifies the different needs and expectations of its various stakeholders (regulators, investors, tenants, customers to name but a few), orienting corporate investment and business development towards the creation of value in its local communities in the short, medium and long term.

All of this is set out in the Company's cross-cutting **Master Plan** which is centred around the following key pillars:



These pillars form an integral part of all areas and lines of action related to the **Sustainability/ESG Policy**, and can be summarised as follows:

ENVIRONMENT



Environment, understood as the physical environment.

Lines of action

- › Environmental management
- › Urban biodiversity
- › Climate change mitigation and adaptation
- › Responsible use of resources
- › Energy efficiency
- › Circular economy
- › Health and well-being

CORPORATE GOVERNANCE



Corporate Governance, to define and adopt a structure that creates a positive impact.

Lines of action

- › Legal compliance
- › ESG commitments
- › Fiscal responsibility
- › Responsible and transparent communication
- › Equality and non-discrimination
- › Human rights
- › Market best practices
- › 2030 Agenda and SDGs

SOCIAL CAPITAL



Social Capital, championing corporate talent and business value with our suppliers.

Lines of action

- › Financial and sustainability strength
- › Human, economic and environmental development
- › Commercial relations
- › Talent retention
- › Communication and dialogue with stakeholders
- › Corporate volunteering
- › Social action

ASSETS



Assets, innovation, along with continual and coordinated improvement of performance.

Lines of action

- › Trends and best practices
- › ESG performance indicators
- › Sustainability policy compliance
- › Certifications
- › Universal Accessibility

ESG Committee

The ESG Committee, made up of the heads of the different departments involved in managing the portfolio's assets, has held **three meetings** during this first half of the year. The open and active dialogue between all its members has played a pivotal role in establishing guidelines and key projects for 2023, as well as in overseeing and monitoring other issues and proposals already being rolled out.

Some of the issues addressed in these meetings included:

- The Energy Efficiency Plan for drawing up asset level Action Plans and assessing energy alternatives.
- Sustainable mobility.
- Climate risks and decarbonisation.
- Sustainability certifications (e.g.: BREEAM, Universal Accessibility, ISO 14001 and ISO 45001).
- Tracking implementation of green clauses.
- Developing the process to calculate the Company's Water Footprint and drawing up the new water consumption reduction plan for the portfolio.



Next steps

In the coming months, the company will continue to pursue ongoing projects as well as launching new initiatives aimed at consolidating our position as an industry leader in ESG:



E. Environmental

- Continue to **measure and monitor emissions and consumption** through our automated platform, incorporating measurement indicators required by the various reporting standards.
- Update the Company's **Decarbonisation Plan**, including an analysis of each individual property based on the **Carbon Risk Real Estate Monitor (CRREM)**, and align our strategy with the principles set out by the international **Science-Based Targets Initiative (SBTi)**.



- Validate the Company's **2022 Carbon Footprint**, ready for submission to the Ministry for the Ecological Transition and the Demographic Challenge (MITERD), aiming once again for the "Reduzco" seal.



- Extend and update our corporate **Energy Efficiency Plan** by carrying out an energy audit of each of our properties, to serve as a basis for Action Plans incorporating new Energy Saving Measures (ESMs).
- Continue using **renewable energy suppliers** for all properties in our portfolio and installing our own clean energy solutions.
- Consolidate **waste management** contracts with a single supplier to improve traceability ahead of future reporting requirements.
- Calculate the Company's **Water Footprint** based on the specific requirements of each property in accordance with international standard ISO 14046, drawing on the conclusions to develop a **Water Conservation Plan**.
- Conduct an analysis of new standards within the **BREEAM certification** framework.



S. Social

- Continue pursuing **Universal Accessibility** certification in line with standard UNE-ISO 170001; following the certification of 9 properties in our portfolio this year, we are now working to extend the certification Portal de la Marina once Parque Abadía, Megapark and Albacenter have achieved certification.



- Install further **electric vehicle charging points** as agreed on a site-by-site basis.
- **Offer training on ESG issues** to various groups involved in property management.

- Establish a **Social Impact Committee** tasked with improving measurement processes and driving new initiatives.
- Maintain efforts to ensure **optimum indoor air quality** at all of our shopping centres, with monitoring devices fitted at each property.



G. Governance

- Publish a **climate risk report** in line with international **TCFD standards and membership requirements and support the initiative.**



- Move forward with **communications initiatives for our various stakeholder groups:** suppliers, tenants, investors, clients, etc.
- **Raise ESG issues with tenants,** with a particular focus on energy efficiency and responsible resource consumption.

- Publish a **Progress Report (COP)**, in keeping with our commitments under the United National Global Compact.
- Complete the Global Compact **Climate Ambition Accelerator programme** in October.
- Embed new regulatory requirements for financial reporting into company-wide processes, such as those encompassed by the **European Taxonomy and the CSRD Directive.**
- Monitor global ESG impacts and trends.

These steps reflect relevant general and sector-specific trends that have emerged in response to macroeconomic factors, new national and European regulatory requirements, the energy crisis and changing expectations for communication on the part of stakeholder groups, among other considerations.

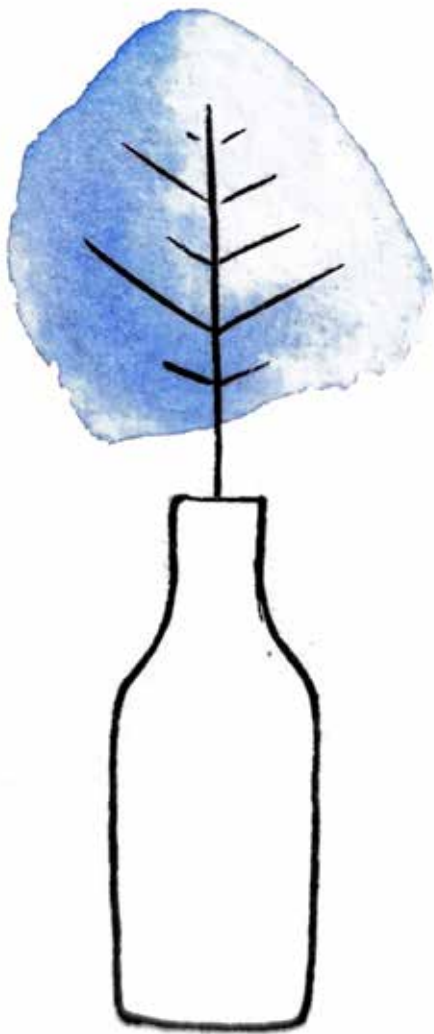


Retail Park
Megapark (Vizcaya)

3.1

Committed to the Environment

Lar España actively promotes responsible management across its entire portfolio, continually working to develop sustainable projects, roll out energy efficient practices at its properties and minimise its environmental footprint. To achieve this, and as part of its unwavering commitment to the environment, health and the responsible use of resources, the Company carries out a series of detailed analyses to assess both how financially viable each initiative is, and what it offers in terms of performance.



Quality assets

The quality of the Company’s asset portfolio is accredited by leading global standards.

Since 2022, **all of Lar España’s** assets are **BREEAM-certified**, with the Company achieving the following milestones during the first half of 2023:

- Recertification of the Txingudi shopping centre in May, achieving a “Good” rating for building specifications and “Very Good” in the building management category – in which its policies, procedures and practices were all assessed.
- Lagoh is also currently completing the BREEAM “In-Use” certification process, having now been fully operational for two years.

The entire portfolio of assets is BREEAM-certified, with 98% rated “Excellent” or “Very Good” in GAV terms.



Current status			
Shopping Centres	Rating ⁽¹⁾	Certification Type	Status
Lagoh	Very Good	New Construction	Certified
Gran Vía	P1: Excellent / P2: Excellent	In Use	Certified
Portal de la Marina	P1: Very Good / P2: Excellent	In Use	Certified
El Rosal	P1: Excellent / P2: Excellent	In Use	Certified
Ànec Blau	P1: Very Good / P2: Excellent	In Use	Certified
As Termas	P1: Excellent / P2: Exceptional	In Use	Certified
Albacenter	P1: Very Good / P2: Excellent	In Use	Certified
Txingudi	P1: Good / P2: Very Good	In Use	Certified
Las Huertas	P1: Very Good / P2: Very Good	In Use	Certified



Current status			
Retail Parks	Rating ⁽¹⁾	Certification Type	Status
Megapark ⁽²⁾	P1: Very Good / P2: Excellent	In Use	Certified
Parque Abadía	P1: Very Good / P2: Very Good	In Use	Certified
Rivas Futura	P1: Very Good / P2: Excellent	In Use	Certified
VidaNova Parc	P1: Very Good / P2: Excellent	In Use	Certified
Vistahermosa	P1: Very Good / P2: Very Good	In Use	Certified

(1) P1: corresponds to the first part of the BREEAM certification relating to the property's design specifications. P2: corresponds to the rating obtained in terms of property management. (2) Certifications relate to asset areas over which Lar España has operational control.

In 2022 the Company also successfully obtained **ISO 14001** and **ISO 45001**, International **Environmental Management** Standard and **Occupational Health and Safety** Management Systems, **certifications for all of the assets under its operational control in its portfolio.**



In GAV terms, 97% of the assets in its portfolio are ISO 14001 and ISO 45001 certified.

As we work to consolidate our operational data, the company has greatly benefitted from the data automation platform introduced in 2021.

Environmental performance (H1 2023)

In order to assess Lar España’s environmental performance during the first half of 2023, three key factors that have shaped the performance of its properties must be taken into consideration:

- **Footfall at shopping centres and retail parks was up 3.7%** year on year.
- **Weather conditions:** Spain experienced some atypical weather conditions during the first half of 2023:
- **Adjustments to HVAC set points.** With Royal Legislative Decree 14/2022 of 1 August now in force, along with its series of amendments for the Regulation on Thermal Installations in Buildings (RITE)⁽¹⁾, we have seen a drop in energy use across our portfolio.



WINTER

The period between 1 December 2022 and 28 February 2023 was classed as warm, with the observed average temperature 0.8°C higher than that of the reference period (1991–2020).

Compared with that data series, it was also fairly wet (103% of predicted rainfall). After an unremarkable January (93% of predicted rainfall), February and March saw the onset of drought conditions that would persist throughout the spring.



SPRING

Spring 2023 was the warmest since 1961 and the second driest in the period 1981–2010, and the observed average temperature was 1.8 °C higher than expected for this time of year.

In addition, the data used to prepare this report are based on invoices from the supply companies and measurements from the sub-metering network deployed by Lar España in its portfolio. In a small number of cases where no bills have been issued or direct readings were not available, the figure has been estimated based on data from the same month of the previous year.



(1) Retail settings, including department stores and shopping centres, are now prohibited from using conventional energy to heat buildings above 21°C or cool them below 26°C. This means that the indoor temperature range has widened, with heating activated at 19°C and air conditioning at 27°C.



Data automation: key for assessing consumption systems

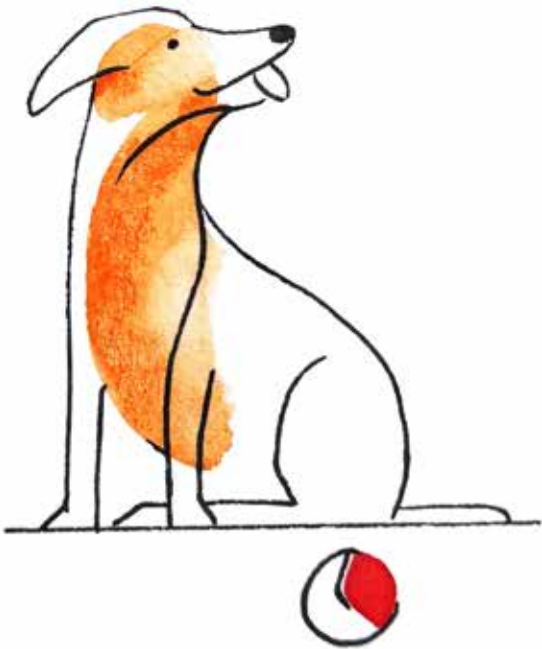
Lar España benefits from a bespoke platform that has been specifically designed to cater for the exact needs of its business and that **dynamically displays and tracks** the use of resources at its properties (water and energy) and to what extent their environmental impact (waste management and GHG emissions) is being mitigated.

Lar España has also been working on a new remote submetering system that will allow it to access up-to-date and disaggregated information on the status of each of its properties. The system's rollout is very nearly complete. Thanks to these tools, the Company is able to access a more detailed **performance analysis for each asset** and a breakdown of their consumption and emissions levels.

Although the platform came online in January 2021, the teams are continually increasing the frequency with which they collect and register data, as well as modifying the indicators measured in order to bring them into line with global reporting standards. The aim of this is to track the data more closely and allow the management teams involved to develop and put in place corrective measures and action plans.

As well as the improved and increased level of control and tracking of the operational data for each of the assets, the launch of this platform has allowed Lar España to **publish data every six months**. This data has then been analysed and included in the following sections of this results presentation.

Lar España has also been working on a **new remote submetering system that will allow it to access up-to-date and disaggregated information on the status of each of its properties.**





Waste Management Plan

The **Waste Management Plan** has been in place since 2021, allowing the Company to gradually gain more control and better monitor waste management data relating to its asset portfolio. In 2022, the procedure used for identifying waste was consolidated, with the Company starting to classify waste as per the methodology set out in the European Waste Catalogue (EWC), which details how to apply the List of Waste (LoW) Codes and correctly catalogue waste in line with European regulations.

In 2023, the Company has continued to embrace the principles of the circular economy, seeking to foster company-wide resource reduction, recycling and reuse. The objectives that will be targeted over the coming months include, among others:

- Achieving greater control over the whole process: transport and waste treatment.
- Rolling out improvement projects.
- Clearer tracking of the treatment processes used for all types of waste products.

Over the first six months of 2023, the amount of waste produced in our centres grew **by +10.6%**, tracking the increase in footfall and sales during that period. Higher trading activity among F&B outlets resulted in a significant increase in municipal solid waste (MSW). However, **a greater amount of this waste was ultimately recycled** (an improvement of **+12.6%** in absolute terms).

