



**FULL YEAR REPORT
FY 2023**

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Lar España in 2023

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1.1

Lar España in
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openings
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The excellent operational results recorded have been reflected in the Company's income statement, with an operating income level that has reached **95 million euros, which is an increase of 14%** over the previous year.



1.1 Lar España in 2023

Throughout the year, the Company has been at the forefront of innovation in the retail sector, pursuing **innovative projects to ensure a unique visitor experience with a focus on sustainability**. Thanks to a premium, high-value add portfolio, Lar España has succeeded in securing **sustainable returns for shareholders**. This was particularly evident in 2023 due to a spectacular surge in the Company's share price.

Maintaining a **constant dialogue with stakeholders** remains a top priority, as the Company seeks to anticipate and respond to the diversity of needs and preferences within its customer base. Lar España's shopping centres have evolved to offer a great deal more than shopping. They have become vibrant hubs where leisure, culture, dining and entertainment come together in to one outstanding destination.

Once again, the Company was committed to **mainstreaming sustainability** in all its forms, having fulfilled the overarching agenda adopted at the start of the year. New ESG elements were introduced over the course of 2023 to spur progress towards its stated objectives and ambition to stand out for its leadership in all aspects of sustainability.

Lar España continues to benefit from a highly consolidated tenant roster of proven quality, a key driving force behind this year's further sales and footfall growth. Close contact with tenants has strengthened the Company's bond with retailers and supported long-term, stable lease agreements at all of its shopping centres and retail parks, resulting in an **occupancy ratio of more than 97% at year-end**.

Operating figures in 2023

Lar España continues to invest in improvements to its properties, helping reposition the Company and attract new tenants and customers. A total of **179 business transactions** were completed in 2023 between contract renewals, replacements and new tenants. This activity amounted to a total of **€11.4 million in negotiated rent** over 42,326 sqm, an increase of **8.1%⁽¹⁾ in income regarding prior contracts**

This means that the Company now has more than 1,000 active contracts, **over 60% of which will not expire until after 2027**. Together, these contracts represent a diverse retail offer that has contributed to a rise in footfall and sales compared to 2022.

In 2023, a total of **76.2⁽²⁾ million people** visited properties in the Company's portfolio, **up 3.7%** in like-for-like terms compared to the previous year. Meanwhile sales reached **€1,057.8⁽²⁾ million, 7.9% more** than in 2022 in like-for-like terms.

(1) Above CPI/indexation adjustments.

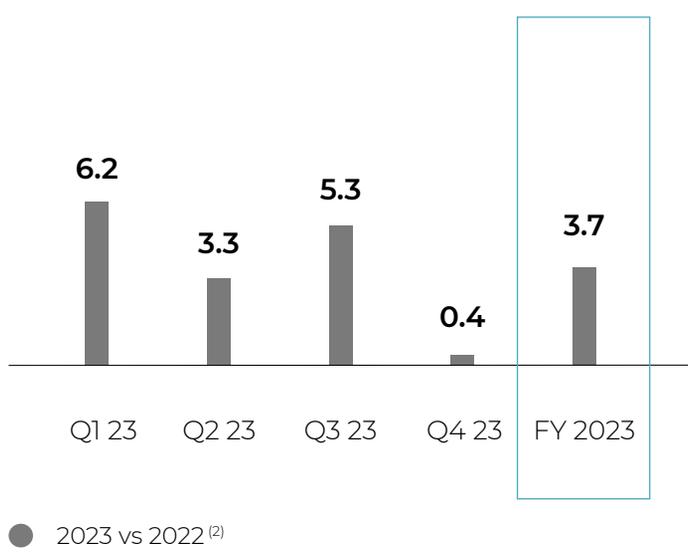
(2) Including the Rivas Futura and Vistahermosa retail parks.

Footfall 2023

76.2
Million of visits

+3.7%
vs 2022 ⁽²⁾

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

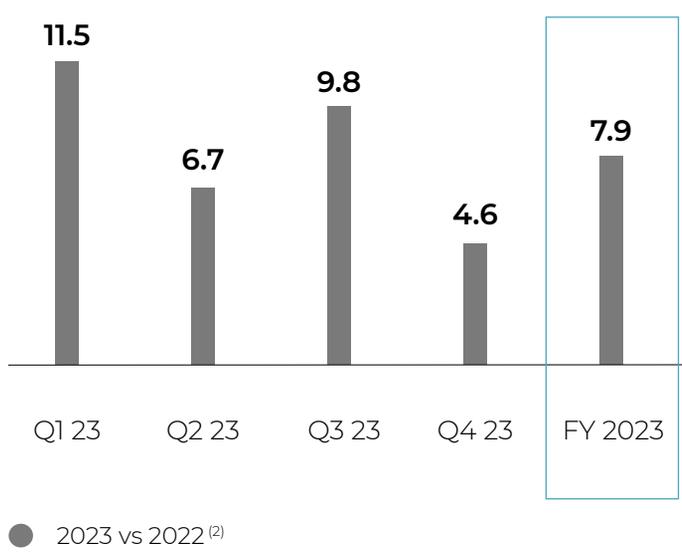


Sales 2023

1,057,8⁽¹⁾
Million €

+7.9%
vs 2022 ⁽²⁾

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



(1) Declared sales. / (2) Like for Like excluding Vistahermosa and Rivas Futura retail parks.

These excellent trading figures are an indication of both the quality of the Company's portfolio and the stability of its current contractual structure, with an **average effort rate of 10.2%⁽²⁾**.

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 2023, the Company made partial repurchases of these bonds for a total of **€119.0 million** to reduce leverage, recognise a positive effect on the income statement and generate a return on the Company's cash resources.

The first buyback 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. Subsequently, partial repurchases of the first bond maturing in 2026 were made during 2023, for a total amount of €9.0 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 2023 income statement due to the discount with which the shares were bought back.

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.

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).

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	<i>BBB</i>	<i>Stable</i>

A beacon for financial resilience

The robust results posted over the year were reflected in the Company's income statement. Trading income reached approximately **€95 million, up 14% on 2022. EBITDA stood at €65.4 million, up 9% year on year**, while profits exceeded €36.7 million.

In terms of leverage, Lar España's **Net LTV was calculated at 31.0%**, with an average financing cost below of 1.8% and an average debt maturity of 3.8 years, an optimum balance in the current financial climate.

Steadfast commitment to ESG

In 2023, Lar España continued to reach for environmental, economic and social sustainability in every aspect of the business and to foster good governance throughout the organisation. The Company holds **BREEAM certifications for 100% of its properties**, of which 98% (in GAV terms) are rated "Excellent" or "Very Good".

In addition, **every property under Lar España's management** is certified to conform to the requirements of **ISO 14001** (Environmental Management Systems) and **ISO 45001** (Occupational Health and Safety Management Systems).

In late December, the Board of Directors approved an **updated version of Lar España's Decarbonisation Plan**, following a new analysis of adaptation and mitigation measures. This work grew out of the Company's strategic position of mitigating environmental impacts where possible. The document outlines a series of concrete objectives that respond to the requirements set by the international **Science Based Targets Initiative (SBTi)** and the findings of the **Carbon Risk Real Estate Monitor (CRREM)**.



Over the coming years, the Company intends to focus on the following objectives:

- Achieving carbon neutrality by 2030, reducing scope 1 and 2 emissions by 60% (calculated using the market-based method).
- Exploring options to invest in offsetting projects as an additional tool for achieving climate neutrality.
- Upleveling its pledge to become a net-zero company (scopes 1, 2 and 3) in 2050.
- Moving forward with work to identify and monitor its primary sources of scope 3 emissions, facilitating mitigation planning.

For the fifth year running, Lar España has reported its Carbon Footprint to the **Ministry for the Ecological Transition and the Demographic Challenge (MITERD)**, which will be added to the figures registered for 2018, 2019, 2020 and 2021. Thanks to Lar España's dedicated efforts to cut its emissions, the Company has retained its "**Calculo y Reduzco**" seal, after becoming the first listed real estate firm ever to receive the award in 2022. Once again, the information submitted to the Ministry was verified by an independent auditor.

A number of other projects were ongoing throughout 2023; these are covered in chapter [3. ESG \(Environmental, Social and Governance\)](#)

- Analysis of the Company's **Water Footprint** according to the methodology provided in the international standard ISO 14046, in order to achieve a detailed breakdown for consumption and subsequently set out action plans for each asset.

- Participation in the **Climate Ambition Accelerator** programme promoted by the Spanish Network of the UN Global Compact.
- Creation of a **Social Impact Committee**.
- Four new **Universal Accessibility** certifications awarded under the UNE-17001 standard, meaning more than 66% of the Company's portfolio is currently certified under this standard.
- Analysis of risks associated with climate change in line with recommendations published by the **Task Force on Climate-Related Financial Disclosures (TCFD)** and commitment to this initiative.
- **Participation in several leading global indices:** GRESB, S&P and UN Global Compact.
- **Risk Map** updated in line with the Risk Control and Management Policy.

A key outcome was that **Lar España saw its international (MSCI) rating for ESG performance upgraded from 'BBB' to 'A' in 2023**, placing it in the top 18% of real estate companies included in the index. This achievement is another reflection of the Company's market-leading approach to good corporate governance, and its success in boosting efficiency and cutting greenhouse gas emissions through exemplary property management.

Lar España greets advances in innovation as **key allies for business development**, with projects aiming for more fine-grained data monitoring, the ultimate approach to tenant and customer engagement and a great deal more.

Pioneers in innovation

The Company views innovation as a driver of growth, adopting new tools to keep its properties standing out, **by offering a unique visitor experience and exemplary sustainability credentials**, and to achieve a more sophisticated analysis and understanding of stakeholder profiles and preferences. By actively seeking out the new, Lar España has positioned itself as a forward-leaning company where people and planet come first.

Here are some highlights from 2023:

Continual improvement of customer experience

Implementing transformative strategies for shopping centres and retail parks to meet new consumer needs:

LOCKERS

Self-service parcel delivery offered by both Amazon (available at: Albacenter, Ànec Blau, As Termas, El Rosal, Gran Vía de Vigo, Lagoh, Portal de la Marina, VidaNova and Parque Abadía) and Inpost (located at Albacenter, Ànec Blau and As Termas).

Lockers are equipped with touch screens and **placed in accessible areas and close to the stores**, allowing customers to collect their orders while they shop by entering a unique code.

CLICK & SHOP

Omnichannel sales platform available at seven of the portfolio's shopping centres. It allows 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. Customers can then buy their product in a number of different ways, promoting an omnichannel approach.