According to the definitions contained in the European List of Wastes (LoW), **99.97% of all waste produced was non-hazardous**, with 0.03% classed as hazardous.

Lar España has continued to make good progress in collecting and consolidating data on waste. In H1 2023, 94.6% of data was available in consolidated format.



Lar España is one of the 75 Spanish companies participating in the third edition of the **Climate Ambition Accelerator programme** offered by the Spanish Global Compact Network.



Energy Efficiency Plan

In 2022 Lar España ramped up its **Policy to contract electricity supply** with a Guarantee of Renewable Origin for its entire asset portfolio, successfully including this Guarantee of Origin in all its supply contracts by 31 December 2022.

The Company continued to roll out its corporate Energy Efficiency Plan during H1 2023, carrying out **energy audits** at its assets as a preliminary step to drawing up individual action plans with specific objectives and goals for each of its shopping centres and retail parks, and **including targets relating to both energy efficiency and reduction of environmental impact.**

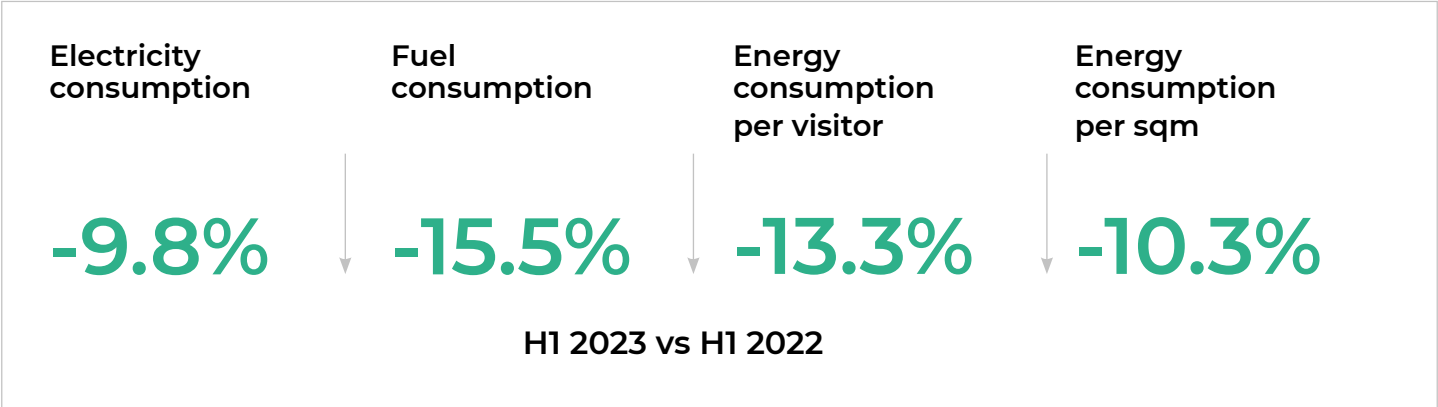
With this, Lar España intends to:

- Maximise its portfolio's energy efficiency.
- Continue to achieve asset certification as a guarantee of its environmental undertaking.
- Cost reductions.

This Master Plan, together with the new rules on set points established in Royal Legislative Decree 14 of 1 August 2022, continues to deliver results in terms of energy efficiency.

Over H1 2023, we made **significant cutbacks (-9.8% year on year) in total electricity consumption in common areas of our properties.** This is **despite an upturn in footfall** and the need for climate control in response to above-average spring temperatures in most regions where we operate.

Warmer weather reduced the need for heating, resulting in a notable decline in consumption of natural gas **(-15.5%).**



Lar España is one of the Real Estate companies included in the MITERD list, being one of the few companies (6 in total) that **verify their footprint by an independent certification authority** at the same time of **being the first listed Real Estate company in obtaining the “Reduzco” seal.**



Renewable energy

The Company is currently assessing a number of possibilities for installing solar panels across its portfolio.

All of the energy consumed by Lar España is obtained from renewable sources.



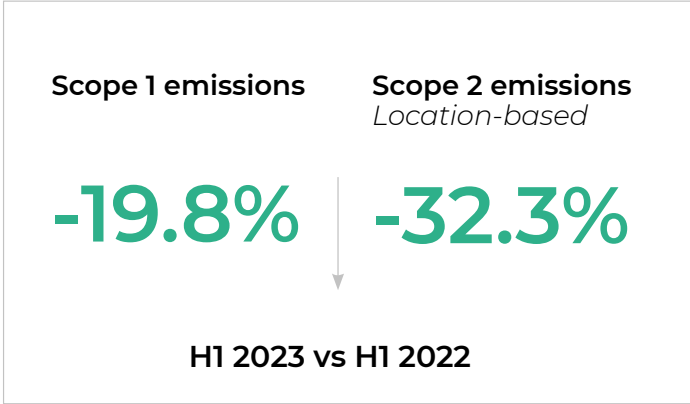
Carbon footprint and Decarbonisation

Lar España is in the process of **registering its carbon footprint for a fifth consecutive year**, submitting its footprint for 2022 with the Ministry for the Ecological Transition and the Demographic Challenge (MITERD). As part of this process, it will once again receive **independent verification** of its calculation and of the accompanying documentation from Bureau Veritas.



Our **Scope 1** emissions for H1 2023 were **-19.8%** lower than in the same period of 2022, thanks to a reduction in fuel consumption for heating.

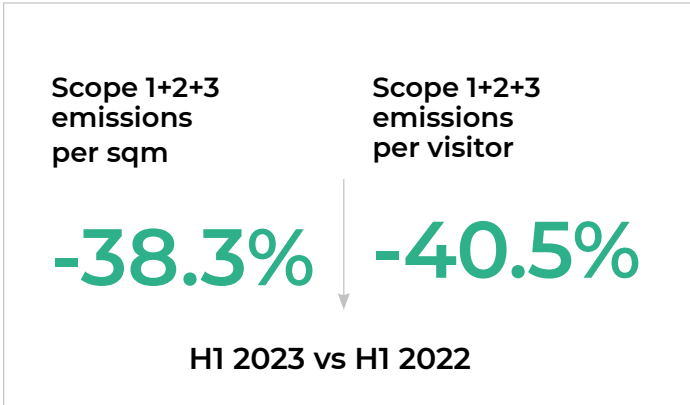
As for **Scope 2** (indirect emissions deriving from electricity generation), when calculated according to the market-based⁽¹⁾ method our **GHG emissions were zero**, as 100% of the electricity we buy comes from guaranteed renewable sources. Using the location-based⁽²⁾ method, our Scope 2 emissions have **fallen by -32.3%**. This is partly due to a decline in electricity demand across our portfolio.



We are currently in the process of quantifying our Scope 3 emissions, i.e., indirect emissions occurring across our value chain. At present, our focus is on calculating emissions due to energy for heating supplied to tenants in shopping centres. We plan to build on these efforts through the use of green clauses and enhanced traceability in waste management.

(1) Figures are based on the emissions produced by the generating technology. / (2) Based on Spain's overall energy mix.

In relative terms, our combined Scope 1, 2 and 3 emissions (CO₂e per sqm) **fell by -38.3%** in the first half of 2023 compared with the same period of 2022. Emissions per visitor dropped a little more **(-40.5%)** due to higher footfall.



The Company is also part of the third edition of the **Climate Ambition Accelerator** programme promoted by the Spanish Network of the Global Compact – participating in the programme along with another 75 Spanish companies. The aim of taking part in this initiative is to continue making progress in setting out **quantifiable emissions reduction targets** based on science and aligned with other global initiatives such as the Science Based Targets initiative (SBTi), developing targeted action plans to achieve this goal and gain greater insights into other standards developed by the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute and the World Wildlife Fund, among others.

During the course of the coming months, Lar España will also **update its Decarbonisation Plan**, as part of its commitment to continuous improvement and to the analysis of its adaptation and mitigation measures, incorporating **international calculation initiatives such as Carbon Risk Real Estate Monitor (CREEM)**. It also plans to make further headway with the identification of Scope 3 emissions in its Carbon Footprint in order to continue putting in place measures that will help increase the amount of Scope 3 data collected and allow it to develop ways of reducing these emissions.

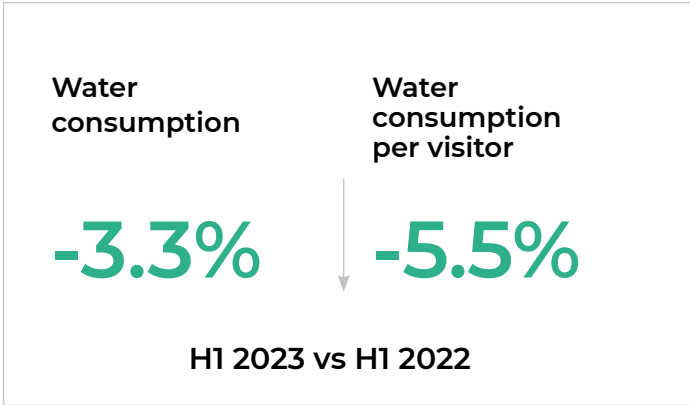


Optimisation of water consumption

The Company’s teams are currently working on the **water consumption analysis** for each asset in accordance with the criteria set out under **ISO 14046**, the specialist standard for water management. As a result, the Company’s aim is to access more detailed consumption data which will then allow it to design Reduction Plans to optimise consumption, adapting the plan for each asset’s specific geographical location and available water resources. The corporate strategy will also take account of any potential effects of climate change that could lead to water stress in the future.

Unusually warm temperatures and lower than average rainfall, coupled with an upturn in footfall, might be expected to result in increased water use for both air conditioning and irrigation. However, widespread water scarcity in Spain have prompted ongoing efforts towards more responsible consumption.

Consequently, our **water consumption in common areas fell by -3.3%** in absolute terms in the first half of 2023 compared with the same period of 2022. This translates to a reduction of **-5.5%** per individual visitor.





Green clauses in lease agreements

Throughout the course of H1 2023, green clauses continued to be included in the Company’s lease agreements, with **around 20%** of leases signed now including clauses relating to the use of resources and energy efficiency measures, as well as to other sustainability targets and measures. This figure is expected to continue to climb as leases are renewed and new agreements are signed.

The Company also intends to continue working on operational guides that promote business activity based on the principles, commitments, goals, strategies and values set out in the **Sustainability/ESG Policy**.



Protecting urban biodiversity within our assets

As an organisation, Lar España is more than aware of the various impacts its operations have on its immediate natural surroundings. As such, it is committed to offering spaces that are not only attractive for occupiers, but that also **add value to the environment and form a natural extension of their surroundings**.

The upcoming projects that it plans to launch highlight this drive to better understand the ecosystems where its assets are located, so that it can continue to better manage and better integrate them into their natural surroundings.

An example of one of these initiatives are the **Biodiversity reports** and the subsequent **Management Plans** that the Company has drawn up for some of its assets such as Lagoh, El Rosal, Portal de la Marina and Megapark.

A Biodiversity report is published for 64% of assets, with 37% of these reports including a specific Management Plan.

Lagoh: a standout example of urban oasis design

As well as offering a whole host of innovative experiences, the shopping centre is a perfect example of the Company’s **sustainability commitments**, with its biophilic design offering large expanses of greenery that bring people closer to nature in an urban environment.

The agreement with the Research Foundation of the University of Seville (FIUS) remains in force, with the University continuing to offer scientific advisory for the hybrid environment formed by the retail areas and the living ecosystem of the lake.

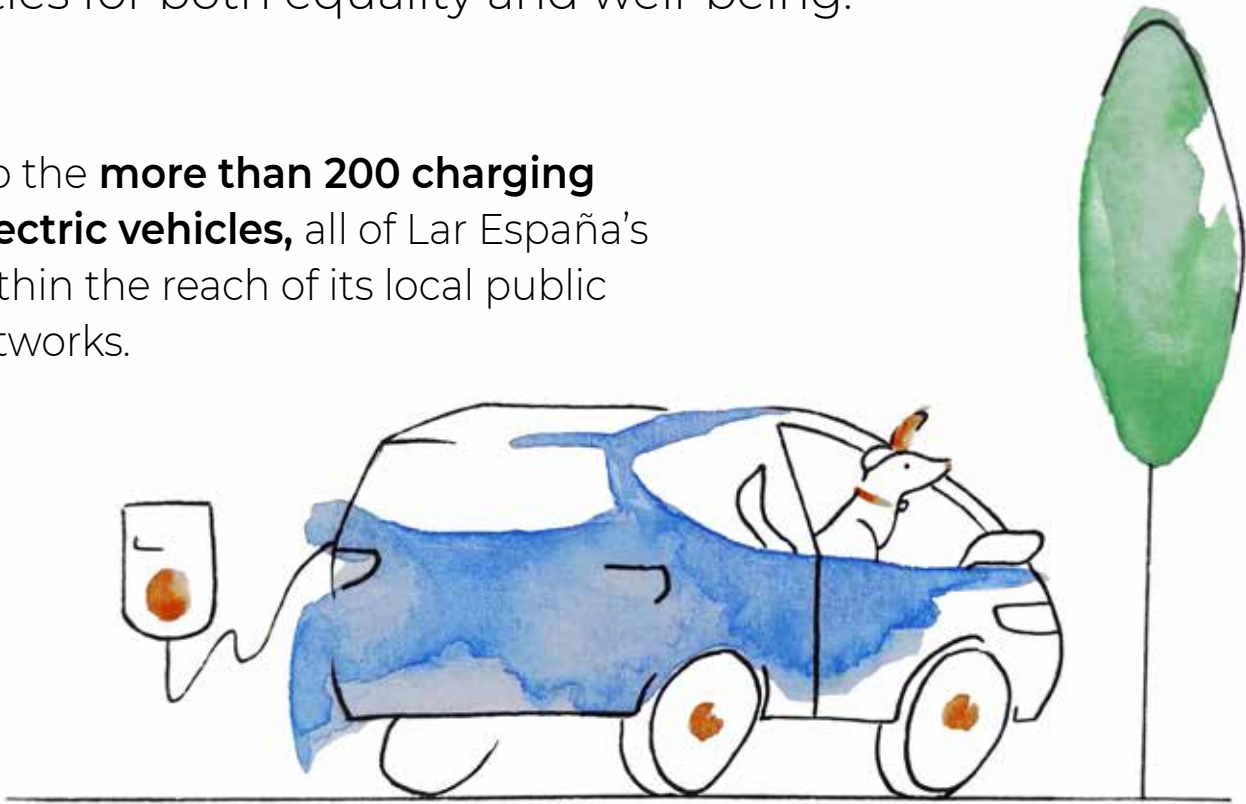
The following are some of the initiatives in place at the park to **improve the biodiversity of the surrounding area** and help achieve an eco-friendly, healthy and socially-inclusive Seville:

- Collection and analysis of samples taken from the lake to ensure optimal water quality.
- Analysis of air quality, noise and electromagnetic radiation indicators which are measured throughout the day and are located at various points inside and outside of the properties and also in the immediate surroundings.
- Surface water cleaned daily via the use of an electric motorboat and a net which is used to catch and remove floating microalgae and avoid eutrophication of the lake.
- Planting of Lippia (*Phyla nodiflora*) which thrives in warm Mediterranean climates, requires less water and is able to withstand the high temperatures of Seville.
- Nest boxes for birds such as swifts and bat boxes for natural control of unwanted mosquito populations.

3.2
Contribution to Society

The impact that Lar España’s assets have on society is essential for the Company to achieve its goal of value creation. Its **economic, human and inclusive development** creates opportunities for both equality and well-being.

In addition to the **more than 200 charging points for electric vehicles**, all of Lar España’s assets are within the reach of its local public transport networks.



Sustainable mobility and cities of the future

Lar España embraces an urban mobility model that meets the **environmental and social needs** of its local communities, working on projects that involve electric vehicle charging points, shared transport, improved pedestrian access, campaigns to champion the use of public transport, and parking facilities and access routes for bicycles, scooters and motorcycles.

As such, agreements are being signed for all of Lar España’s assets **to install electric vehicle charging points** in line with the requirements set out in Royal Legislative Decree 29/2021, August 1. The aim is that the contracted energy supply will also have a Guarantee of Origin.

A culture of health, safety and well-being at our assets

Certified with the highly-regarded ISO 45001 standard for health and safety in the workplace

In 2022, Lar España achieved its goal to certify all the assets under its operational control under the ISO 45001 standard, strengthening its **compliance with the health and safety regulations** for shopping centre and retail park employees.

As a result, all certified assets have their own health and safety management systems in place to protect against work-related accidents, emergencies and illnesses.

Improved air quality

The interest in health and well-being from both visitors and employees across all of the Company's properties has prompted Lar España to improve its methods for measuring the indoor air quality at its assets. The introduction of specialist monitoring software has also allowed the Company **to optimise the operational management** of HVAC systems and boost the overall energy performance of its assets.

This means that regular monthly reports are systematically produced. The indicators analysed in these reports show that the air quality at the Company's properties is optimal.

Accessibility

The Company is an active defender of social integration and high accessibility standards, ensuring its designs are focused on user comfort and well-being.

During the first six months of 2023, Lar España has continued to roll out the UNE-170001 certification at the following assets:

- **Parque Abadía, Megapark and Albacenter** were awarded Universal Accessibility certification during 2023.
- During the course of the next few months **Portal de la Marina** is also expected to receive certification.

After obtaining certification for Parque Abadía, Megapark and Albacenter, more than 60% of the portfolio is now certified under the UNE-170001 standard.

Similarly, as part of the Company's commitment to widen the scope of its accessibility criteria, this year the Lagoh shopping centre has signed a collaboration agreement with the **Seville Autism**

Association with a view to introducing a number of measures designed to ensure the shopping centre is not just physically accessible, but also cognitively accessible.

Via this agreement, the Seville Autism Association offers Lagoh an action plan headed up by a team of experts that will advise staff at the shopping centre on how to improve its cognitive accessibility and manage situations involving people on the autistic spectrum in order to ensure their stay at the asset is as enjoyable as possible, both for them and their families.

Another example of Lar España's steadfast commitment to social inclusion is the installation of **stoma-friendly toilets** in the Albacenter shopping centre.

These initiatives underline Lar España's dedication to making its shopping centres and retail parks more accessible for everyone, working to provide accessible and healthy leisure and social spaces in which everyone can feel fully welcome and catered for.

Communication with stakeholders

Lar España has a variety of **tools in place across its assets** to ensure effective communication channels with different stakeholders, including customers and landlords. The Company uses these tools to act efficiently, allowing it to respond to users and channel the appropriate information to ensure their needs and expectations are met.

Satisfaction surveys completed by both end-customers and employees at the assets are one of the ways in which the Company actively works to design measures to improve people's perception and opinion of its assets.

During H1 2023 it has **continued to roll out this strategy** carrying out accessibility surveys for part of the portfolio in order to learn the general level of satisfaction of visitors regarding both measures and initiatives implemented and events held at its assets.

Social Impact Committee

In parallel with the work carried out by the ESG Committee, the Company has **created a Social Impact Committee** made up of the professionals involved in the strategic management and development of initiatives launched across the portfolio's assets in the area of social impact and contribution to local communities. Both Committees will work together to define a **corporate impact strategy** and measure different indicators that will allow Lar España to keep all stakeholders up to date with all relevant information.

Some issues which are expected to be addressed include:

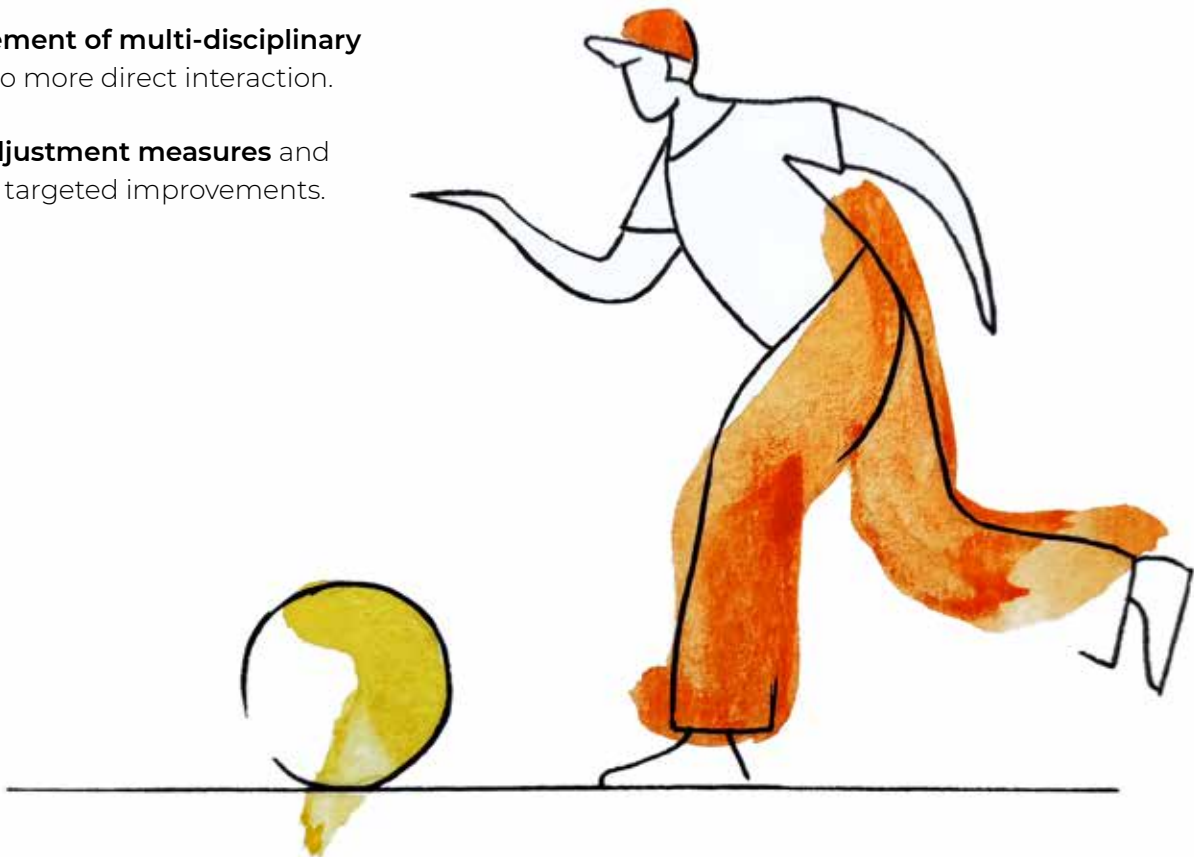
- **Strategic planning of social initiatives** in line with trends observed within the sector.
- In-depth analysis of the **Company's social impact**, incorporating the finance element into decision-making.
- **Introduction of improvements to the communication process** and how the performance of related indicators is reported.
- Greater **involvement of multi-disciplinary teams** thanks to more direct interaction.
- **Adoption of adjustment measures** and introduction of targeted improvements.

Initiatives at our shopping centres and retail parks

During H1 2023, the Company **has continued to roll out a number of different initiatives** across its shopping centres and retail parks to help create shared value in its local communities.

These initiatives completed during the first half of the year can be summarised as follows:

- More than **1,500 hours** dedicated to social action and initiatives.
- The Company has worked with over **70 organisations, companies, NGOs and foundations**.
- More than **160,000€** invested in social action and initiatives.
- More than **2,500 kg** of clothing collected.
- More than **4,000 kg** of food donated.



Social Initiatives H1 2023

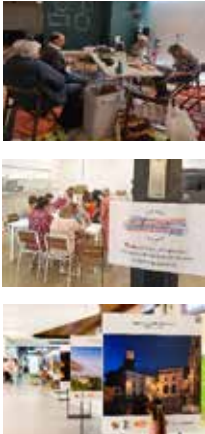
Championing sport and healthy lifestyles

One of Lar España’s social engagement objectives is to **promote and sponsor healthy lifestyles**, putting physical activity front and centre as part of its commitment to generate a positive impact within its local communities. This includes:

Asset	Initiative
Ànec Blau 	Sponsorship of the Sitges Marathon: Sponsorship of the Sitges Half Marathon with more than 2,000 people taking part Sponsorship of the Mediterrani Marathon: Sponsorship of the Mediterrani Marathon with more than 2,000 people taking part. Sponsorship of the Top 4 Handball tournament Castelldefels. Collaboration with the Catalan Handball Federation and sponsorship of a tournament held in Castelldefels. Sponsorship of Canal Olímpic, with over 1,500 children taking part in the event.
As Termas 	The Corre con Nós fun run: A running event held in the shopping centre car park on 23 April.
El Rosal 	Más Salud, Más Bierzo: Workshops, talks, presentations, etc. offered by Clínica Ponferrada at their stand. A range of activities organised all year round. Basketball Tournament: Eighth 3x3 Basketball Tournament on the outdoor esplanade at El Rosal, organised by the Ponferrada Basketball Club, with children from a number of areas across the catchment joining in and enjoying a fun family day out at the shopping centre.
Parque Abadía 	Bike Marathon: Sponsorship of the Toledo Cycling Race, in collaboration with Toledo Council's Department for Sport. Collaboration with the Decathlon foundation, helping to organise sports day events for people in disadvantaged situations.
Parque VidaNova 	3x3 Basketball Tournament: As part of its sponsorship of the Morvedre Basketball Club, a 3x3 tournament was organised and held at the retail park.
Albacenter 	World record charity pilates event held in association with Afanión.

Promoting culture

As part of its pledge to create shared value in its local communities, the Company is actively engaged in a variety of **culture-enriching initiatives**:

Asset	Initiative
Albacenter 	Straw weaving workshops, promoting the traditional craft of this material. Entrepuntejos: Crocheting classes offered by the Albacete Knitters Association. Leader project exhibition, offering a spectacular photo exhibition and press conference.
Ànec Blau 	III Edition of the micro short films competition: Third edition of the film competition aimed at young up-and-coming talent and designed to help them get their projects off the ground. As part of the competition, there is a screening day when the films are shown in one of the premium auditoriums at Yelmo Cines. A number of prizes are awarded to different categories, with the top prize being €2,000 for the best micro short film. Chess Exhibition: Space at the centre was used to host a chess exhibition which saw the Mallorca and Catalonia girls under-16 categories compete.
As Termas	Play area: A games and activity space for children aged 3 to 10 years, with monthly educational programmes, games and children's shows. A service that helps parents leave their children under the best care while they do their shopping. Sponsorship of the Arde Lucus traditional Roman festival.
El Rosal 	EscaparArte. Space is given over to local artists so that they can display their artwork in the EscaparArte creative space. Book days: To mark World Book Day, a special communication campaign is rolled out during the week, encouraging people to visit the La Casa del Libro store at El Rosal.
Gran Vía de Vigo 	MONA Market. First edition of the MONA artwork and illustration market. Held on Friday 14 and Saturday 15 April on the ground floor. The market was first set up by six local artists who's aim was to make it a leading event in the local community.
Lagoh 	Play area: where children can enjoy a range of different fun and educational activities at the weekend, leaving their parents free to do a spot of shopping at the centre. Craft fair: One Sunday each month, part of the outdoor lake area is given over to the Bermejales Retailers Association to hold their craft fair. Book exchange: Chill-out area with a book stand for exchanging books and enjoying some quiet reading time.

Blood drive campaigns

In various assets of the portfolio, blood donation campaigns have continued to be organized in collaboration with different institutions, thus achieving visibility to these initiatives and **also encouraging participation** through reward systems and gifts such as movie tickets.

Asset	Initiative		
Lagoh El Rosal Gran Vía de Vigo As Termas Portal de la Marina			
	Blood donation for Valentine's Day in Lagoh.	Donar es de Cine initiative carried out in El Rosal, Gran Vía de Vigo and As Termas.	The Great Donation campaign in Portal de la Marina.

Driving sustainability

As part of its continuous improvement strategy, and in addition to the initiatives introduced across its properties at company level, Lar España also engages with its local communities in campaigns **designed to raise awareness**, drive sustainability and provide visitors with ways in which they can contribute to sustainability-focused initiatives and help minimise the impact of its properties on the environment:

Asset	Initiative				
Ànec Blau El Rosal Lagoh Vistahermosa VidaNova Parc Gran Vía de Vigo Portal de la Marina	Earth Hour: Joining in the “Switch Off” and a special communication campaign.				
					