Total visits

39,162

Brands signed up

15

Products promoted

409

CLUB DE LOS DISFRUTONES

The *Club de los Disfrutones* is the clearest example of Lar España's commitment to having exhaustive knowledge of the user and being able to digitize the physical visits that its centers receive each year. For the end customer, **the club offers the possibility of accessing discounts, raffles, events and exclusive services**, in a comfortable way, at any time and directly from their mobile phone thanks to its app.

In 2023, shopping centres have promoted numerous events, promotions and discounts to offer additional value to the Club. In addition, different evolutions have been carried out with the aim of improving the user experience of the partners.

COMMUNICATION THROUGH WHATSAPP

Pilot project to expand Lar España's omnichannel model, enabling users to **contact the Company and purchase products** directly through WhatsApp messaging. WhatsApp presents a new option for customer service and advice. If a user ultimately decides to buy, the advisor can collect the specified items in store for pickup or home delivery.



Communication with tenants

For Lar España, fostering strong relationships with retail brands is fundamental to creating value:

MALLCOMM

A 360° platform that creates a **communication channel between tenants and the various levels of shopping centre management and service provision**: store employees, management, etc. This system provides a means to inform tenants of their sales figures, potential staff discounts, job offers, events and marketing, security, critical communications, maintenance and cleaning, as well as offering the option to obtain feedback. It allows a deeper, more fine-grained perspective on what is happening day-to-day across the portfolio, as well as enhancing and streamlining communication with managers.

Promoting retailers

Lar España is helping boost its tenants' profiles, and revenues, through a range of company initiatives:

LAR CONECTA

An initiative that **gives retailers access to digital communication channels** for the shopping centres and their online traffic, offering them increased visibility and helping them better market their products and services. Ultimately, this helps them promote their brands and increase their sales.

SEO POSITIONING

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



Total number
of visits

1,397,766

Websites

4,079,576

Users

992

Business development

To centralise customer intelligence and develop data analysis processes with the potential to transform decision-making:

CRM SALESFORCE

Creation of a **single dashboard** showing primary KPIs for the *Club de los Disfrutones*. This allows queries to be completed quickly and easily.

CUSTOMER EXPERIENCE FOR TENANTS

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

- Enhance the tenant experience in shopping centres and retail parks.
- Identify best practices, trends and new business models coming out of the retail scene.
- Position Lar España as a leader in the retail sector.

Following an initial exploration and idea-generating phase, Lar España will select the most viable solutions of those proposed.

CUSTOMER JOURNEY AT LAGOH

Project to map the visitor experience at the Lagoh Shopping centre with a view to elevating the customer journey and devising a **differential positioning strategy**.

- Understand how every touchpoint in the customer journey is experienced and identify "pains and gains" for visitors to Lagoh. This analysis will form the basis for conceptualising, prototyping and testing potential solutions, prioritised according to business impact.
- Define key customer profiles and seek to understand their experience.

MARKET STUDIES

Lar España undertook a variety of market research studies in 2023 (Business Ecosystem, El Rosal in Focus, Tourism at Lagoh and Visitors to As Termas) to gather more information on its properties and users. This work marks a further step towards deepening the Company's stakeholder knowledge.

INTERACTIVE DIRECTORIES

Proposal to install interactive directories to enhance the visitor experience and move properties in the direction of digitalisation, creating time savings.

SMART MALL

Smart Mall refers to the installation of data collection points, tools to process the data collected and dashboards that display **any information relevant for customers** visiting any of Lar España's centres. The idea is to activate certain key locations with the potential to generate actionable data, providing information on visitor experience, sociodemographics and consumer habits.

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.

DOTGIS

Dotgis is a multi-user online digital platform or dashboard, based on a dynamic map. It gives teams at Grupo Lar and Lar España access to all property management metrics, **improving global visibility and knowledge sharing across the Company**. The platform can be used to analyse the approach and performance of different operators at each property, individually or in aggregate, using a range of KPIs. It offers a faster way to capture data, resulting in a clearer understanding of developments on the ground in different retail segments.

1.2 Divestments

In the month of July, Lar España carried out the sale of the Rivas Futura and Vistahermosa retail parks for a total amount of **€129.1 million**. This selling price represents a **24% appreciation** over the acquisition price.

The Rivas Futura retail park, located in the town of Rivas Vaciamadrid, Madrid, was acquired by Lar España in February 2018 for €61.6 million and has a

gross leasable area (GLA) of 36,447 square meters. On the other hand, Vistahermosa, in Alicante, was acquired by Lar España in June 2016 for €42.5 million and has 33,763 square meters of GLA.

The sale of these two assets was already planned in the SOCIMI's business plan. The main objective of this plan is to rotate mature assets and incorporate others to generate additional value.

Rivas Futura



Vistahermosa



1.3 Shopping Centres and Retail Parks openings

Continuing with the proactive management of the portfolio that allows us to have **a solid and diversified tenant base**.

During the second half of the year **leading chains opened** at some properties, such as:



BOMBON BOSS
SC LAGOH
Opening 14.07.2023



SCALPERS
SC LAGOH
Opening 08.09.2023



EL PATIO DE SAN ELOY
SC LAGOH
Opening 19.09.2023



SILBON
SC LAGOH
Opening 23.10.2023



TRAMAS+
SC GRAN VÍA
Opening 02.11.2023



MR. WONDERFUL
SC GRAN VÍA
Opening 04.09.2023



KIWOKO
RP MEGAPARK
Opening 21.06.2023



COLUMBIA
RP MEGAPARK
Opening 20.07.2023



DELSEY
RP MEGAPARK
Opening 27.06.2023



UNDER ARMOUR
RP MEGAPARK
Opening 24.09.2023



DRUNI
RP MEGAPARK
Opening 28.09.2023



REYNA ISTANBUL
RP MEGAPARK
Opening 15.11.2023



LA CASA DE LAS CARCASAS
RP MEGAPARK
Opening 03.10.2023



MR. WONDERFUL
RP MEGAPARK
Opening 21.11.2023



LA MAFIA SE SIENTA A LA MESA
SC TXINGUDI
Opening 25.10.2023



MULTIOPTICAS
SC ÀNECBLAU
Opening 15.06.2023



ANUBIS COCTELERÍA
SC ÀNECBLAU
Opening 01.09.2023



JOYERIA SIGLO XXI
SC ÀNECBLAU
Opening 24.11.2023



CALZEDONIA
SC PORTAL DE LA MARINA
Opening 26.06.2023



CHOCOSINA
SC PORTAL DE LA MARINA
Opening 22.07.2023



ULANKA
SC PORTAL DE LA MARINA
Opening 28.07.2023



MOVIL STORE
SC PORTAL DE LA MARINA
Opening 22.06.2023



MISAKO
SC PORTAL DE LA MARINA
Opening 04.09.2023



INTIMISSIMI
SC PORTAL DE LA MARINA
Opening 18.09.2023



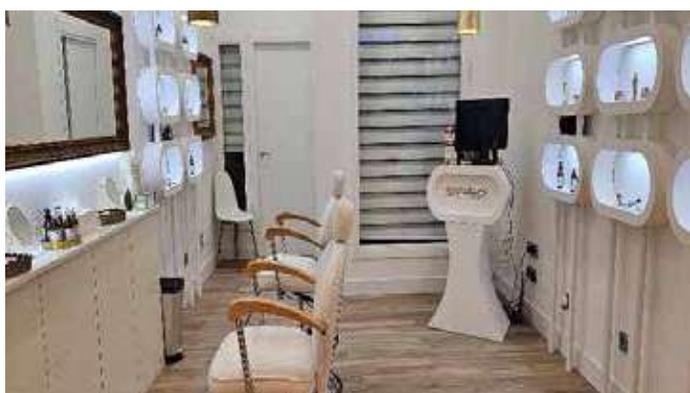
CARL'S MANGOS
SC PORTAL DE LA MARINA
Opening 09.11.2023



SKECHERS
SC PORTAL DE LA MARINA
Opening 24.10.2023



BOLUDITAS
RP ABADIA
Opening 09.09.2023



SUNDARA
SC AS TERMAS
Opening 19.09.2023



JUGUETTOS
SC EL ROSAL
Opening 12.09.2023



JYSK
SC EL ROSAL
Opening 28.09.2023



ULANKA
SC GRAN VÍA
Opening 25.09.2023



CELOPMAN
SC LAGOH
Opening 03.11.2023



GAGAWA
SC LAGOH
Opening 10.11.2023



GOIKO GRILL
SC LAGOH
Opening 22.11.2023



JD
SC LAGOH
Opening 24.11.2023



Retail Park
Megapark (Vizcaya)

Executive Summary

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Performance**

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Lar España closed its **active management strategy in 2023 with 179 commercial operations** with tenants, which means a rotation rate of 8% and a **LfL increase of 8.1%^(*)** in the new agreed rents.



^(*) Above CPI/indexation adjustments.

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

2.1 Highlights 2023

PORTFOLIO INFORMATION

GAV⁽¹⁾**1,313**

Million €

12

Assets

WAULT

2.5 years**99%**Collection rate⁽²⁾

GLA

480,226

sqm

FINANCIAL INFORMATION

Income⁽³⁾**94.9**

Million €

EPRA Earnings / Ordinary⁽⁴⁾**76.4 / 56.0**Million €
(0.91/0.67 €/share)

EBITDA

65.4

Million €

Profit

36.8

Million €

EPRA NTA

898.5Million €
(10.74€/share)⁽⁵⁾

Financial Debt

651.0

Million €

Net LTV

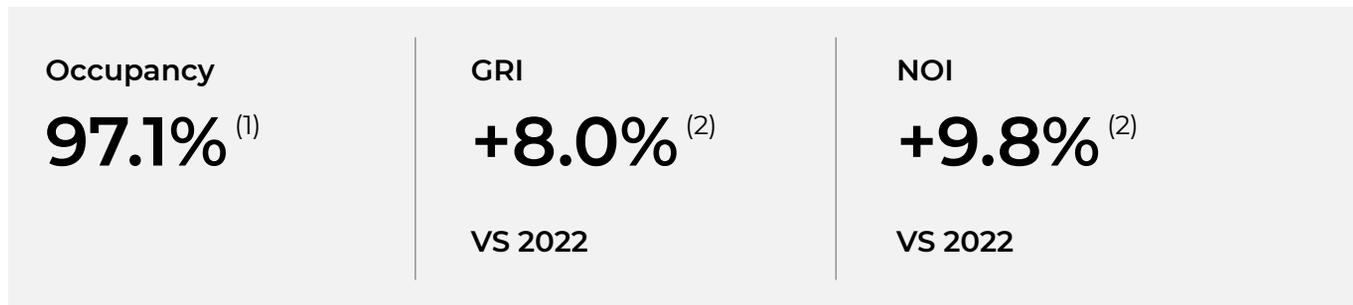
31.0%Average Cost
of Debt**1.8%**

Dividend

66.2Million €
(0.79€/share)

(1) Information based on valuations carried out by independent valuers on **31 December 2023**. / (2) Percentage of amounts collected in 2023 in relation to rents and expenses invoiced to tenants in 2023. In addition, in 2023, €3.9 Mn have been collected corresponding to previous years. / (3) Rental income and Other income. / (4) Excluding the positive effect of the bonds buy-back. / (5) When analyzing this measure it is important to take into account the dividend paid in Q2 2023 (**0.60€/share**).