Ànec Blau		Beach clean-up day: A clean-up day was organised for Castelldefels beach in collaboration with the Ocean52 association and Castelldefels' Shaka Surf. An initiative designed to raise awareness of the importance of protecting our natural environments. The event also included a number of surprises, as well as offering participants a tote bag containing a t-shirt and recycled bottle, they were also entered into a prize draw with the chance of winning shopping centre gift cards and cinema tickets. A total of 52 kg of waste was collected in one hour thanks to the nearly 30 people that took part.			
		Environmental communication campaign: Ongoing campaign to raise awareness surrounding issues such as climate change, the environment and recycling.			
As Termas		Eco-drawing competition: School eco-themed drawing competition in which all schools in the province were invited to take part.			

Asset	Initiative	
Ànec Blau El Rosal Lagoh Portal de la Marina Gran Vía de Vigo Parque Abadía	 	RECICLOS Project: is being rolled out at several of the portfolio's assets via the free installation of the <i>RECICLOS</i> machines and communication campaigns that encourage visitors take part in the project. The points obtained are converted into donations to social action projects. Awareness-raising campaigns about clothing donation, championing the principles of the circular economy and helping people in need of clothing. Underway at several assets such as Ànec Blau and Lagoh.

Collaboration with NGOs and charity organisations

During the first half of the year, the company continued to offer up space for free at its properties to NGOs, non-profit organisations and foundations in support of their campaigns, **helping to give them more visibility** and reach a wider audience. Some of the organisations which the company has worked with at its properties include:

Asset	Initiative		
Different assets	› UNICEF › Oxfam › Food Bank › Save the Children › Aldeas Infantiles › Action Against Hunger › Cáritas › Red Cross › ONCE	› ACNUR › AECC › Doctors of the World › Doctors Without Borders › The Spanish Heart Foundation › Ictus › Afanión › Fundación FAD › Asociación Benestar Bigotes	› Fundación Trifolium › Asociación Las Triples › ISTEA › REMAR › AIDISCAM › Pascual Maragall › Josep Carreras › WWF › KGB Syndrome
			
As terms	› As Termas also held the As Termas Suma competition in which any local NGO can present their project a take part. The winning project is awarded €3,000 to help finance its project.		

International aid

Beyond the impact the Company has on its local communities, in the following assets Lar España has also supported a number of charitable initiatives targeting causes much further afield:

Lagoh El Rosal As Termas Albacenter	Increasing the awareness of the Red Cross campaign “Donate to the Turkey-Syria Earthquake Appeal” on its social media pages. 
Gran Vía de Vigo	In light of the War in Ukraine , the shopping centre gave up digital space (website and social media pages) to allow organisations such as Caritas and Red Cross to post asking for people to donate to their aid campaigns .

2023 cross-cutting action: Dumbo: the Musical.
Inclusive entertainment for all the family.

The hit-musical Dumbo, winner of a number of awards in 2020 such as Broadway World’s Best Musical, the Best Costume Design at the Musical Theatre awards and Best Children’s musical at the thirteenth edition of the Rojas Theatre Awards has adapted its show for a cast that includes people with disabilities. The line-up is headed by a young actress with Down Syndrome and the entire performance is signed for members of the audience who are deaf or hard of hearing. Viewers can enjoy this moving story that carries a strong message against all forms of bullying a heart-warming interpretation that brings a tear to the eye, while also putting a smile on the face of anyone who watches it.

This initiative, linked to the Disfrutones Club and the Club’s new App, offers its members the chance to enjoy this event free of charge.

The figures show the true extent of the **success of this initiative, with 1,800 people subscribed, 300 new Disfrutones members and the new App downloaded 250 times** following its launch in Ànec Blau. After being so well-received, the Company is working on introducing it in other assets to continue creating meaningful links with its local communities, making its centres leading lights for charitable action, leisure and inclusion, increasing footfall and dwell time, as well as attracting new members to the Disfrutones Club and encouraging more people to download the App.

Its launch will also see 15 seats specially reserved for different Associations of the Deaf and Hard of Hearing, such as *Asociación de Personas Sordas de Lugo, Asociación de Personas Sordas de la Comarca del Bierzo, Asociación de Personas Sordas de Albacete, Federació de Persones Sordes de Catalunya, Asociación de Personas Sordas de Alicante* and *Asociación Cultural Integración Sordo-Oyente*. In addition, the assets hosting these events will make a donation to a related charitable cause, covering anything from disabilities to child harassment.



Compelled to achieve its core objective of inclusive leisure, Lar España offers the ideal meeting point for initiatives aimed at reducing inequalities between local communities.

Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

3.3

Leaders in Corporate Governance

The Company remains deeply committed to a business model that maintains the highest **standards of good corporate governance**, conducting its business in line with the principles of transparency, ethics and regulatory compliance.

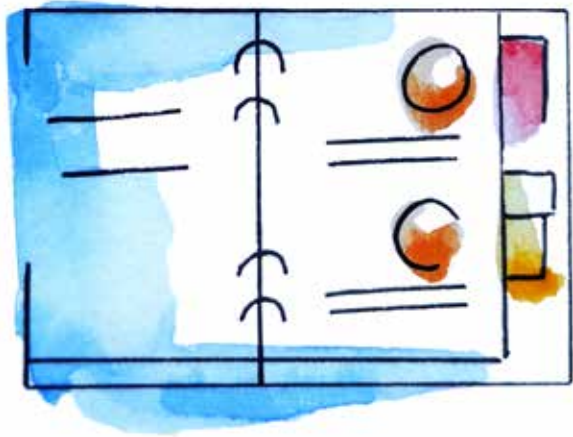
In this context, on 31 March 2023, Lar España held its **General Shareholders' Meeting**. **All the resolutions submitted to the vote were approved with majorities of around 99%**, demonstrating once again the confidence of shareholders in the Company and their support for the management of the Board.

Among the resolutions adopted by the Shareholders' Meeting, the renewal of 4 directors stands out, revalidating and expressly supporting the current governing body, **which is a balanced, cohesive and diverse board in every way** (age, nationalities, skills, gender, etc.).

In terms of gender, **the percentage of women on the Board of Directors is 33.3%**, fully aligned with the Directive on Gender Balance on Corporate Boards and with best governance practices.

During the first half of 2023, the Company has continued **reviewing and updating its corporate documents**, having approved (i) in February 2023, an update of the Regulations of the Board of Directors and of both Committees; and (ii) at the General Shareholders' Meeting, an update of the Company's Bylaws.

Regarding global reporting standards, as a member of the European Public Real Estate Association (EPRA) and as part of its commitment to transparency, Lar España has continued to assess the specific indicators set out in the EPRA Best Practices Recommendations, in the areas of both finance and sustainability.



The information reported in the Company's Annual Reports is also fully aligned with leading global standards such as Global Reporting Initiative (GRI), in its most up-to-date edition, and with the 2021 edition of the International Integrated Reporting Framework (IIRC).

Lar España's **Annual Corporate Governance Report** also offers more detailed information on both the structure and operation of the governance bodies, as well as on the progress made in terms of corporate governance best practices and recommendations, showing the high level of compliance with the best standards of good governance.

With regard to the **Annual Report of Directors Remuneration**, in the advisory vote of the last Meeting this point received the support of more than 99%.

Risk Map Updated

Lar España updated its Risk Map at the end of 2022 and the beginning of 2023, as required by the **Risk Control and Management Policy** approved by the Lar España Board of Directors.

Since 2015 Lar España has had a corporate **Integrated Risk Management System** in place, which has been updated in May 2023, to mitigate the risks which its operations expose the Company to. This system sets out a methodology for efficiently identifying, evaluating, prioritising and managing these risks, taking account of the Company's situation, as well as the economic and regulatory environment in which it is operating. Its end aim is also to **guarantee a reasonable level of security** insofar as achieving the Company's strategic and operational objectives are concerned and in terms of the reliability of information and compliance with legislation.



Climate risk analysis as part of Company strategy

Since the end of 2022, Lar España has assessed **risks and opportunities resulting from climate change** in line with the renowned global standard Task Force on Climate-Related Financial Disclosures (TCFD) developed by the Financial Stability Board (FSB).

The aim of this project is to access information on the potential impact of climate change on Lar España’s portfolio and use it to define targeted adaptation plans in order to mitigate these risks. As such, in the medium-long term, this analysis could form part of the **Targeted Action Plans to be developed** such as the Decarbonisation Plan. The ultimate aim is to gradually include an increasing number of actions from the TCFD recommendations framework over the next few years.

To identify the **physical risks** caused by extreme weather conditions, several scenarios were analysed, both for specific years (2030 and 2050) and for emissions levels as per those set out by the IPCC (RCP 2.6, RCP 4.5 and RCP 8.5), using asset locations as the basis for the assessment.

Physical risks identified:

- Temperature variability
- Water stress
- Heatwaves
- Heavy rainfall (rain, hail, snow and/or ice)
- Forest fires
- Temperature variations (air, fresh water, seawater)
- Drought
- Flooding
- Changes in rainfall

Following this, surveys were carried out among the various heads of the areas involved in managing the portfolio, such as the Corporate and Finance, Technical, Internal Auditing, Asset Management and Property Management departments, to learn their views on the risks identified. This feedback was used **to assess the relevance of each of the risks** based on the probability that they would occur and the vulnerability and potential impact on each of the assets.

Climate risk = probability × vulnerability × impact

The physical risks identified in the different climate scenarios analysed would therefore have the **following potential impacts:**

- › Increased operating costs.
- › Increased maintenance costs.
- › Business disruption.
- › Disruption of construction and refurbishment works.

To analyse possible **ways of mitigating** the impact of these risks, the Company is in the process of analysing potential solutions which, among others, include:

- › Adaptation measures for the different scenarios.
- › Initiatives to improve the energy efficiency of the Company’s assets.
- › Optimising resource use.
- › Emission reduction initiatives.



GRESB

This analysis is currently in the final stages of its evaluation, the part in which the impact of the physical risks are **financially quantified** and **transition risks** are also identified and assessed. Transition risks are risks that are linked to potential changes occurring at the regulatory level and those mainly stemming from the transition to a decarbonised economy.

The Company **has become a supporter of the initiative in July 2023** showing that Lar España believes that TCFD standars provide a useful framework for increasing transparency about climate-related risks and opportunities and demonstrating its commitment to work towards its own implementation of the TCFD recommendations.

The Company now plans to publish a report to present the results of this analysis, detailing them in accordance with the criteria set out under the TCFD.

The climate risk analysis is an essential part of the Company’s strategy, aimed at designing action plans and rolling out initiatives to help adapt assets as necessary and to also take advantage of any opportunities arising from climate change.

For the sixth year running, Lar España has **taken part in the GRESB** (Global Sustainability Real Estate Benchmark) **assessment**, which has become the global standard for assessing commitment to ESG in the Real Estate sector.

Its participation in this assessment highlights Lar España’s undertaking to evaluate its performance at both corporate and asset level, as well as provide a wide range of benchmark indicators in the sector.

This year, the Company has also responded to the new criteria included in the assessment relating to **climate change risks and management and issues involving diversity**, equality and inclusion. As such, the Company has provided additional data in order to extend the scope of its sustainability objectives and remain a leader in Corporate Governance in its sector.



MSCI¹

Lar España is also included in the MSCI-IPD annual Real Estate index, the IPD Spain Annual Property Index. Its participation in this index allows it to access additional information, gain visibility on the Real Estate sector and identify key trends.

After analysing the information published by the Company for 2022, the index has maintained in 2023 Lar España’s **BBB rating**.

(1) Lar España’s use of any data belonging to MSCI ESG Research LLC or its affiliates (“MSCI”), and the use of logos, trademarks, service brands or names of MSCI indices, does not constitute any form of sponsorship, support, recommendation or marketing for MSCI by Lar España. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. The names and logos of MSCI are commercial or service brands belonging to MSCI.

“BBB” rating in the international MSCI index.

IBEX Gender Equality Index

Lar España forms part of Spain's first gender equality index: the IBEX Gender Equality Index. As one of the 30 companies listed on the index, it reports on the presence of women in management positions as part of the information submitted to the Spanish Securities Markets Commission (CNMV). Hence one of the Company's objectives is **to advocate for gender equality among Spain's listed companies** insofar as management roles and senior positions are concerned.

Global Compact and Sustainable Development Goals

After signing up to the Global Compact in 2020 and developing an Action Plan which required identifying material topics and assessing their contribution to the various SDGs – identifying both positive and negative impacts with a view to mitigating them – **Lar España participated in the third edition of the SDG Ambition Accelerator programme.** Thanks to participating in this initiative, the Company has been able to take its strategic management to the next level, aligning it with corporate sustainable development objectives and results.

Following six months of ongoing training, Lar España was one of the companies selected for the programme's global closing event, to which over 470 companies associated with the Global Compact from more than 60 countries were invited to attend. This event offered the Company a unique opportunity to learn from and rub shoulders with all participants on the global corporate sustainability stage.

Following on from the positive experience of this accelerator programme, Lar España decided to join the Climate Ambition programme, as explained in section 3.1 Environmental Engagement. This new programme will run until October.

The Company is currently preparing its **Progress Report (COP)** as part of its annual reporting obligations within the Principles of the UN Global Compact. The aim is to measure and inform stakeholders of the Company's contribution and alignment with the five reporting blocks: Governance, Human Rights, Labour Standards, Environment and Anti-Corruption.

Forming part of a leading global initiative such as the Global Compact, incorporating its 10 principles into the Company's action plan, bolsters Lar España's overall contribution to the Sustainable Development Goals of the 2030 Agenda.

Consolidated Financial Statements

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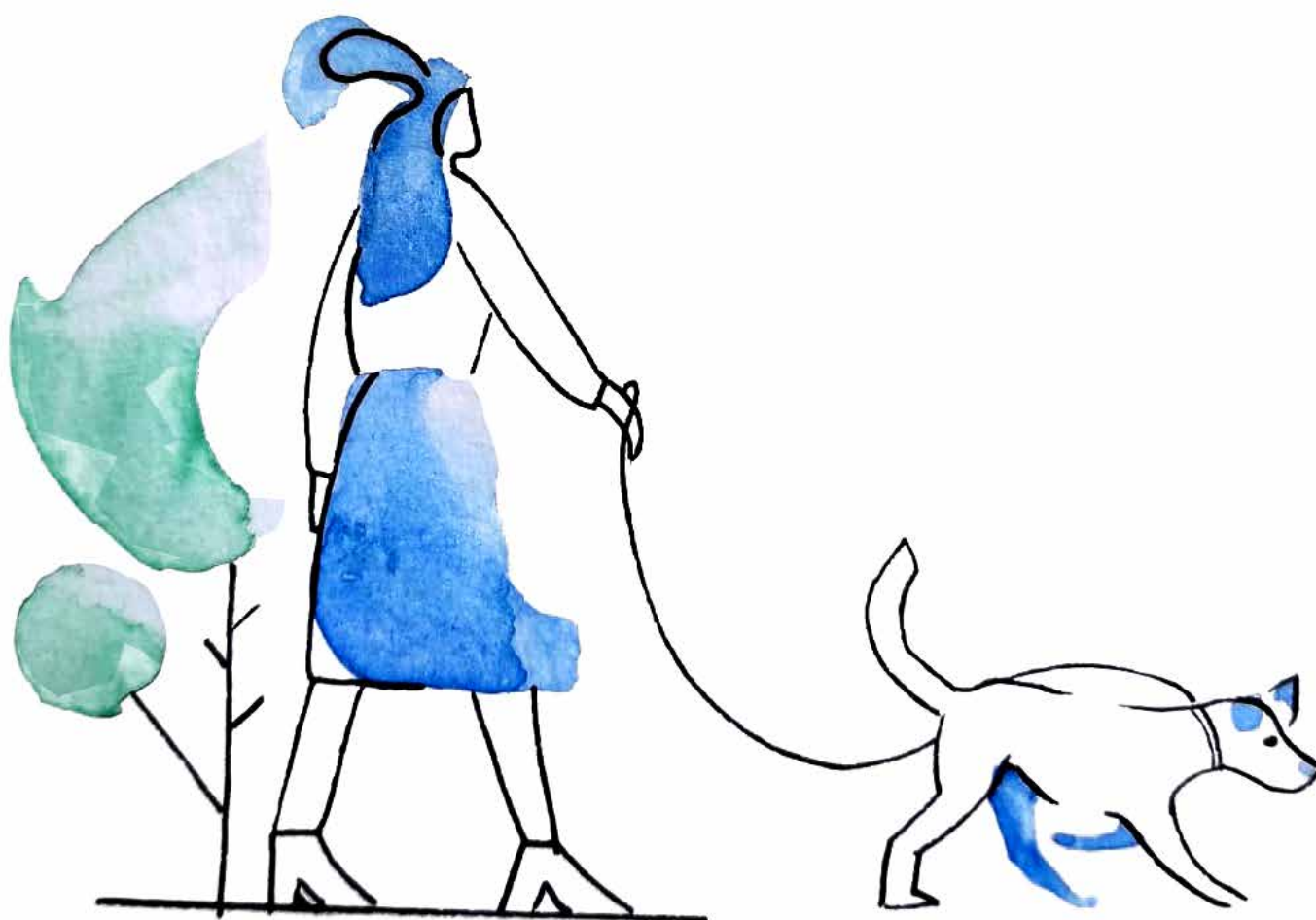
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Revenue during the first half of 2023 amounted to more than **€47 million**, **meaning close to 17% increase** versus the figure obtained in the same period last year.



4.1
Company Chart 30/06/2023



Group scope of accounting/financial consolidation as of 30 June 2023 is as follows:

●	100%	LE RETAIL - El Rosal, S.L.U.	El Rosal	100%
●	100%	LE RETAIL - Albacenter, S.L.U.	Albacenter	100%
●	100%	LE RETAIL - Ànec Blau, S.L.U.	Ànec Blau	100%
●	100%	LE RETAIL - Txingudi, S.L.U.	Txingudi	100%
●	100%	LE RETAIL - As Termas, S.L.U.	As Termas	100%
●	100%	LE RETAIL - VidaNova Parc, S.L.U.	VidaNova Parc	100%
●	100%	LE RETAIL - Vistahermosa, S.L.U.	Vistahermosa	100%
●	100%	LE RETAIL - Hiper Albacenter, S.A.U.	Hypermarket Albacenter	100%
●	100%	LE RETAIL - Lagoh, S.L.U.	Lagoh	100%
●	100%	LE RETAIL - Las Huertas, S.L.U.	Las Huertas	100%
●	100%	LE RETAIL - Abadía, S.L.U.	Parque Abadía and Commercial gallery	100%
●	100%	LE RETAIL - Gran Vía de Vigo, S.A.U.	Gran Vía de Vigo	100%
●	100%	LE RETAIL - Galaría, S.L.U.		100%
●	100%	LE LOGISTIC - Alovera I y II, S.A.U.		100%
●	100%	LE LOGISTIC - Alovera III y IV, S.L.U.		100%
●	100%	LE RETAIL - Córdoba Sur, S.L.U.		100%
●	100%	LAR ESPAÑA - Inversión Logística IV, S.L.U.		100%
●	100%	LE LOGISTIC - Almussafes, S.L.U.		100%
●	100%	LE RETAIL - Hiper Ondara, S.L.U.	Portal de la Marina / Megapark Petrol Station As Termas	100% 100%
●	100%	LE RETAIL - Rivas, S.L.U.	Rivas Futura	100%
●	100%	LE RETAIL - Alisal, S.A.U.		100%
●	100%	LE RETAIL - Villaverde, S.L.U.		100%
●	100%	LE RETAIL - Sagunto II, S.L.U.		100%
●	100%	LE OFFICES - Marcelo Spínola 42, S.L.U.		100%
●	100%	LE OFFICES - Eloy Gonzalo 27, S.A.U.		100%
●	100%	LE OFFICES - Joan Miró 21, S.L.U.		100%
●	50%	INMOBILIARIA - Juan Bravo 3, S.L.		50%

Company: ● Full Consolidation ● Equity Method

Asset Class: Shopping Centres Retail Parks

Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

4.2
Consolidated Statement of Comprehensive Income

TOTAL (Thousands of euros)	H1 2023	H1 2022
Revenues	47,229	40,493
Other Income	1,717	1,558
Personnel expenses	(405)	(519)
Other expenses	(15,079)	(14,891)
Changes in the fair value of investment properties	(12,078)	41,055
RESULTS FROM OPERATIONS	21,384	67,696
Financial income	1,131	-
Financial expenses	(7,779)	(8,298)
Impairment and result of disposals of financial instruments	20,402	-
Changes in the fair value of financial instruments	-	(4,533)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	35,138	54,865
Income tax	-	-
PROFIT FOR THE PERIOD	35,138	54,865

Results from operations

21,384

Thousands of euros

Profit for the period

35,138

Thousands of euros

Result from operating activities

At 30 June 2023, the Group presented a **positive result for its operations amounting to 21,384 thousand Euros** (67,696 thousand Euros at 30 June 2022). Meanwhile the **profit for the period** amounts to **35,138 thousand Euros**.

Revenues

Revenue during the first half of 2023 amounted to **47,229 thousand Euros**, meaning close to **17% increase** versus the figure obtained in the same period last year (revenue of 40,493 thousand Euros during the first half of 2022).

Other expenses

On 30 June 2023, the Group incurred *Other expenses* amounting to **15,079 thousand Euros**, mainly related to:

- Recurrent services that are directly linked to the ordinary management of the assets (supplies, IBI -property tax-, etc.) in the amount of 7,016 thousand Euros.
- Management fees (fixed fee included) for management services provided to the Company by Grupo Lar Inversiones Inmobiliarias ("Grupo Lar") totals 3,840 thousand Euros. The fixed amount totals 2,834 thousand Euros and the variable amount, 1,006 thousand Euros, corresponds to the performance fee provision included in the financial statements as at 30 June 2023.

Change in the fair value of investment properties

On 30 June 2023, the negative amount in this entry, **12,078 thousand Euros**, is made up of the difference in the fair value of investment properties following the latest valuations conducted by independent experts (C&W and JLL).

Net Financial Result

The **financial result** was a positive balance of 13,754 thousand Euros at 30 June 2023 (negative balance of 12,831 thousand Euros at 30 June 2022).

Financial expenses mainly comprise the interest accrued on loans taken out by the Group with financial institutions and the bonds issued by the Group in 2021.

The amount of **20,402 thousand Euros** recorded during the first six months of 2023 corresponds to the repurchases of green bonds carried out in the period.

4.3
Consolidated Statement of Financial Position

ASSETS (Thousands of euros)	30/06/2023	31/12/2022
Intangible assets	1	1
Investment properties	1,191,378	1,199,898
Equity-accounted investees	1,450	1,450
Non-current financial assets	12,117	11,868
Trade and other receivables non-current	4,210	5,615
NON-CURRENT ASSETS	1,209,156	1,218,832
Non-current assets held for sale	279,073	287,964
Trade and other receivables	10,155	11,744
Other current financial assets	3	3
Other current assets	2,495	2,594
Cash and cash equivalents	91,209	197,141
CURRENT ASSETS	382,935	499,446
TOTAL ASSETS	1,592,091	1,718,278

NET EQUITY AND LIABILITIES (Thousands of euros)	30/06/2023	31/12/2022
Capital	167,386	167,386
Share premium	415,303	452,924
Other reserves	266,381	205,773
Retained earnings	35,138	72,921
Treasury shares	(351)	(250)
EQUITY	883,857	898,754
Financial liabilities from issue of bonds and other marketable securities	577,408	694,434
Loans and borrowings	69,943	69,936
Deferred tax liabilities	15,578	15,578
Other non-current liabilities	17,830	17,480
NON-CURRENT LIABILITIES	680,759	797,428
Liabilities related to assets held for sale	4,750	5,738
Financial liabilities from issue of bonds and other marketable securities	8,301	3,985
Loans and borrowings	185	185
Other financial liabilities	11	12
Trade and other payables	14,228	12,176
CURRENT LIABILITIES	27,475	22,096
TOTAL EQUITY AND LIABILITIES	1,592,091	1,718,278

Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

Non-current assets

Investment properties

At 30 June 2023, **investments properties** are classified as non-current assets, at a fair value of **1,191,378 thousand Euros** (1,199,898 thousand Euros at 31 December 2022), except for the retail parks Vistahermosa, VidaNova Parc, Parque Abadia and Rivas Futura amounting to 273,950 thousand

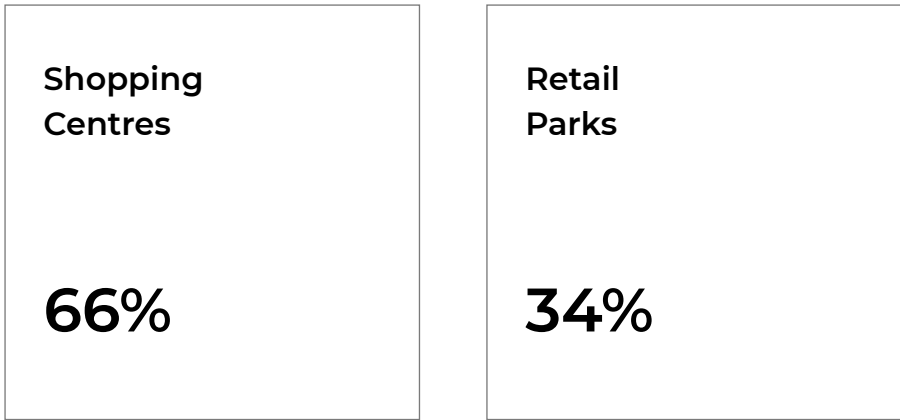
Euros which are previously classified under *Non-current assets* held for sale at 30 June 2023.

The Group´s investment properties, consist of nine shopping centres and five retail parks.

Net Investment (Thousands of euros)	30/06/2023	31/12/2022
Shopping Centres	960,478	968,998
Retail Parks	503,960	503,300
Other	890	900
INVESTMENT PROPERTIES (*)	1,465,328	1,473,198

(*) This amounts include Vistahermosa, VidaNova Parc, Parque Abadia and Rivas Futura investment properties for an amount of 273,950 thousand of Euros as at 30 June 2023 and 273,300 thousand of Euros as at 31 December 2022, which has been reclassified to Non-current assets held for sale.

Investment properties by asset class



Equity-accounted investees

At 30 June 2023 and 31 December 2022, the amount reflects investment of 50% held by the Group in Inmobiliaria Juan Bravo 3, S.L. that is accounted for using the equity method.

Current assets

Assets and liabilities held for sale

At 30 June 2023 and 31 December 2022, this heading includes the assets of the companies LE Retail VidaNova Parc, S.L.U., LE Rivas, S.L.U., LE Retail Vistahermosa, S.L.U., LE Retail Abadía, S.L.U., and the liabilities of the companies LE Retail VidaNova Parc, S.L.U. and LE Retail Abadía, S.L.U., which were classified as held for sale as per IFRS 5^(*).

At 30 June 2023 assets and liabilities held for sale are as follows:

Non-current financial assets

At 30 June 2023 and 31 December 2022, the Group has recognised as non-current financial assets mainly security deposits received from tenants, which the Group has deposited with the corresponding public bodies.



NON-CURRENT ASSETS HELD FOR SALE (Thousands of euros)	30/06/2023
Intangible assets	1
Investment properties	273,950
Non-current financial assets	2,991
Trade and other receivables	125
Other current assets	157
Cash and cash equivalents	1,849
TOTAL	279,073

LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE (Thousands of euros)	30/06/2023
Other non-current liabilities	3,788
Trade and other payables	962
TOTAL	4,750

(*) IFRS (International Financial Reporting Standards).
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Trade and other receivables

As of 30 June 2023 and 31 December 2022, this line item mainly includes the amount from lessees which are pending collection.

Additionally, reflects the receivables from public entities in the amount of 4,643 thousand Euros (5,390 thousand Euros at 31 December 2022).

Net Equity

At 30 June 2023, the **Company's share capital** consisted of **83,692,969 registered shares** represented by book entries with a par value of 2 Euros each, fully subscribed and paid up, giving their holders equal rights.