OPERATING RESULTS



GAV (%)



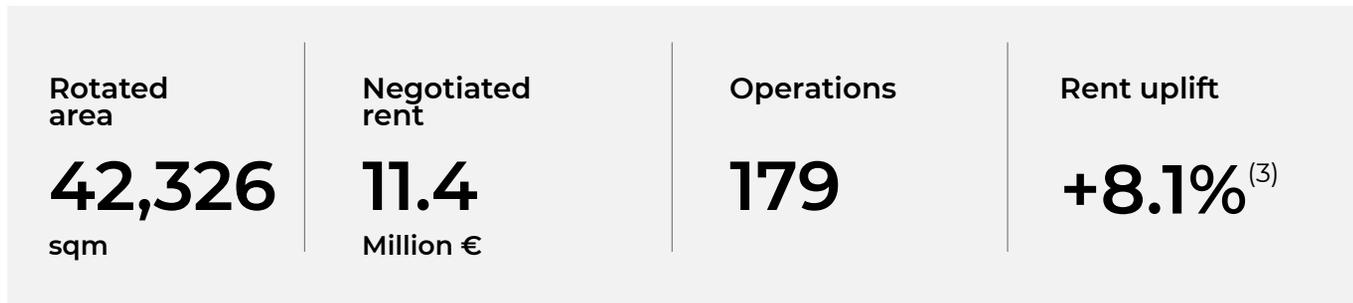
Revenues (%)



● Shopping Centres

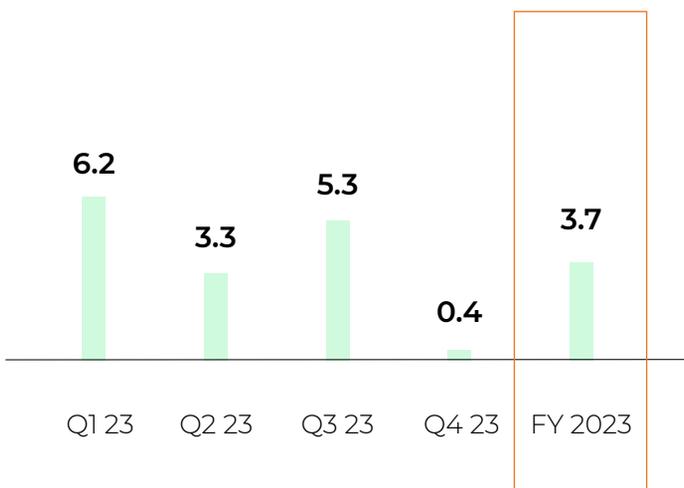
● Retail Parks

LEASING ACTIVITY



Footfall 2023

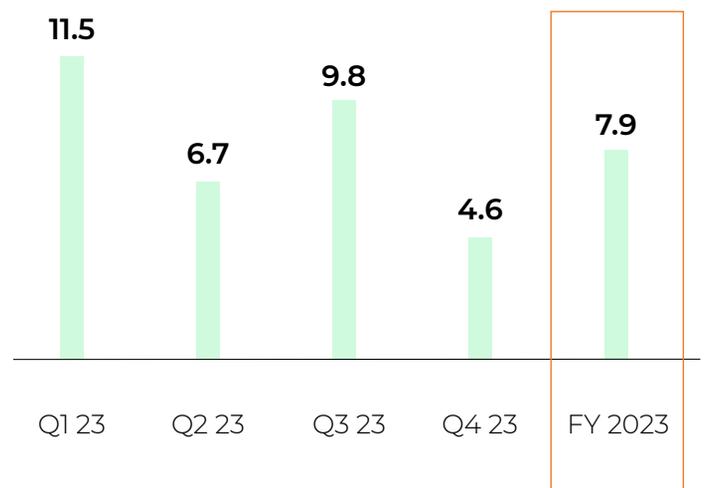
76.2
Million of visits | **+3.7%**
vs 2022⁽⁴⁾



● 2023 vs 2022⁽⁴⁾

Sales 2023

1,057.8⁽⁵⁾
Million € | **+7.9%**
vs 2022⁽⁴⁾



● 2023 vs 2022⁽⁴⁾

(1) Physical occupancy calculated in square meters. / (2) Like for Like including the retail parks Rivas Futura and Vistahermosa up to the divestment date (July 2023). / (3) Above CPI/indexation adjustments. / (4) Like for Like excluding the Rivas Futura and Vistahermosa assets. / (5) Declared sales

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.

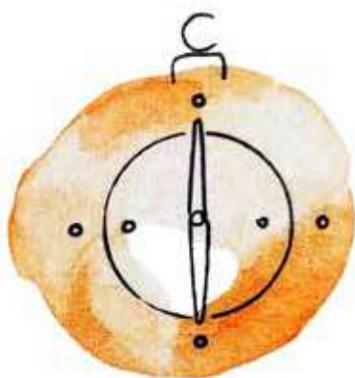
This buy-back deal related to the two bonds issued in 2021. The first was issued in July 2021 in the amount of €400 million at an annual fixed interest rate of 1.75%, maturing in 2026. The second was issued in November 2021 in the amount of €300 million at an annual fixed interest rate of 1.843%, maturing 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.



Net LTV

-132 bp

38.9%

37.6%

● December 2022

● January 2023

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.



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."

JULY (28.07.2023)

Divestment of Rivas Futura and Vistahermosa retail parks for €129.1 million

The SOCIMI Lar España has sold two of its retail parks for a total of **€129.1 million**. The **Rivas Futura and Vistahermosa retail parks** offer a combined gross lettable area (GLA) of 70,210 sqm. The sale price brought a **value uplift of 24% on the acquisition price.**

Rivas Futura in Rivas Vaciamadrid, Madrid, was acquired by Lar España in February 2018. The park has a GLA of 36,447 sqm. Vistahermosa, in Alicante (GLA 33,763 sqm), was added to its portfolio in June 2016.

The divestment of these two assets was always part of the SOCIMI's business plan, which focuses on **rotating mature assets and acquiring others with additional value creation potential.**

This policy has much to do with the **attractive returns anticipated for Lar España's shareholders**. **José Manuel Llovet, CEO of Commercial Property at Grupo Lar**, remarked, *"With this divestment, Lar España has once again shown itself to be ahead of the curve; we were able to secure an excellent deal that speaks to a strong investor appetite for high-quality assets. It's another indication of the Company's skill in anticipating the market, following the sale of 22 retail units under lease to Eroski at the height of the pandemic. Completing these two sales marks a further qualitative leap towards our strategic objectives. It also places Lar España in a tremendous position to grasp emerging investment opportunities in our sector."*

SEPTEMBER (20-22.09.2023)

Accolades at The District Show 2023

At the 2023 edition of The District Show, held in Barcelona from 20 to 22 September, Lar España was honoured to receive the award for *Best Real Estate Fund, Management Company or Investment Group 2023*. The Company was also nominated as a finalist in the category of *Best Real Estate Operation with the Greatest ESG Impact*. **The jury highlighted the SOCIMI's specialist expertise in the retail sector and efficient asset management model.**

A flagship international event for those shaping the future of *Real Estate*, the show attracted more than 10,000 professionals and over 200 companies. This recognition serves to cement Lar España's position as a leader in its field, both in terms of financial performance and ESG.

Representing the Company was Miguel Pereda, proprietary member and Vice Chairman of Lar España's Board of Directors and CEO of Grupo Lar, who shared his outlook on the current real estate landscape in Spain based on an analysis of key trends.



SEPTEMBER (27-28.09.2023)

Award for Best ESG Model at the 19th Spanish Association of Shopping Centres (AECC) 2023 Awards Ceremony

This event serves as a forum for real estate professionals and organisations facing a common set of challenges, all focused on shopping centres and retail parks in Spain. In this edition, Lar España won the **award for the best ESG corporate model**. This achievement recognises Lar España's exemplary track record in sustainability, which has occupied a central place in its vision and strategy since its foundation in 2014, forming part of the Company's formal framework for Sustainability/ESG policy and ESG Master Plan.

Lar España has helped raise the bar for the sector with a series of targeted action plans for its properties, addressing a range of issues including energy efficiency, waste management and reducing its carbon footprint. The Company has become established as a frontrunner in sustainability innovation, thanks to a specially developed automated platform for monitoring environmental performance. Sustainability touches every part of the Company's operations, and this award comes as further recognition of this core pillar in its strategy.



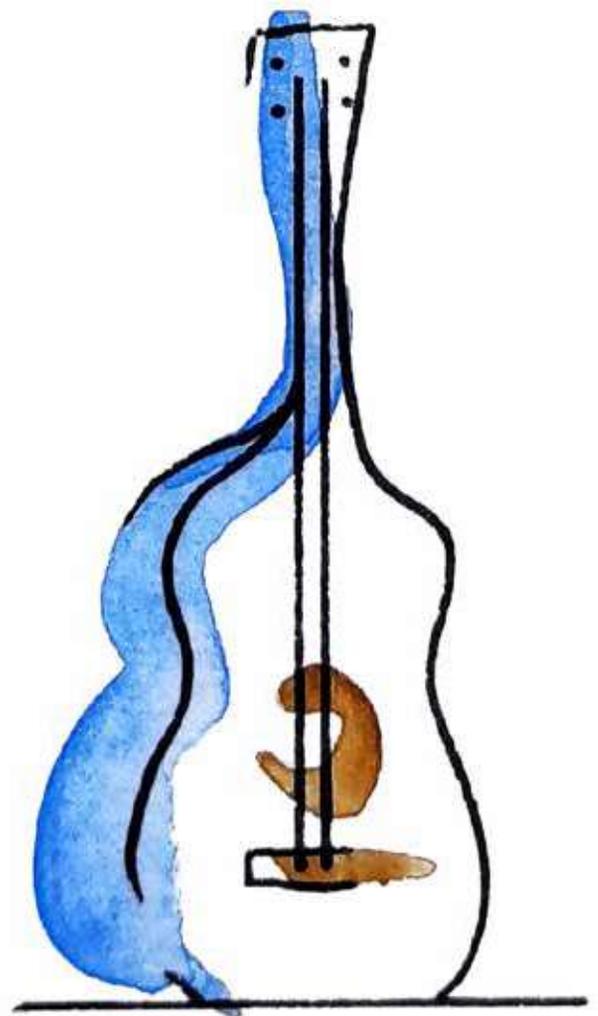
DECEMBER (20.12.2023)

Lar España receives an 'A' rating in the global MSCI ESG index

The **global MSCI ESG index** has **upgraded Lar España's rating** to **'A'**, placing it in the **top 18% of all companies** evaluated.

This milestone achievement can be attributed to the Company's **redoubled efforts** to curb greenhouse gas emissions. Over the course of 2022, it succeeded in **reducing scope 1 and 2 emissions by 41%** year on year. Furthermore, Lar España managed to cut its total energy use by **5.9%**, 100% of which comes from guaranteed renewable sources. This has contributed towards a more **efficient portfolio**, bringing down energy consumption per visitor by 15.4%.

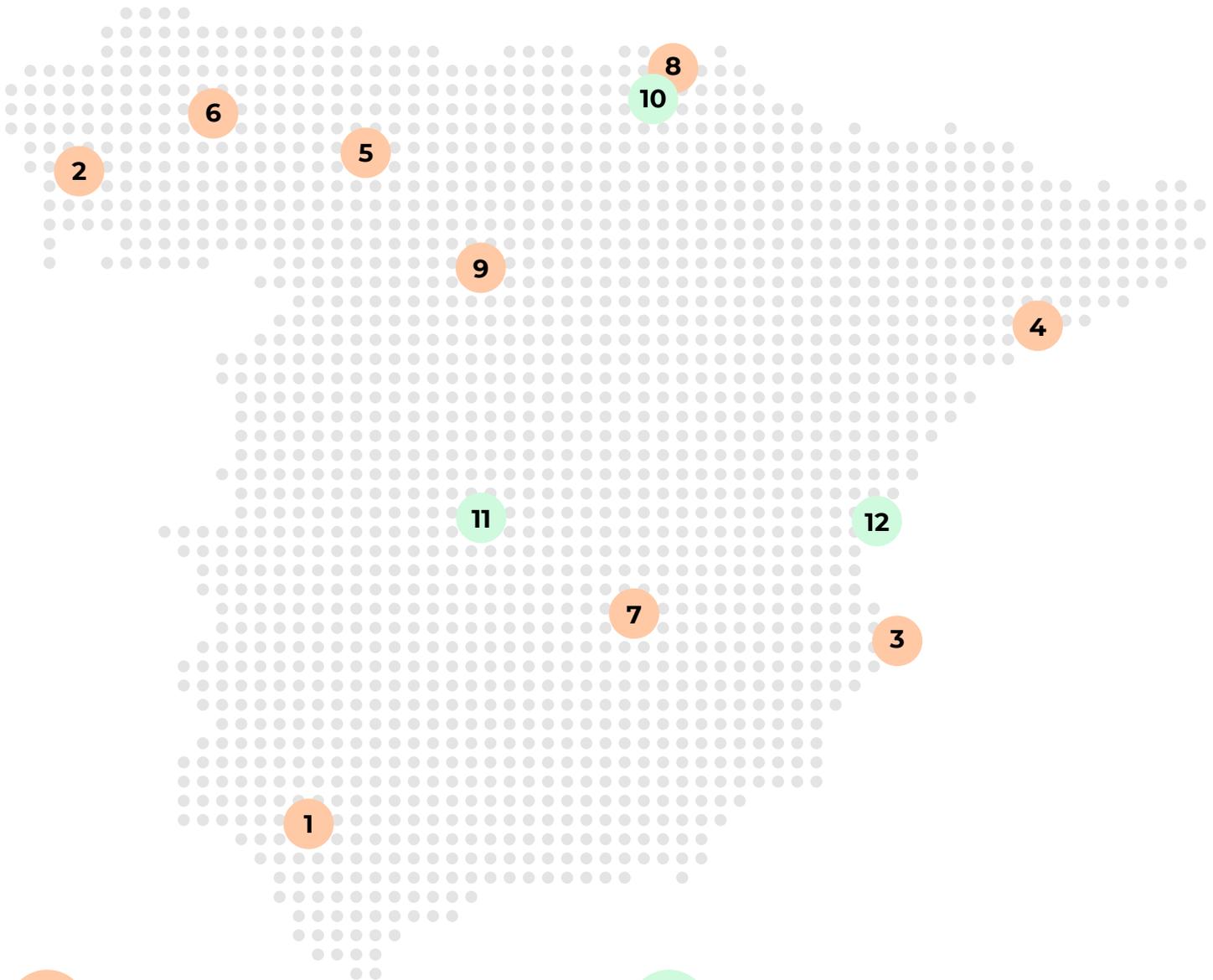
Besides taking action on environmental risk, **Lar España was the first listed real estate company to qualify for the "Calculo y Reduzco" seal, awarded by the Ministry for the Ecological Transition and the Demographic Challenge**, having submitted data on its shrinking carbon footprint for four consecutive years. All 12 shopping centres and retail parks in the Company's portfolio are now **certified under BREEAM**, the world's leading independent assessment framework for sustainability in the built environment.





Retail Park
Megapark (Vizcaya)

2.3 Portfolio at 31 December 2023



Shopping Centres

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



Retail Parks

10. Megapark (Vizcaya)
11. Parque Abadía (Toledo)
12. VidaNova Parc (Valencia)



← GERENCIA H/LINES TERRAZA

GAV

€1.3

Billion euros



Shopping Centre
El Rosal (León)

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	41,496 sqm
Purchase Date	15 September 2016
Acquisition Price	141.0 Million €
WAULT	1.8 years

Portal de la Marina | Shopping Centre



Asset Characteristics	
Location	Alicante
GLA	40,302 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	3.2 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 | Shopping Centre



Asset Characteristics	
Location	Lugo
GLA	35,149 sqm
Purchase Date	15 April 2015/ 28 July 2015
Acquisition Price	68.8 Million €
WAULT	2.7 years

Albacenter | 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	2.3 years

Las Huertas | Shopping Centre



Asset Characteristics	
Location	Palencia
GLA	6,265 sqm
Purchase Date	24 March 2014
Acquisition Price	11.7 Million €
WAULT	1.7 years

Megapark | 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	3.4 years

Parque Abadía | Retail Park



Asset Characteristics	
Location	Toledo
GLA	43,109 sqm
Purchase Date	27 March 2017/ 20 February 2018
Acquisition Price	77.1 Million €
WAULT	1.7 years

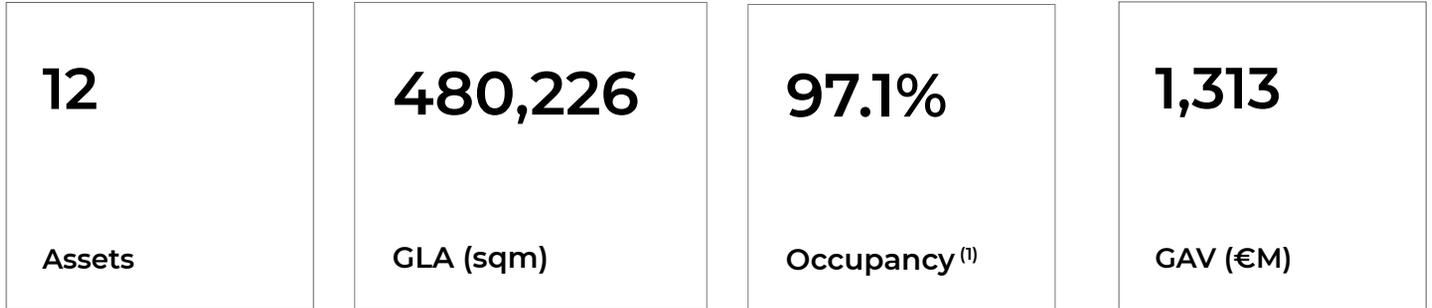
VidaNova Parc | Retail Park



Asset Characteristics	
Location	Sagunto (Valencia)
GLA	45,568 sqm
Purchase Date	3 August 2015
Land Acquisition Price	12.6 Million €
WAULT	2.3 years

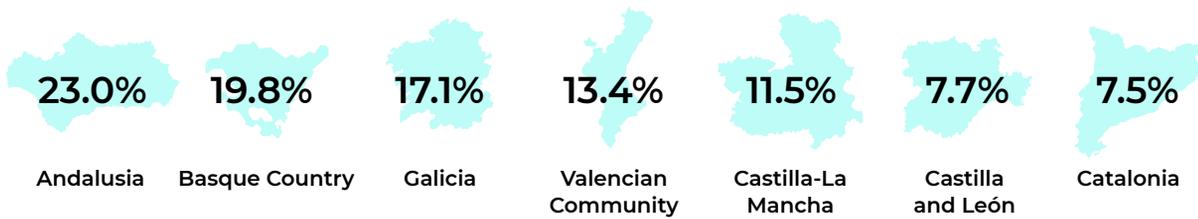
Our retail portfolio at a glance

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



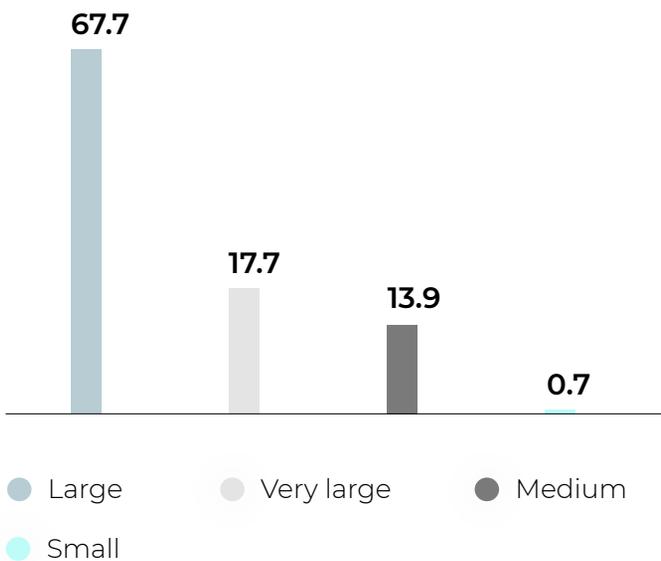
(1) Physical occupancy based on square meters.