On 31 March 2023, the Shareholders' General Meeting approved the **distribution of a dividend of 12,346 thousand Euros**, at EUR 0.1475 per share (taking into account all the shares issued) and recognised in profit for the 2022 period, and of **37,654 thousand Euros**, at EUR 0.4499 per share (taking into account all the shares issued), **charged to the share premium**.

The total pay-out was **12,334 thousand Euros** charged to the Profit for the period 2022 (after deducting the amount corresponding to treasury shares, which does not leave the Parent Company's

equity and totals 12 thousand Euros in dividends charged to profit), and **37,621 thousand Euros charged to share premium** (after deducting the amount corresponding to treasury shares and totals 33 thousand Euros) given the amount per share approved and shares outstanding at the time of approval by the General Shareholders' Meeting on 31 March 2023. The dividend pay-out was settled in full on 28 April 2023.

During the first half of 2023, the Company has carried out its own share sale and purchase transactions, as described below:

	Number of shares	Thousands of euros
31 December 2022	56,714	250
Additions	307,947	1,552
Disposals	(296,910)	(1,451)
30 June 2023	67,751	351

The positive result generated by the sale of treasury shares during the first half of 2023 amounted to 21 thousand Euros, recorded under the heading *Other Reserves*.

Financial liabilities

Financial debt

The characteristics of the financial debt at 30 June 2023 are as follows:

Loans and borrowings

Type	Project	Entity	Interest rate	Maturity date	Nominal amount (Thousands of euros)	Current (Thousands of euros)	Non- Current (Thousands of euros)
Corporate Loan	LRE	bankinter.	EUR 3M + 1.60%	20/06/2024	30,000	-	-
Corporate Loan	LRE	 European Investment Bank	1.67%	04/05/2027	70,000	185	69,943
LOANS AND BORROWINGS						185	69,943

Financial liabilities from issue of bonds and other marketable securities

Issuance	Coupon rate	Maturity date	Nominal amount (Thousands of euros)	Current (Thousands of euros)	Non- Current (Thousands of euros)
July Green Bond	1.75%	22/07/2026	400,000	4,825	290,981
November Green Bond	1.84%	03/11/2028	300,000	3,476	286,427
FINANCIAL LIABILITIES FROM ISSUE OF BONDS AND OTHER MARKETABLE SECURITIES				8,301	577,408

In 2021, Lar España successfully placed an issue of two unsecured senior green bonds maturing in July 2026 and November 2028. The pre-established maximum amount of €400 and €300 million respectively were both more than four times oversubscribed. The annual coupon was set at a fixed rate of 1.75% and 1.84% respectively, as compared with a 2.9% interest rate on the bond issued in 2015.

In addition, during the first six months of 2023, Lar España repurchased green bonds for a total amount of €118.6 million, with the aim of reducing its leverage, registering a positive effect on the income statement and to generate a return on the Company’s available cash resources.

Below you will find the net Loan To Value calculation as at 30 June 2023:

(Thousands of euros)	30/06/2023
GAV	1,465,328
Full Consolidation Gross Debt	651,400
Equity Method Gross Debt	-
Total gross debt	651,400
Cash (Full Consolidation and Equity Method)	93,208 ⁽¹⁾
Total net debt	558,192
NET LTV	38.1% ⁽²⁾

(1) Includes cash and cash equivalents relating to current assets held for sale. See page 85. / (2) Calculated as Net Debt/GAV.

Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.

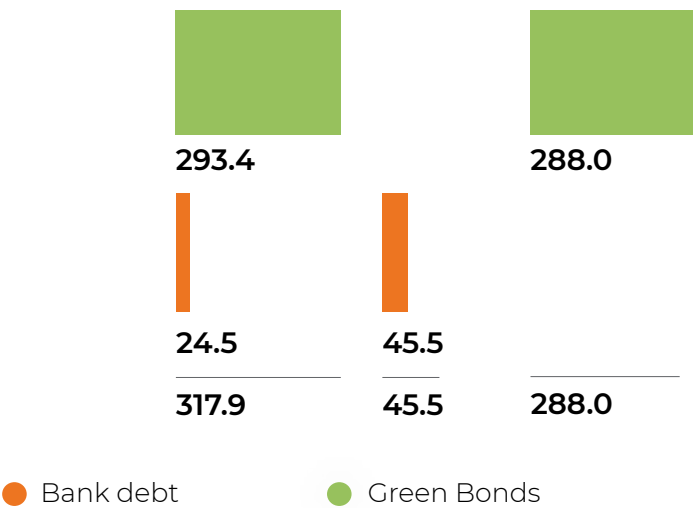
Financial debt amounts to **€651.4 million**, with an **average cost of 1.8%** and an **average maturity of 4.3 years**.

At 30 June 2023, Lar España's debt stood at **651,400 thousand Euros**, with an **average cost of 1.8%** and a **net LTV ratio of 38.1%**. The average debt maturity stood at 4.3 years.

The amortisation schedule is detailed below:

Debt maturity profile
(€ Million)

2023 / 2025 → 2026 → 2027 → >2028



Average debt maturity

4.3 years

Net LTV

38.1%

Average cost of debt

1.8%



Deferred tax liabilities

On 30 June 2023 and on 31 December 2022, this entry includes deferred tax liabilities deriving from the business combination carried out by the acquisition of the subsidiary LE Retail Rivas, S.L.U. in 2018 as well as the acquisitions of the subsidiaries LE Retail Abadía, S.A.U., and LE Retail Gran Vía de Vigo, S.A.U. in 2017 and 2016.

These amounts correspond to the tax effect derived from the difference between the fair value and the fiscal value of the acquired Real Estate investments.

Other non-current liabilities

Correspond to security deposits received by way of guarantee from the tenants of the Company's assets.



4.4

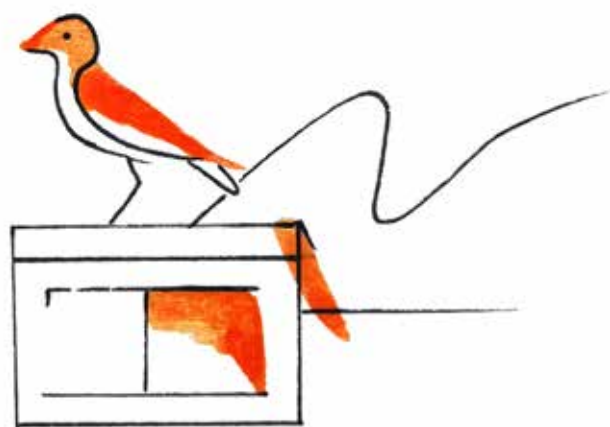
Green Bonds Buy-Back

In H1 2023, Lar España bought back green bonds totalling €118.6 million to reduce leverage, recognise a positive effect in the income statement and generate a return on the Company's available cash resources.

The first buy-back was completed in January for a total of **€110 million** and closed at a **discount of 18%**, equivalent to a total final price of **€90.5 million** that was fully paid using the company's cash resources. The resulting **liquidity remained above €100 million, and the debt reduction had a positive impact** of around **€20 million** on the 2023 income statement. The company appointed J.P. Morgan as the only dealer manager for the transaction, which exclusively targeted certain eligible bondholders and was settled on 19 January.

The transaction consisted of repurchasing **€98 million of the first bond** issued in July 2021 in the amount of €400 million and maturing in 2026, and **€12 million of the second bond** issued in November 2021 in the amount of €300 million and maturing in 2028, leaving a **total of €590 million outstanding**.

Subsequently, partial repurchases of the first bond maturing in 2026 were made during H1 2023, for a **total amount of €8.6 million**. The average **discount rate** applied to these transactions was approximately **16%** and they had a positive impact on the Company's income statement in the first half.



The result of green bond buy-backs carried out in the first half of 2023 has had a positive impact of **more than €20 million** on the Company's income statement for such period.

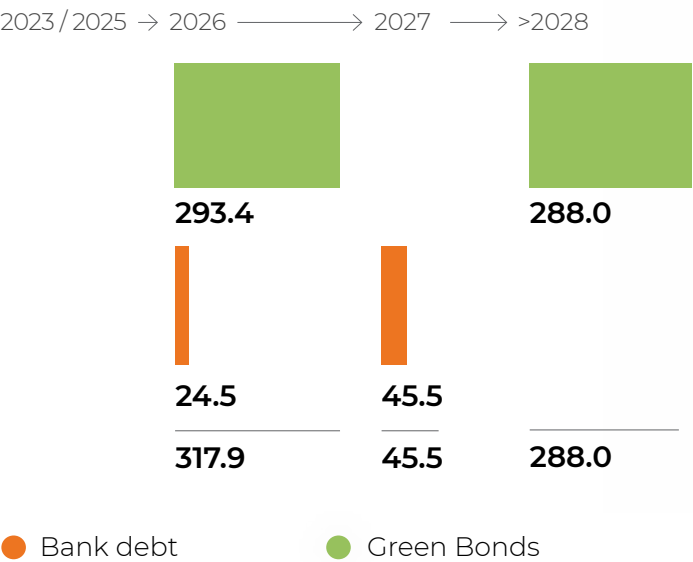
By redeeming the debt, the company managed to **reduce its borrowings from 38.9% to 38.1%** of total asset value.

In addition, and as detailed in previous sections of this report, following its review in June 2023, the rating agency Fitch maintained the **“BBB” stable outlook** investment grade rating for both Lar España and its two green bond issues.

	Rating	Outlook
FitchRatings	BBB	Stable

*“This decision makes us **more financially agile**, while we are still in a position to strengthen our lead as the retail market recovers over the course of 2023”, said Lar España’s corporate director and CFO Jon Armentia.*

Debt repayment profile at 30 June 2023
(€ Million)



4.5
Consolidated Statement of Cash Flows

(Thousands of euros)	30/06/2023 ^(*)	30/06/2022 ^(*)
A) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	42,293	28,827
1. Profit/(loss) for the period before tax	35,138	54,865
2. Adjustments for:	(1,578)	(26,357)
Change in fair value of investment properties (+/-)	12,078	(41,055)
Impairment (+/-)	98	1,867
Financial income (-)	(1,131)	-
Financial expenses (+)	7,779	8,298
Impairment and gain (loss) on disposal of financial instruments (+/-)	(20,402)	-
Changes in fair value of financial instruments (+/-)	-	4,533
3. Changes in operating assets and liabilities	9,252	4,573
Trade and other receivables (+/-)	4,033	9,093
Other current assets (+/-)	4,039	(4,425)
Trade and other payables (+/-)	424	(4)
Other current assets and liabilities (+/-)	756	(91)
4. Other cash flows used in operating activities	(519)	(4,256)
Interest received (-)	1,131	-
Interest paid (-)	(1,650)	(4,256)
B) CASH FLOWS USED IN INVESTING ACTIVITIES	(4,208)	(4,747)
1. Payments for investments (-)	(4,208)	(4,747)
Investment property	(4,208)	(4,747)
2. Proceeds from divestments (+)	-	-
Investment property	-	-
C) CASH FLOWS FROM FINANCING ACTIVITIES	(148,233)	(152,500)
1. Payments made and received for equity instruments	(68)	165
Acquisition/disposal of treasury shares (+/-)	(68)	165
2. Proceeds from and payments for financial liability instruments	(98,198)	(122,700)
a) Issue of:	-	15,000
Bonds and other marketable securities (+)	-	-
Bank borrowings (+)	-	15,000
b) Redemption and repayment of:	(98,198)	(137,700)
Liabilities and other negotiable values (-)	(98,198)	(122,700)
Bank borrowings (-)	-	(15,000)
3. Payments for dividends and remuneration on other equity instruments	(49,967)	(29,965)
Dividends (-)	(49,967)	(29,965)
D) CASH AND CASH EQUIVALENTS IN NON-CURRENT ASSETS HELD FOR SALE	4,216	-
E) NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(105,932)	(128,420)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	197,141	313,199
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	91,209	184,779

(*) Six month period.
Translation of information originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version shall prevail.



Shopping Centre
Las Huertas (Palencia)

EPRA Information

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In September 2022, **for the eighth consecutive year, Lar España** was awarded the **EPRA Gold Award** for the quality of **financial information** made available to its stakeholders and for the **fifth consecutive year** for the quality of the **ESG information**.



EPRA recognition

In **February 2022**, the Reporting & Accounting Committee of EPRA (European Public Real Estate Association⁽¹⁾) updated its Best Practices Recommendations⁽²⁾ guidelines in order to improve the presentation, transparency, comparability and relevance of the published results of listed real estate companies in Europe, including an analysis ratio regarding the leverage of companies, the EPRA LTV.

Lar España fully supports and endorses the principle of standardizing the reporting of performance indicators from the perspective of comparability and improving the quality of information provided to investors and other users of the financial information.

For this purpose, we have included an specific chapter with our main economic indicators following EPRA guidances.

In **September 2022**, for the **eighth consecutive year** Lar España was awarded the **EPRA Gold Award** for the quality of **financial information** made available to its main interest groups. Regarding the information published about **ESG**, Lar España also obtained the highest distinction by EPRA, achieving for the **fifth consecutive year** the **Gold Award**. This highlights the international **recognition for the information reported by Lar España** and made available to its shareholders.



(1) Not-for-profit association founded in 1999 registered in Belgium which aims to make the financial statements of public real state companies clearer, more transparent and comparable across Europe.

(2) Best Practices Recommendations - BPR available at www.epra.com

Key performance indicators described in the Best Practices Recomendations developed by EPRA are shown as follows:

Indicator	30/06/2023	30/06/2023
	(Thousands of euros) (%)	(€/share)
EPRA Earnings	47,216	0.56
EPRA NTA	899,435	10.76 ^(*)
EPRA NRV	933,109	11.16 ^(*)
EPRA NDV	883,857	10.57 ^(*)
EPRA Net Initial Yield (NIY)	6.3%	
EPRA Topped-up NIY	6.6%	
EPRA Vacancy Rate	4.0%	
EPRA Cost Ratio	15.9% ^(**)	
EPRA Cost Ratio (excluding costs of direct vacancy)	13.5% ^(**)	
EPRA LTV	39.7% ^(***)	



(*) When analyzing this measure it is important to take into account the dividend paid in Q2 2023 (0.60€/share).
(**) Ratio calculated considering recurring expenses. See terms definitions in Glossary, section 7.
(***) New ratio introduced in the February 2022 update of the EPRA Best Practices and Recommendations Manual. See Glossary, section 7, for a description of terminology.