By geography (GAV)

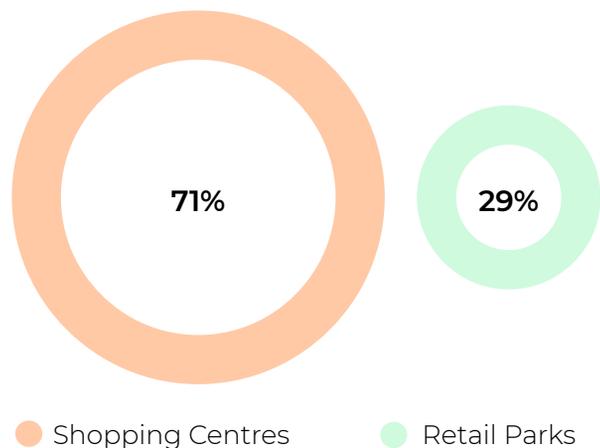


+ 85%
of our retail assets are classified as Large or Very Large.

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
Gran Vía (Vigo)

2.4 Key Indicators

Throughout the year Lar España generated **revenues of 94,911 thousand Euros** and a **Net Profit of 36,789 thousand Euros**, being the most relevant figures the following:

● 2023 ● 2022

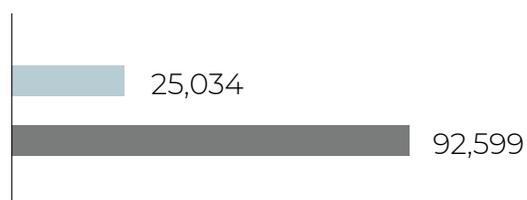
Revenues (*)
(Thousands of euros)



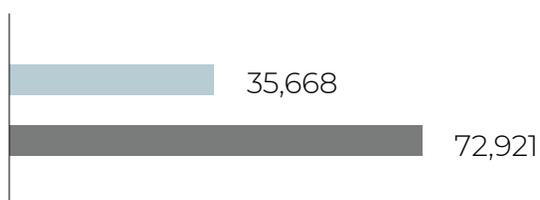
EBITDA
(Thousands of euros)



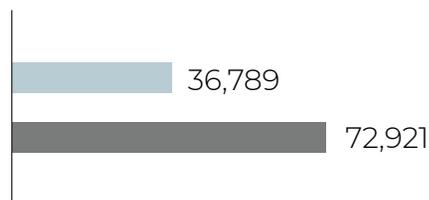
EBIT
(Thousands of euros)



BAI
(Thousands of euros)

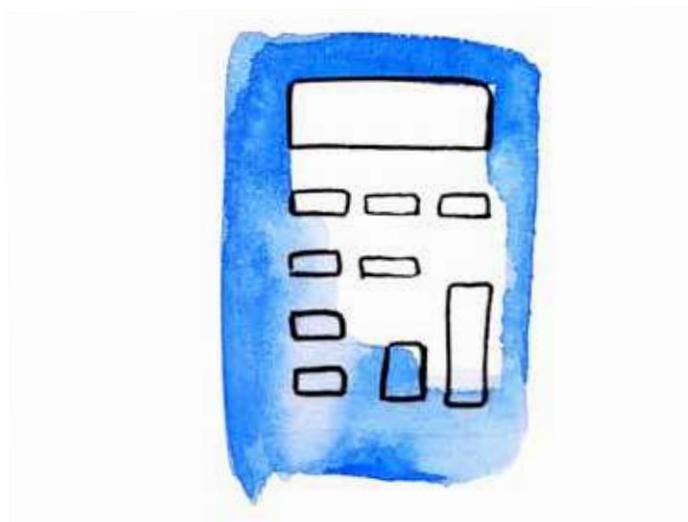


Net Profit
(Thousands of euros)



For more clarity as regards these figures, see the *Consolidated Income of Financial Position* (see page 89).

(*) This amount includes Revenues and Other income.

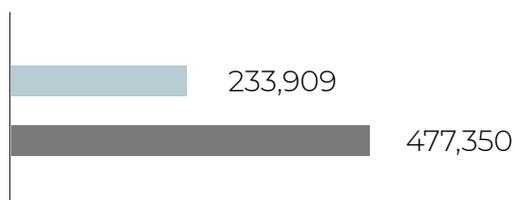


Other financial indicators

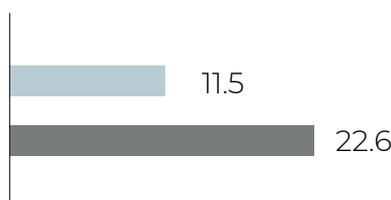
The Group presents the following financial indicators:

● 31.12.2023 ● 31.12.2022

Working capital
(Thousands of euros)



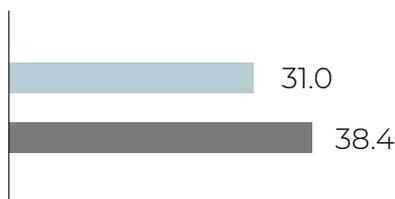
Liquidity ratio
(%)



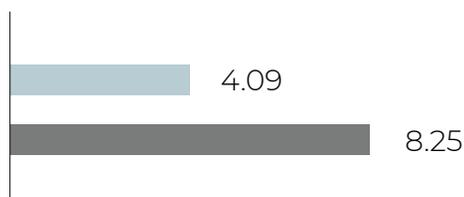
Solvency ratio
(%)



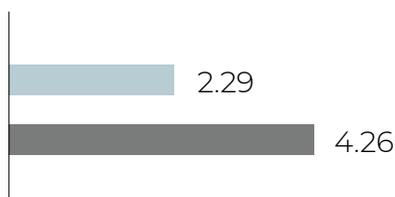
Net LTV
(%)



ROE
(%)



ROA
(%)



At 31 December 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 31 December 2023, the **ROE (Return on Equity)**, which measures Group's profitability as a percentage of shareholders equity, amounted to **4.09%** (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 a company's assets to generate income, was **2.29%** (4.26% at 31 December 2022).

2.5 Business Performance

a. Income Distribution

Total **revenues** reached **91,355 thousand Euros** in 2023 (versus 80,228 thousand Euros in 2022).

The relative weigh of total revenues by asset class at 31 December 2023 is as follows:

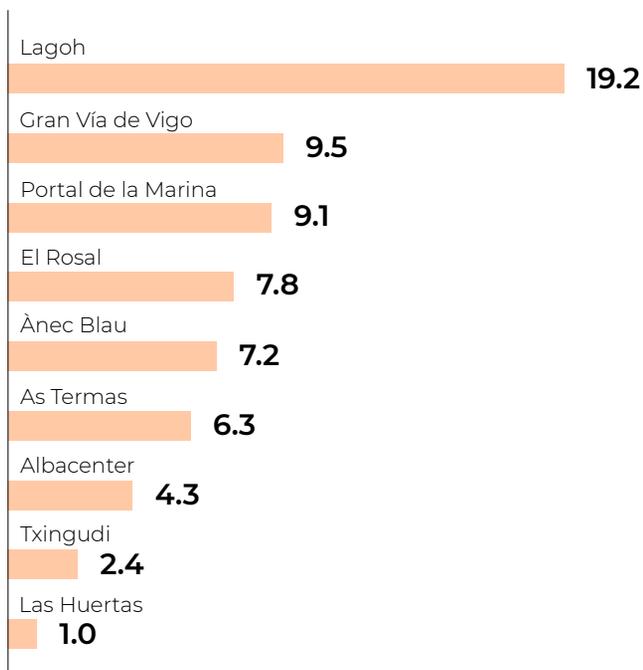
Total revenues by asset class during 2023 is as follows: (%)

● Shopping Centres ● Retail Parks

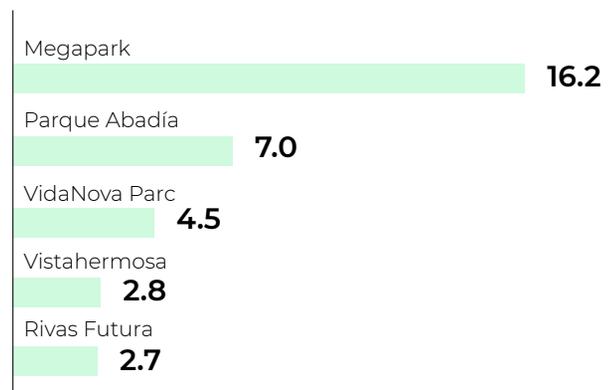


The breakdown of **income per asset type** during 2023 is as follows:

Income by Shopping Centres (%)

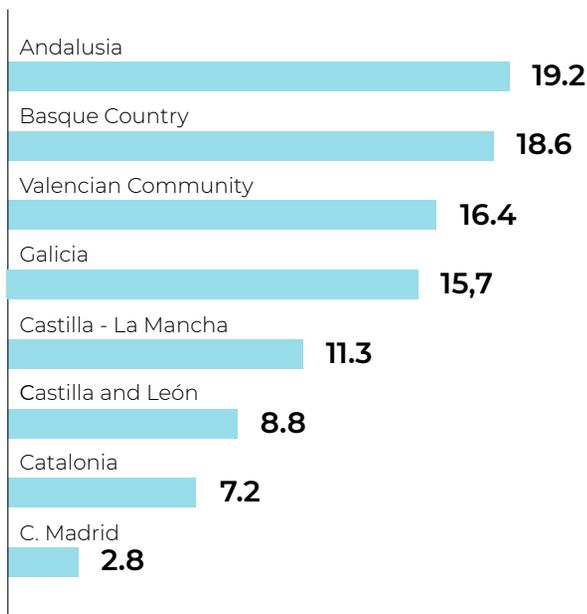


Income by Retail Park (%)



This graph details the breakdown of **total revenues per region** for 2023:

Income by region (%)



More than 37% of revenues were registered in the Basque Country and Andalusia, with Lagoh being the shopping centre with the highest revenues in 2023.

Below are the **ten tenants that have generated the most revenue** during 2023:

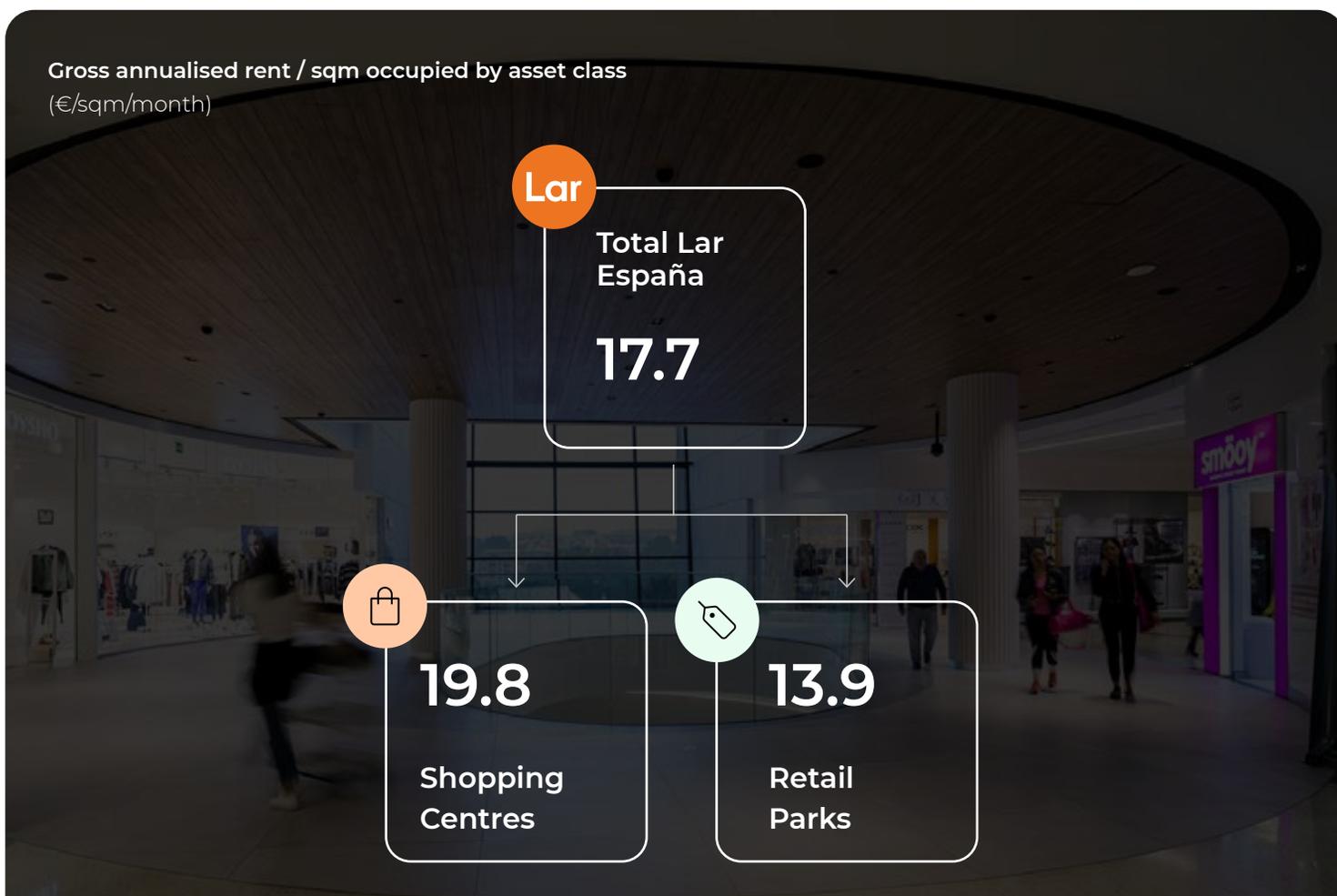
		Total rental income	Accumulated
1.	INDITEX	9.83%	9.83%
2.	Carrefour	4.17%	14.00%
3.	MediaMarkt	3.43%	17.43%
4.	LEROY MERLIN	2.83%	20.26%
5.	DECATHLON	2.53%	22.79%
6.	TENDAM GLOBAL FASHION RETAIL	2.36%	25.15%
7.	MERCADONA SUPERMERCADOS DE CONFIANZA	2.16%	27.31%
8.	YELMO CINES	2.14%	29.45%
9.	C&A	1.90%	31.35%
10.	El Corte Inglés	1.87%	33.22%

b.
Gross annualised rents

The **annualised GRI** (*) of Lar España is detailed below, as well as the annualised GRI per occupied sqm as at 31 December 2023:

	Gross Annualised Rents (Thousands of euros)	GLA occupied (sqm)	Gross Rent (€/sqm/month)
Shopping Centres	71,259	299,859	19.8
Retail Parks	27,773	166,379	13.9
TOTAL LAR ESPAÑA	99,032	466,238	17.7

Gross annualised rent / sqm occupied by asset class
(€/sqm/month)



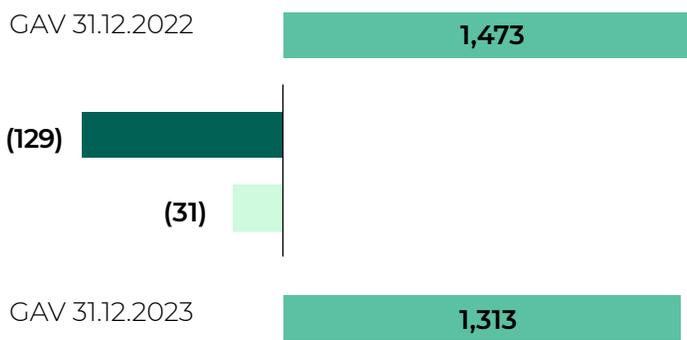
(*) The annualised GRI is calculated using the EPRA NIY of each asset. Annualised GRI = annualised passing rental income from real estate investment + effect of rent-free periods and temporary rental discounts.

C.
Value of Lar España´s portfolio at 31.12.2023

As at 31 December of 2023 the total value of Lar España´s portfolio amounts to **1,313 million Euros**:

GAV reconciliation at 31.12.2023

(Million €)



● Changes in value ● Divestments

In July, two retail parks, Rivas Futura and Vistahermosa, were divested for a combined total amount of **129.1 million euros**, representing a **revaluation of 24%** over the purchase price.

The negative revaluation amounting to 31 million Euros corresponds to information based on valuations carried out by independent valuers as at 31 December 2023.

Like for Like change in the portfolio value at 31 December 2023 ^(*)^()**



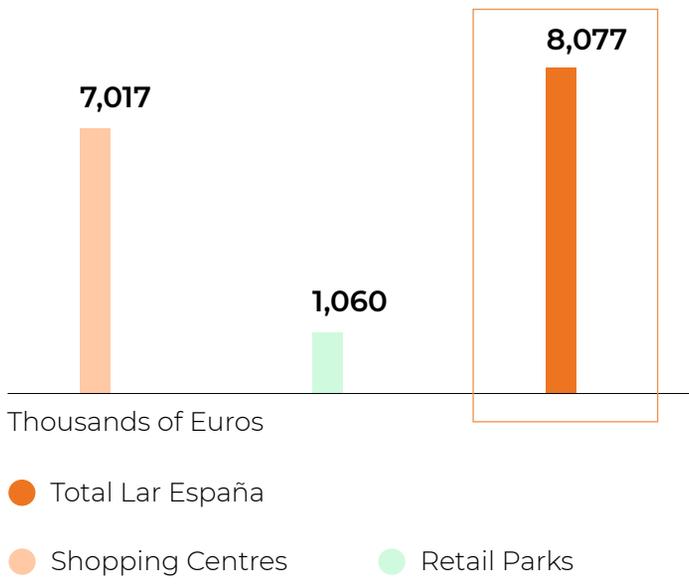
(*) Like for Like figures excluding Rivas Futura and Vistahermosa assets that were divested in July 2023.

(**) Excluding CAPEX invested the percentages would be: +15.7%, -3.0% and -2.1% respectively.

d.
CAPEX

The Company has continued revamping its portfolio of assets in order to generate more value investing close to **€8.1 million** during 2023.

The breakdown of investment by asset class is as follows:



As Termas and Gran Vía de Vigo with **€3.6 million** together, lead the investment made during the year.

In the case of As Termas the investment is mainly linked to an **agreement with the Inditex Group** for the remodeling, expansion and incorporation of the most advanced digital tools in the units of the Zara line, improving the aesthetic and functional shopping experience. The project has also focused on the use of sustainable materials.

In Gran Vía de Vigo the amount corresponds mainly to the **image reform** that is being carried out on the second floor with the aim of completing the renovation of the asset and offering the best visiting experience; in addition to the center's commitment by important operators such as Scalpers, JD Sport or Fitness Park that will expand the commercial offer, in order to continue being the reference shopping center of Vigo.



Shopping Centres
As Termas (Lugo)
Gran Vía (Vigo)

e.
Lease expiration and WAULT

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

Renewals of contracts have been agreed with our key tenants, thereby prolonging the lease terms, allowing us to have a significant level of guaranteed minimum rents. Throughout 2023 new long-term lease agreements have been signed with new tenants.

We note that as of 31 December 2023, **more than 60%** of all Lar España's active lease agreements have lease expiries beyond 2027.

More than 60% of the contracts have a maturity beyond 2027.

Annual lease expiration (end of contract) (%)



Thus, the **WAULT**^(*) (weighted average unexpired lease term) at 31 December 2023 of Lar España's portfolio is **2.5 years**. Below you will find the detail by asset class:

More than
1,000
existing contracts

Lar España



2.5

Shopping
Centres



2.3

Retail
Parks



2.8

() 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 31 December 2023.*



97.1%

Occupancy
(sqm)

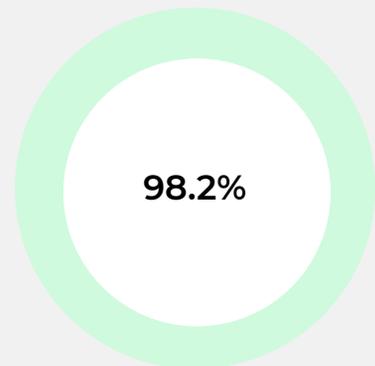
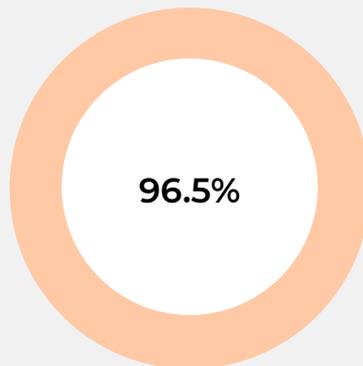
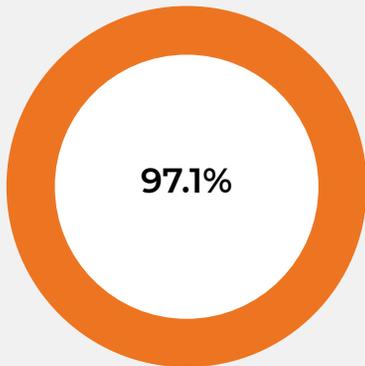
f.
Occupancy (in sqm)

The gross leasable area (GLA) of Lar España's income producing assets at 31 December 2023 stood at **480,226 sqm**, whilst the average occupancy rate stood at **97.1%**.