5.1
EPRA Earnings

(Thousands of euros)	H1 2023	H1 2022
EARNINGS PER IFRS INCOME STATEMENT	35,138	54,865
Change in value of investment properties	12,078	(41,055)
Profits or losses on disposal of investment properties	-	-
Tax on profits or losses on disposals	-	-
Negative goodwill	-	-
Changes in fair value of financial instruments and associated close-out costs	-	-
Acquisition costs on share deals and non-controlling joint venture interests	-	-
Deferred tax in respect of EPRA adjustments	-	-
Adjustments to above in respect of joint ventures	-	-
Non-controlling interests in respect of the above	-	-
EPRA EARNINGS	47,216	13,810
Weighted average number of shares (excluding treasury shares)	83,633,750	83,578,821
EPRA EARNINGS PER SHARE (EUROS)	0.56	0.17



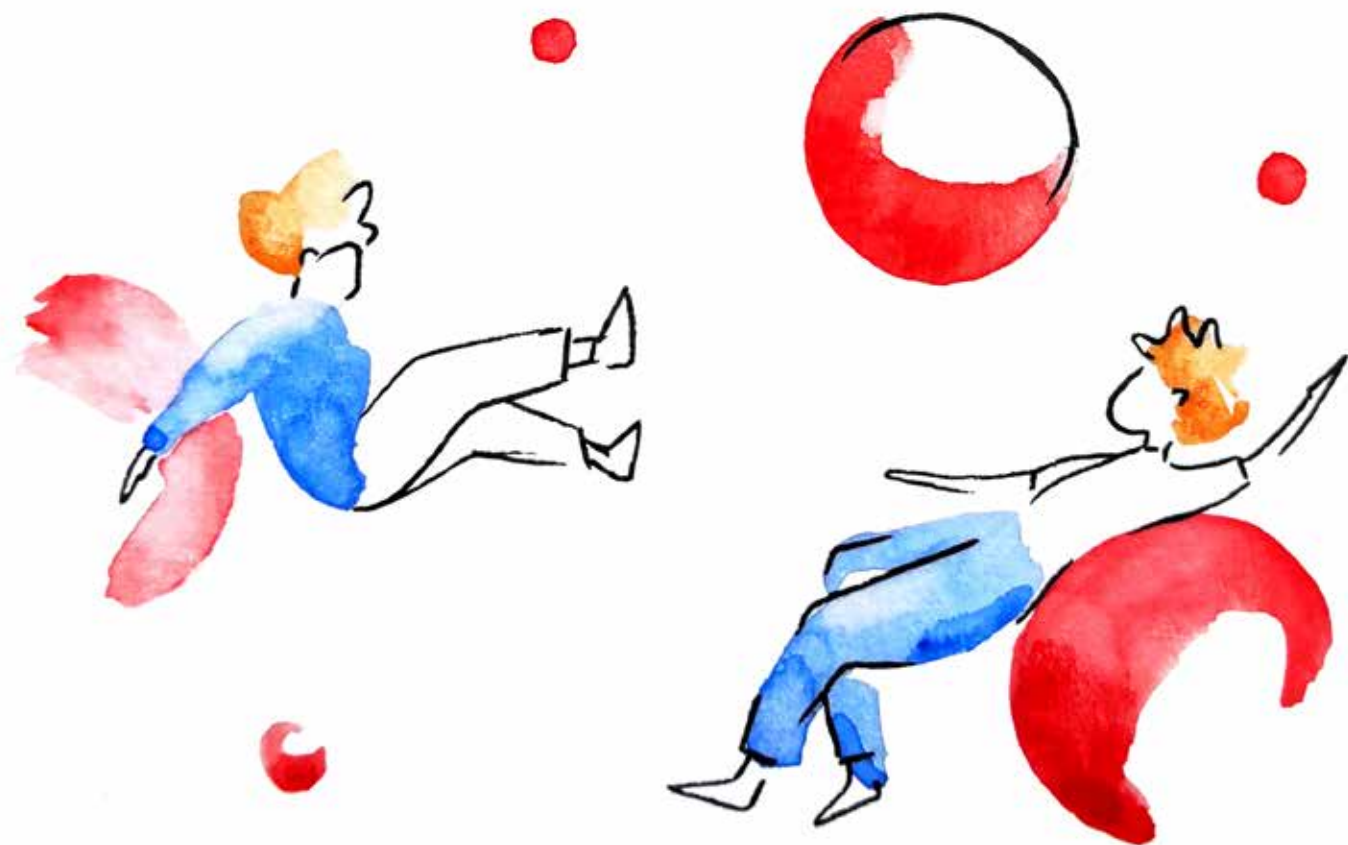
EPRA Earnings
per share

+x3 vs H1 2022

5.2 EPRA Net Asset Value Ratios

In October 2019, **EPRA published an update** of its Best Practices and Recommendations **document** in which, at 31 December 2020, the calculation of the EPRA NAV and EPRA NNNAV ratios is replaced by three new indicators: **EPRA NRV, EPRA NTA and EPRA NDV⁽¹⁾**.

The EPRA Net Asset Value indicator set makes adjustments to the company's own funds in accordance with the IFRS⁽²⁾ financial statements to provide investors with the most relevant information on the fair value of the assets and liabilities of a property investment firm, in different scenarios.



(1) For more information see: https://www.epra.com/application/files/2315/7321/0568/EPRA_FAQ_-_FINAL_version.pdf.
(2) IFRS (International Financial Reporting Standards).

Ratios EPRA Net Asset Value

(Thousands of euros)	30/06/2023			31/12/2022		
	NTA Net Tangible Assets	NRV Net Reinstatement Value	NDV Net Disposal Value	NTA Net Tangible Assets	NRV Net Reinstatement Value	NDV Net Disposal Value
Equity attributable to shareholders	883,857	883,857	883,857	898,754	898,754	898,754
(i) Hybrid Instruments	-	-	-	-	-	-
Diluted NAV	883,857	883,857	883,857	898,754	898,754	898,754
Include						
(II.a) Revaluation of investment properties	-	-	-	-	-	-
(II.b) Revaluation of investment properties under construction	-	-	-	-	-	-
(II.c) Revaluation of other non-current investments	-	-	-	-	-	-
(III) Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
(IV) Revaluation of trading properties	-	-	-	-	-	-
Diluted NAV at Fair Value	883,857	883,857	883,857	898,754	898,754	898,754
Exclude						
(v) Deferred Tax in relation to fair value gains of IP	15,578	15,578	n.a	15,578	15,578	n.a
(VI) Fair value of financial instruments	-	-	n.a	-	-	n.a
(VII) Goodwill as a result of deferred tax	-	-	-	-	-	-
(VIII.a) Goodwill as per the IFRS balance Sheet	-	n.a	-	-	n.a	-
(VIII.b) Intangibles as per the IFRS balance sheet	-	n.a	n.a	-	n.a	n.a
Include						
(ix) Fair value of fixed interest rate debt	n.a	n.a	-	n.a,	n.a	-
(x) Revaluation of intangibles to fair value	n.a	-	n.a	n.a,	-	n.a
(xi) Real estate transfer tax	-	33,674	n.a	-	33,876	n.a
NAV	899,435	933,109	883,857	914,332	948,208	898,754
Number of shares (excluding treasury shares)	83,625,218	83,625,218	83,625,218	83,636,255	83,636,255	83,636,255
NAV per share	10.76 ^(*)	11.16 ^(*)	10.57 ^(*)	10.93	11.34	10.75

Figures may not match due to rounding.

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

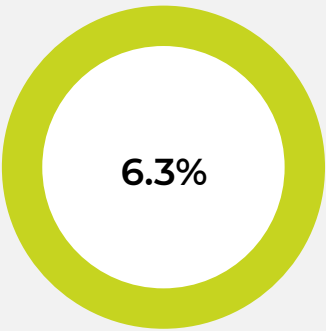
5.3
EPRA NIY y EPRA Topped-up NIY

(Thousands of euros)	Total Shopping Centres	Total Retail Parks	Total Lar España
Completed Property Portfolio	960,478	504,850	1,465,328
Allowance for estimated purchasers costs	23,847	9,826	33,674
Gross up completed property portfolio valuation (A)	984,325	514,676	1,499,001
Annualised cash passing rental income	67,038	35,982	103,020
Property outgoings	(5,943)	(3,030)	(8,973)
Annualised net rents (B)	61,095	32,952	94,048
Notional rent expiration of rent free periods or other lease incentives	3,104	1,532	4,636
Topped-up net annualised rents (C)	64,200	34,484	98,684
EPRA NET INITIAL YIELD (B/A)	6.2%	6.4%	6.3%
EPRA TOPPED-UP NET INITIAL YIELD (C/A)	6.5%	6.7%	6.6%

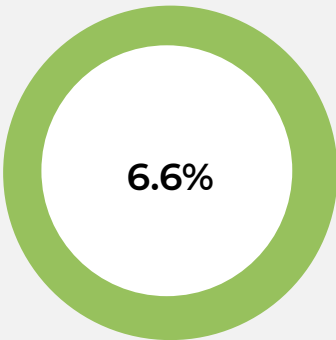
Figures may not match due to rounding.

Yields (*)

EPRA
NIY



EPRA
Topped-up NIY



(*) EPRA NIY and EPRA Topped-up NIY amounted to 5.6% and 5.9% respectively at 31/12/2022.

5.4 EPRA Vacancy Rate

EPRA Vacancy
Rate

4.0% ^(*)

	ERV (Thousands of euros)	ERV Vacancy (Thousands of euros)	EPRA Vacancy Rate (%)
Shopping Centres	65,824	2,842	4.3%
Retail Parks	34,209	1,182	3.5%
TOTAL LAR ESPAÑA	100,033	4,024	4.0%

(*) EPRA Vacancy at 31/12/2022 was: 3.5%.

5.5
EPRA Cost Ratios

(Thousands of euros)	Recurring		TOTAL	
	H1 2023	H1 2022	H1 2023	H1 2022
Administrative expenses	(405)	(355)	(405)	(519)
Operating costs net of recoverable income ⁽¹⁾⁽⁴⁾	(7,348) ⁽²⁾	(7,681)	(10,797) ⁽³⁾	(10,915)
Administrative/operating expenses in associates	-	-	-	-
EPRA Cost (including vacancy cost) (A)	(7,753)	(8,036)	(11,202)	(11,434)
Direct vacancy costs	(1,172)	(1,098)	(1,172)	(1,098)
EPRA Cost (excluding vacancy cost) (B)	(6,581)	(6,938)	(10,030)	(10,336)
Gross Rental Income less ground rent costs-per IFRS ⁽⁵⁾	53,095	48,830	48,585	41,774
Net associated costs (net service charge) ⁽⁴⁾	(4,282)	(3,976)	(4,282)	(3,976)
Gross Rental Income (C)	48,813	44,854	44,303	37,798
EPRA COST RATIO (including direct vacancy costs) A/C	15.9%	17.9%	25.3%	30.2%
EPRA COST RATIO (excluding direct vacancy costs) B/C	13.5%	15.5%	22.6%	27.3%



(1) Maintenance costs are included.
(2) Fixed management fees included.
(3) Fixed and variable management fees included.
(4) The sum of these two headings corresponds to the item "Other expenses" in point 4.2 Consolidated Statement of Comprehensive Income
(5) It includes the item "Revenue" and the mall income, which is included in the item "Other income" in point 4.2 Consolidated Statement of Comprehensive Income

5.6
EPRA LTV

	Proportionate Consolidation (B)				
(Thousands of euros)	Group as reported (A)	Share of Joint Ventures	Share of Material Associates	Non-controlling Interests	Combined (A+B)
Include:					
Borrowings from Financial Institutions	70,000	-	-	-	70,000
Commercial paper	-	-	-	-	-
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	-	-	-	-	-
Bond loans	581,400	-	-	-	581,400
Foreign currency derivatives (futures, swaps, options and forwards)	-	-	-	-	-
Net payables	30,197	-	-	-	30,197
Owner-occupied property (debt)	-	-	-	-	-
Current accounts (equity characteristic)	-	-	-	-	-
Exclude:					
Cash and cash equivalents	(93,058)	(150)	-	-	(93,208)
NET DEBT (A)	588,539	(150)	-	-	588,389
Include:					
Owner-occupied property	-	-	-	-	-
Investment properties at fair value	1,191,378	-	-	-	1,191,378
Properties held for sale	274,233	-	-	-	274,233
Properties under development	-	-	-	-	-
Intangibles	1	-	-	-	1
Net receivables	16,863	-	-	-	16,863
Financial assets	-	-	-	-	-
TOTAL PROPERTY VALUE (B)	1,482,475	-	-	-	1,482,475
LTV (A/B)	39.7%				39.7%



Retail Park
Vistahermosa (Alicante)