The occupancy rate by asset class at 31 December 2023 is shown below:

480,226
sqm

Total GLA



● Total Lar España

● Shopping Centres

● Retail Parks



Retail Park
Megapark (Vizcaya)

9. Main Milestones

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

Key indicators evolution

GRI ⁽¹⁾

+8.0%
vs 2022

NOI ⁽¹⁾

+9.8%
vs 2022

Key indicators evolution (P&L) LfL ⁽²⁾

GRI

+16.3%
vs 2022

NOI

+19.5%
vs 2022

Key indicators evolution (P&L)

GRI

+13.5%
vs 2022

NOI

+16.5%
vs 2022

Collection rate ⁽³⁾

99%

(1) Comparable figures including the retail parks Rivas Futura and Vistahermosa until the divestment carried out in July 2023.

(2) Like for Like (excluding the Rivas Futura and Vistahermosa shopping centers). (3) Percentage of amounts collected in 2023 in relation to rents and expenses invoiced to tenants in 2023. In addition, in 2023, €3.9 Mn have been collected corresponding to previous years.

Major operative milestones

During 2023, the total sales declared reach **1,057.8⁽¹⁾ million euros** in Lar España's shopping centres and retail parks, supported by the increase in the number of visits (footfall of **76.2 million**).

Lar España continued to actively manage its retail portfolio. It closed **179 operations** including renewals, relocations, relettings and new lettings, resulting in an annualised tenant rotation rate of **8%** for the portfolio.

Rotated 42,326 sqm	Negotiated rent €11.4 million	Operacions 179	Rent uplift +8.1%⁽²⁾
--	---	-------------------------------------	--

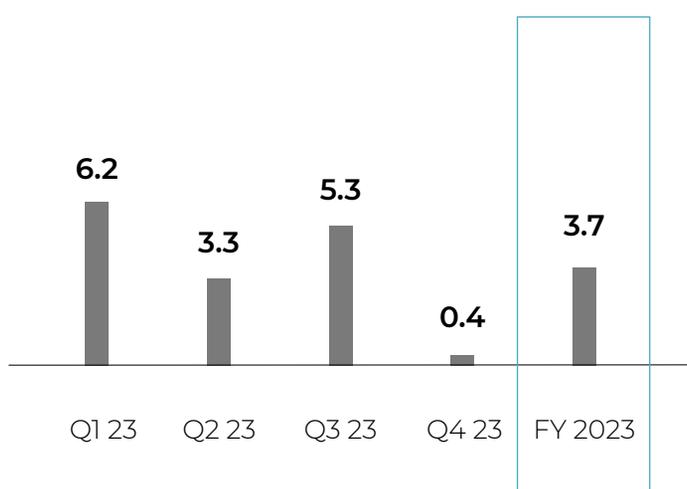
	Renewals	Relocations and Relettings	New lettings	TOTAL
Number of operations	110	50	19	179
sqm	24,496	14,550	3,280	42,326

Footfall 2023

76.2
Million of visits

+3.7%
vs 2022⁽³⁾

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



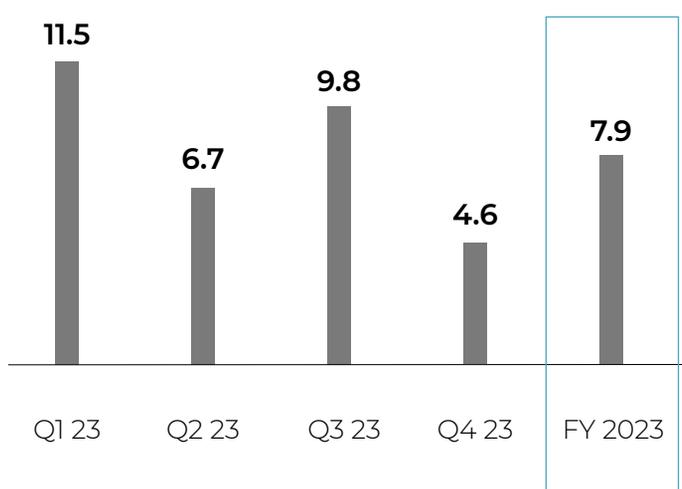
● 2023 vs 2022⁽³⁾

Sales 2023

1,057.8⁽¹⁾
Million €

+7.9%
vs 2022⁽³⁾

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



● 2023 vs 2022⁽³⁾

(1) Declared sales. / (2) Above CPI/indexation adjustments. / (3) Like for Like excluding Vistahermosa and Rivas Futura retail parks.

Main operations

Some of the **main operations** during the year:



Main Operations



Renewals

C&A (1,562 sqm)

Casa (467 sqm)

Springfield (376 sqm)

Close to €2,000,000 annual negotiated rent	30 Operations	5,552 sqm
---	-------------------------	------------------



Main Operations



Relocations/Relettings

JD Sports (756 sqm)

Scalpers (382 sqm)

Popeyes (484 sqm)

More than €1,700,000 annual negotiated rent	19 Operations	3,536 sqm
--	-------------------------	------------------



Main Operations



Renewals

H&M (1,256 sqm)

Décimas (747 sqm)



Relocations/Relettings

Scalpers (256 sqm)

Close to €1,700,000 annual negotiated rent	29 Operations	4,513 sqm
---	-------------------------	------------------



Main Operations



Renewals

Primark (4,213 sqm) at Albacenter

Cortefiel (623 sqm) at El Rosal



Relocations/Relettings

MGI (1,946 sqm) at El Rosal

New Yorker (1,342 sqm) at Albacenter

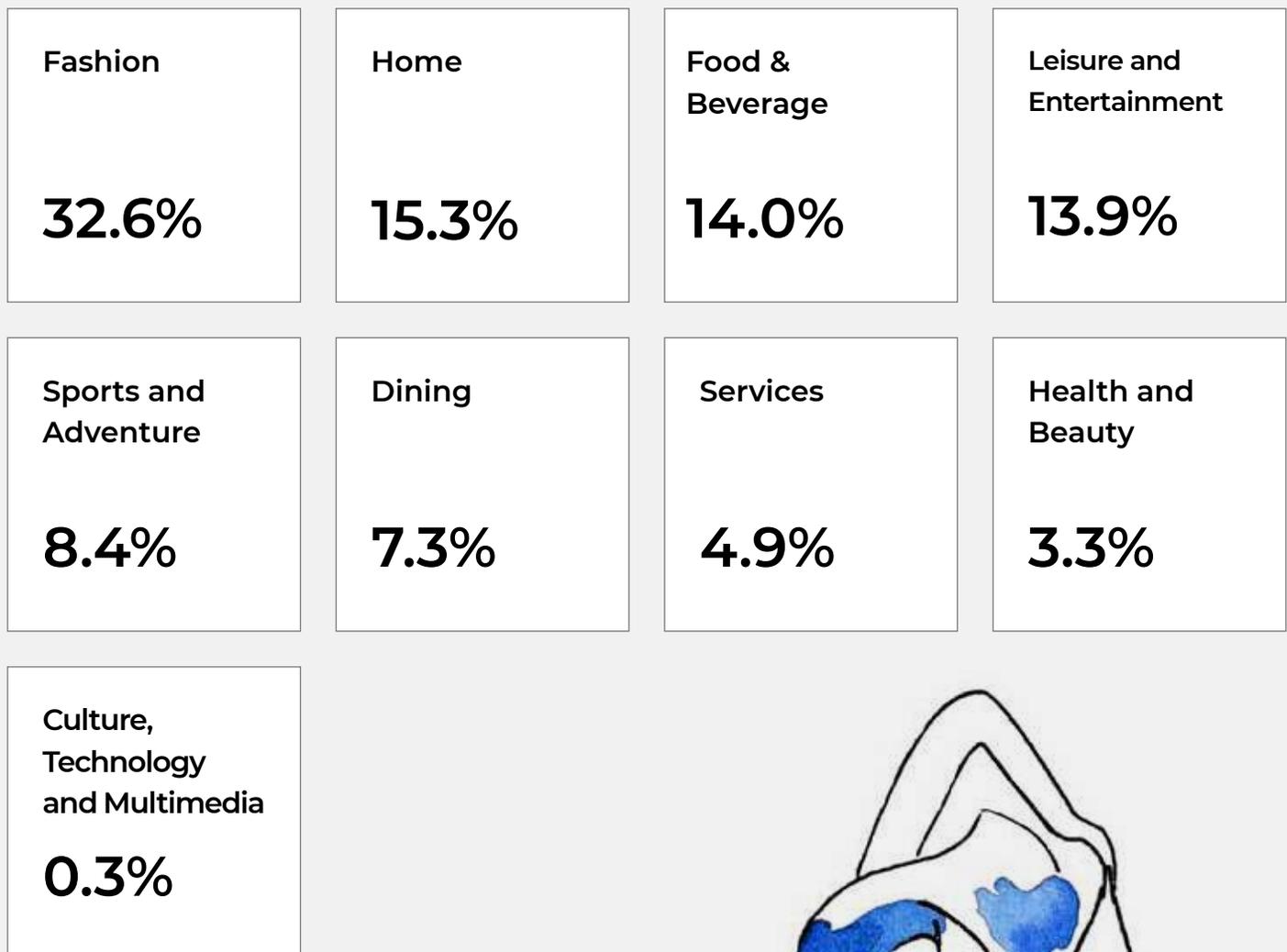
More than €6,000,000 annual negotiated rent	101 Operations	28,725 sqm
--	--------------------------	-------------------

Retail Tenant Mix

Below we display the **tenant mix** of Lar España's retail portfolio at 31 December 2023 by space let. The food & beverage and health sectors account **more than 17%** of the retail offering in Lar España's assets:

Effort rate
(including
expenses)

10.2%^(*)



^(*) Like for Like excluding Vistahermosa and Rivas Futura retail parks.