Share Price Performance

6

6.1

Share price
information and
performance
108

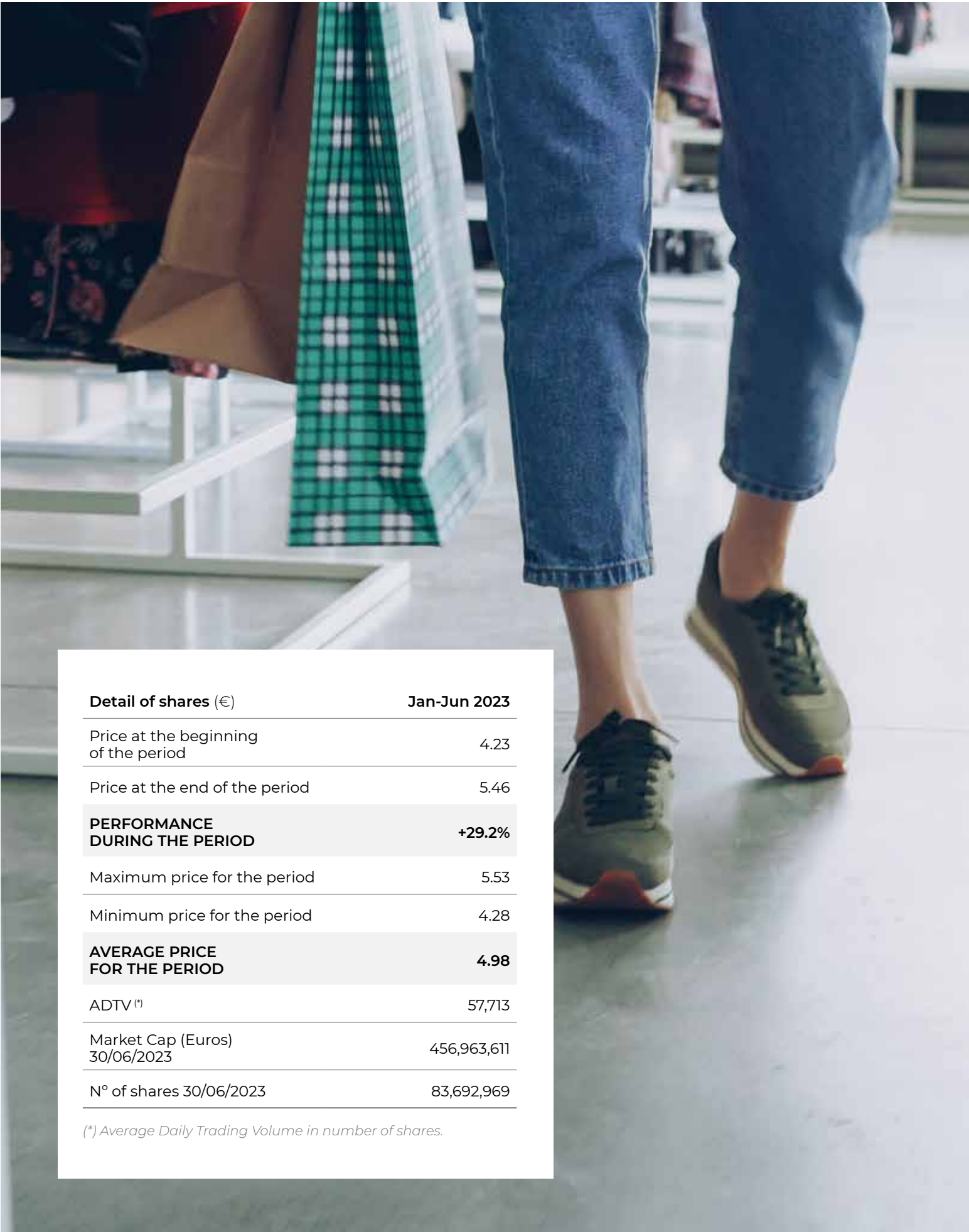
6.2

Analyst
recommendations
110

Lar España continues to maintain its objective of generating high returns for shareholders, having achieved **nearly 30% share price revaluation** during the first half of 2023, with a dividend payout of **€0.60/share**.



6.1
Share price information and performance

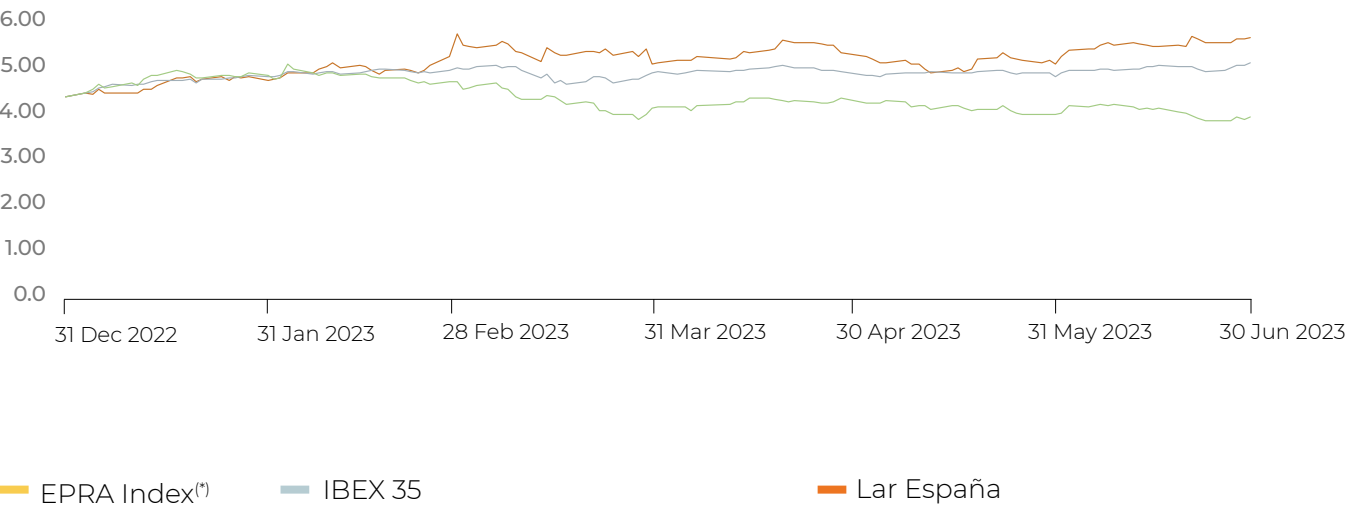


Detail of shares (€)	Jan-Jun 2023
Price at the beginning of the period	4.23
Price at the end of the period	5.46
PERFORMANCE DURING THE PERIOD	+29.2%
Maximum price for the period	5.53
Minimum price for the period	4.28
AVERAGE PRICE FOR THE PERIOD	4.98
ADTV (*)	57,713
Market Cap (Euros) 30/06/2023	456,963,611
Nº of shares 30/06/2023	83,692,969

(*) Average Daily Trading Volume in number of shares.

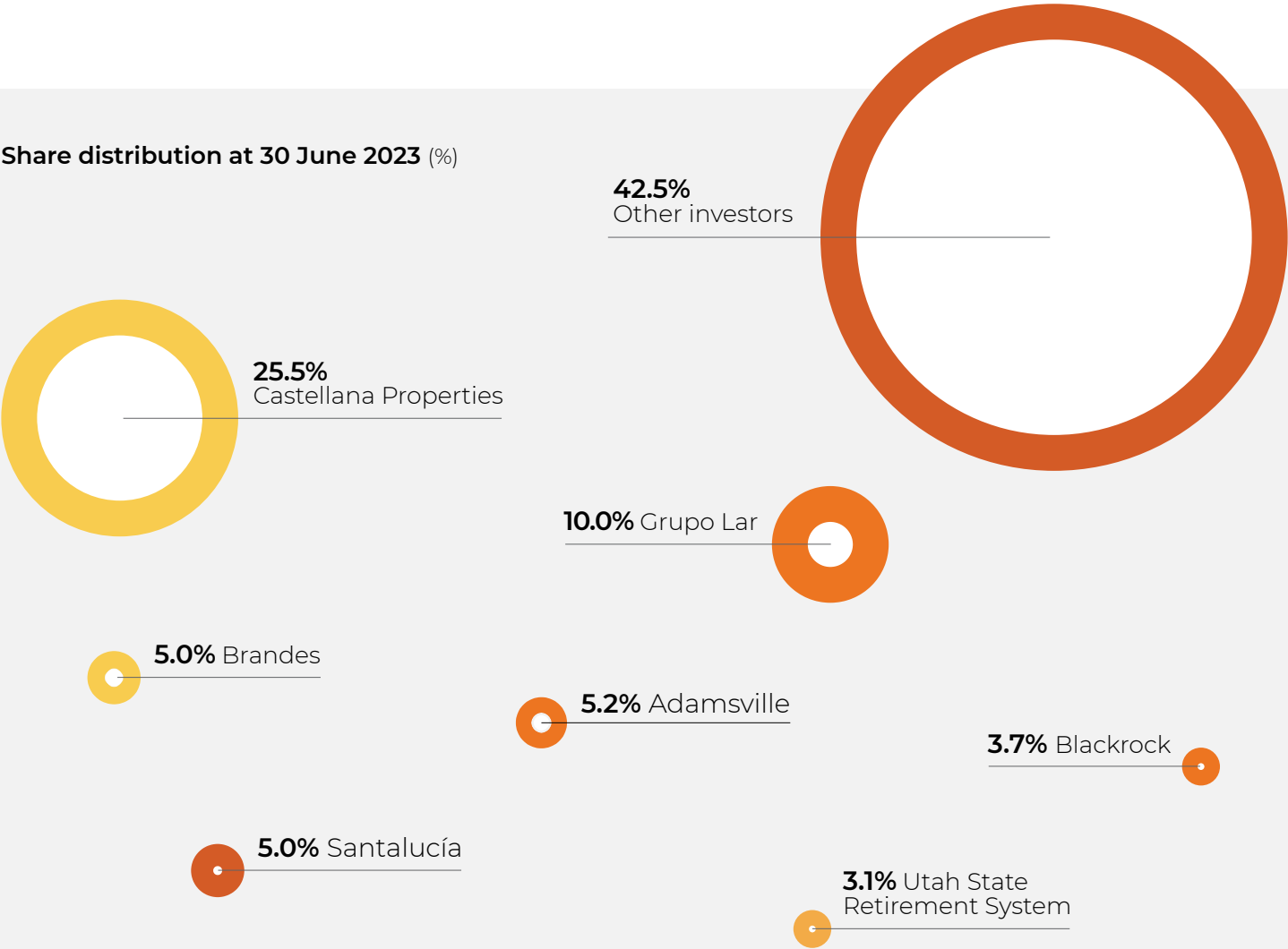
The **share price performance** during the first six months of 2023 compared with the IBEX 35 and EPRA Index performance can be seen in the following graph:

Lar España share price performance vs IBEX 35 and EPRA Index
(January-June 2023)



(*) Sectoral European reference index.

Share distribution at 30 June 2023 (%)



6.2
Analyst Recommendations

As of the date of this annual report, Lar España has the coverage of 10 analysts, whose average target price is **7.49€**.

37.1%^(*)

Potential
Return

100%

Positive Sell-Side
recommendations

78% Buy

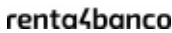


22% Hold



0% Sell



Broker	Recommendation	Analysis Date	Target Price (€)
 JB Capital Markets	 Buy	20/07/2023	8.50
 MORNINGSTAR®	 Buy	18/07/2023	7.67
 BESTINVER Acciones	 Buy	12/07/2023	7.10
 B Sabadell	 Buy	15/06/2023	6.58
 intermoney valores sv	 Buy	22/05/2023	8.00
 GVC Gaesco	 Buy	22/05/2023	7.95
 renta4banco	 Buy	22/05/2023	7.30
 bankinter.	 Hold	28/11/2022	5.38
 MIRABAUD	 n.a.	17/05/2021	Under review
 Santander	 Hold	15/05/2020	8.90

Source: Bloomberg
(*) Taken into account the average target price and the price at the end of the period, at 30 June 2023.



Shopping Centre
Lagoh (Sevilla)

Glossary

7

7

Glossary
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7. Glossary



Carbon Risk Real Estate Monitor (CRREM)
Comprehensive tool designed to effectively address the financial risks associated with poor energy performance in the real estate sector.

EBT
Earnings Before Tax.

EBIT
Earnings Before Interest and Tax.

EBITDA
Earnings Before Interest, Tax, Depreciation and Amortisation.

Net profit/(loss)
Profit/(Loss) for the period after tax.

ROE (Return on Equity)
Return on equity, calculated by dividing profit for the last 12 months by the company’s average equity of the last four quarters.

ROA (Return on Assets)
Return on assets, calculated by dividing profit for the last 12 months by the company’s average assets of the last four quarters.

Liquidity ratio
The Company’s capacity to meet its obligations with liquid assets, calculated as the ratio between the Company’s current assets and current liabilities.

Solvency ratio
The Company’s financial capacity to meet its payments obligations with all the assets and resources available. It is calculated by dividing equity plus non-current liabilities by non-current assets.

EPRA
European Public Real Estate Association.

EPRA Earnings
Earnings from operational activities.

EPRA Net Disposal Value
Represents the shareholders’ value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

EPRA Net Initial Yield (NIY)
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers’ costs.

EPRA Net Reinstatement Value
Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.

EPRA Net Tangible Assets
Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

EPRA Topped-up NIY
This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and stepped rents).

EPRA Vacancy Rate
Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

EPRA Cost Ratio
Administrative & operating costs (including direct vacancy costs) divided by gross rental income.



EPRA Cost Ratio (excluding direct vacancy costs)
Administrative & operating costs (excluding direct vacancy costs) divided by gross rental income.

GAV
Gross Asset Value.

GLA
Gross Leasable Area in sqm.

Greenhouse Gases (GHG)
Those that absorb and emit radiation in the infrared range. The main GHGs in the atmosphere are: water vapor, CO₂, CH₄, NO and O₃.

Net LTV (Loan to Value)
Ratio that measures the total amount of outstanding principal, discounted available cash, against the value of the assets. Calculated as Net Debt/GAV.

Average maturity period (years)
Represents the average maturity term of the company's debt.

Effort Rate
The effort rate is the ratio between the rent and charges (co-ownership charges and property tax in particular) and the turnover generated by the exploitation in the property, object of the rent.

GRI (Gross Rental Income)
Gross income for the period.

NOI (Net Operating Income)
Gross income discounting costs incurred during the period.

Like for like (LfL)
Comparison of one period, with that of the same period the year before, taking into consideration the same number of assets.

WAULT
Weighted average unexpired lease term, calculated as the number of years of unexpired lease term, as from the current date until the first break option, weighted by the gross rent of each individual lease contract.

Water Footprint
Environmental sustainability indicator to measure the volume of water consumption according to the typology of its use by the Company.

Science Based Target Initiative (SBTi)
Established in 2015 by CDP (Carbon Project Disclosure), the United Nations Global Compact, the World Resources Institute (WRI), and the World Wildlife Fund (WWF) for the development of sector-specific methodologies, frameworks and requirements for setting emission reduction targets in accordance with climate science and the goals of the Paris Agreement.

Task Force on Climate Related Financial Disclosures (TCFD)
The Financial Stability Board (FSB) set up this task force in 2018 to promote the disclosure of climate change-related risks and its management to investors.

C/ María de Molina 39 10th Floor
28006 Madrid, Spain
+34 91 436 04 37

www.larespana.com
info@larespana.com