ESG

3

3.1

**Committed
to the
Environment**

61

3.2

**Contributing to
Society**

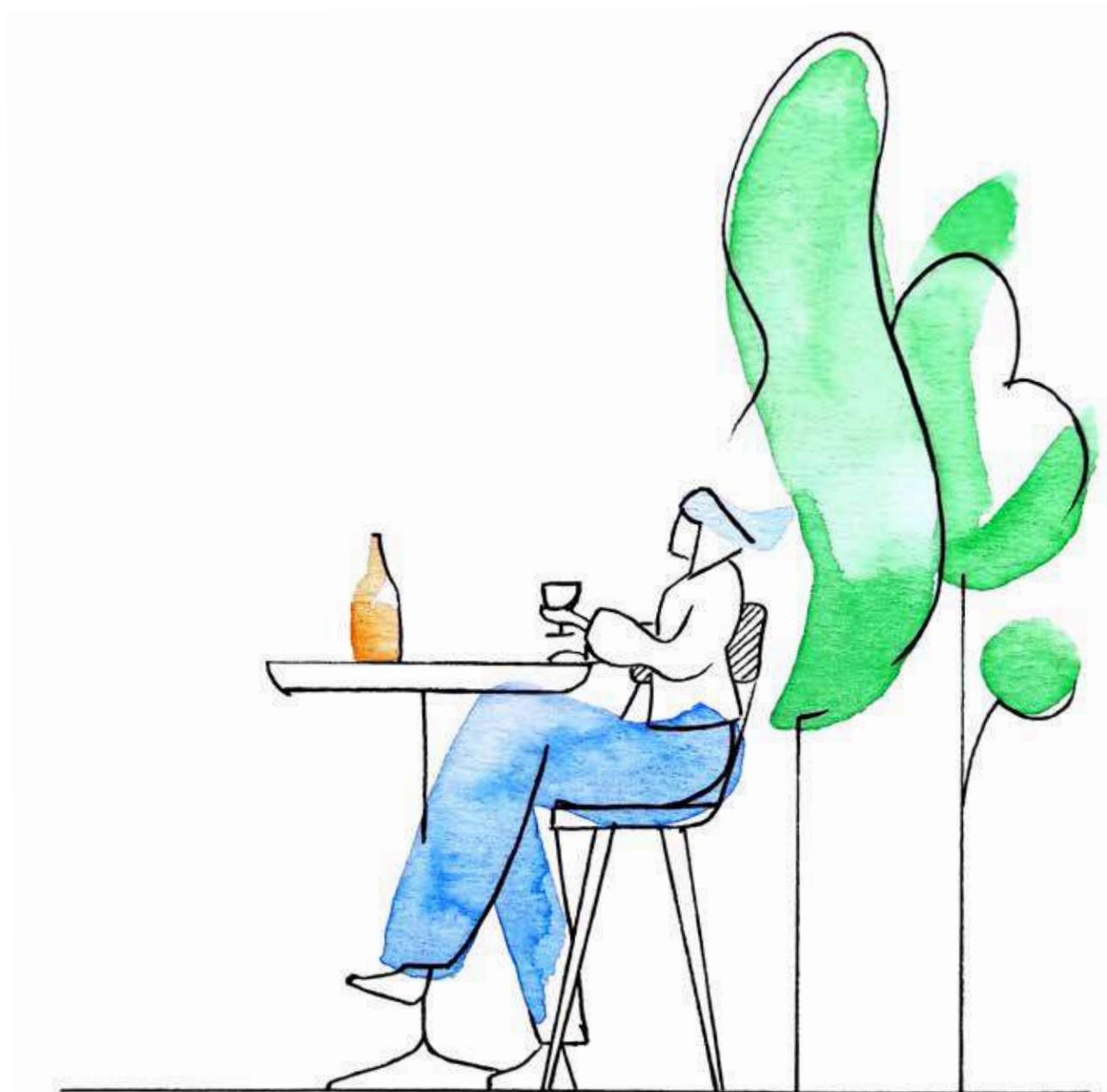
67

3.3

**Leaders in
Governance**

78

In 2023, Lar España continued its efforts towards the **development of responsible activity across economic, environmental, social, and governance levels**. Highlighting the latter half of the year was the updating of its **Decarbonization Strategy** and the **analysis of climate-related risks** in accordance with TCFD.



ESG (Environmental, Social and Governance)

Sustainability in all forms underpinned Lar España's agenda in 2023, embracing a set of environmental, economic, social and governance goals calling for action in every area of the Company.

In keeping with the guidelines set out in the Company's ESG Master Plan and Sustainability and ESG Policy, Lar España continued to work towards a diverse set of goals for environmental protection, social responsibility and good governance. These priorities are reflected in decision-making at both strategic and operational levels, as can be seen daily at each of its shopping centres and retail parks.



Lar España sees sustainability as an all-embracing principle, basing its strategy on four essential pillars.

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
- › Sustainable management systems

Next steps

For the next year, Lar España highlights the following projects and initiatives within its ESG roadmap:

E. Environmental

- Developing measures towards the **decarbonisation goals** set out in the Company's Decarbonisation Plan (see section 2.1 for more information), verifying its strategy through submission to the International Science Based Targets initiative (SBTi).
- 
- **Broadening the scope of data gathering and monitoring** to cover **consumption and emissions** generated by the Company's retail tenants, supply chain, waste management systems and major refurbishment works.
 - Exploring the possibility of **investing in carbon offsetting schemes** through credits and/or sequestration.
 - **Ongoing schedule to replace outdated machinery and equipment** with more efficient, sustainable and low-emissions alternatives.
 - Continuing its **policy of using guaranteed renewable electricity sources** at all strategic properties.
 - Applying the findings of technical-economic studies into the potential for investing in **photovoltaic solar energy** at suitable strategic properties and promoting on-site renewable energy generation.
 - Selecting the most effective Energy Saving Measures (ESMs) for each property and obtaining final approval, having achieved the objectives defined in the 2019 **Energy Efficiency Plan**, and completed a series of **Energy Audits** in 2023. **The Energy Efficiency Plan will be updated** to reflect the Company's intentions for future action and to bring it in line with other top-level objectives, including the Decarbonisation Plan approved in December 2023.
 - Establishing a **unified waste management system** as a further step towards compliance with Law 7 of 8 April 2022 on the management of waste and contaminated soil to promote a circular economy.
 - After the completion of work to quantify the company's **Water Footprint** in accordance with international standard ISO 14046 and to gather data on the levels and potential impacts of water use across the organisation, a Water Conservation Plan specific to the needs of each property in the Company's portfolio.
 - Adopting an **Energy Management System** as required by ISO 50001, to be submitted for certification under the terms of this standard, with the aim of improving energy and facilities management across its properties.
 - Obtaining **BREEAM "In-Use" Certification for Lagoh** and renewing existing certifications approaching expiry.

S. Social

- Developing a new project to **examine the Company's social impacts**, with reference to international standards that provide an accepted set of indicators for measuring and quantifying aspects such as **direct/indirect job creation**.
- Extending **Universal Accessibility** certification under the UNE-ISO 17001 standard to Ánec Blau and Gran Vía de Vigo shopping centres.
- Organising coordination and follow-up meetings with teams involved in operational property management to a) put together a **training plan** for ESG and sustainability and b) communicate Lar España's strategic commitments and goals.
- Introducing a series of actions for stakeholder **engagement and active listening**, encompassing satisfaction surveys, round tables to solicit a range of views and the launch of new communications channels.
- Achieving further progress on the installation of new **electric vehicle charging points**, in conformance with legislation introduced by Royal Decree-Law 29/2021, of December 21st, adopting urgent measures in the energy sector to promote electric mobility, self-consumption, and the deployment of renewable energies.
- Formulating **company-wide measures** to enable all properties, regardless of location, to make a unified contribution.

G. Governance

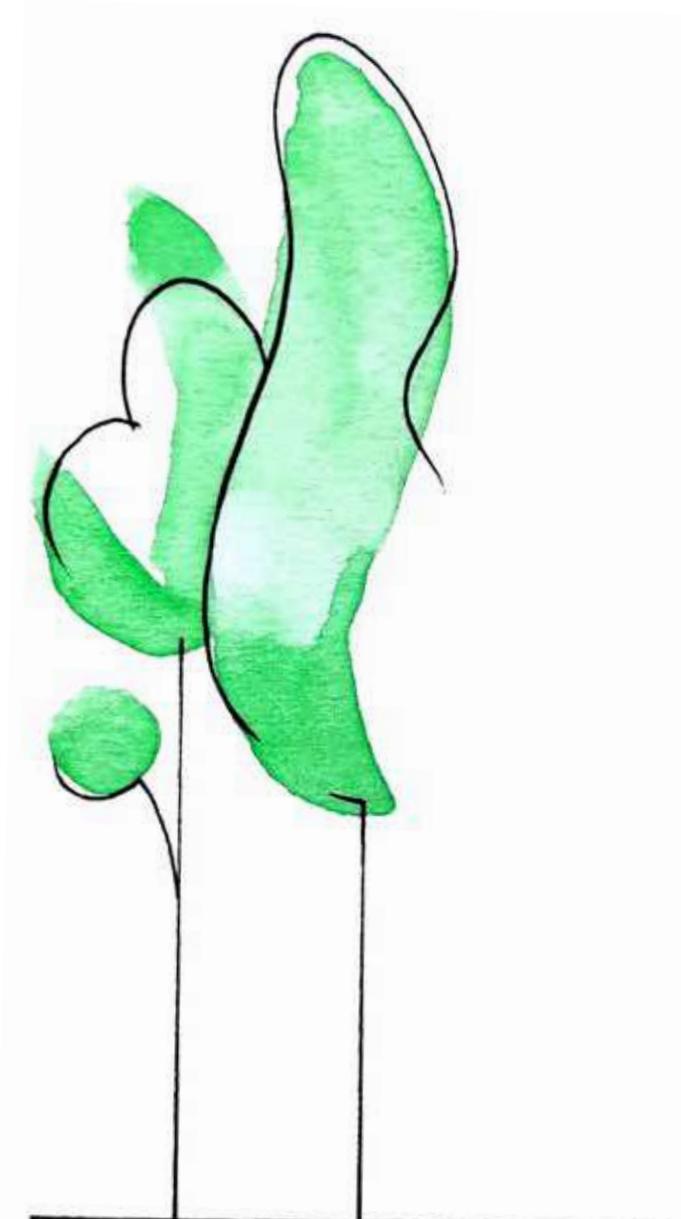
- Ongoing monitoring by the **ESG Committee and Social Impact Committee** of issues relating to environmental and social sustainability.
- Updating the Lar España **Best Efforts Guide**, providing recommendations on best practices for retail tenants.
- Introducing a supplier selection process to complement the Company's new **Procurement and Outsourcing of Services Policy**, making ESG considerations a key factor in decision-making.
- Continuing to participate in **international indexes**, such as CDP, MSCI, GRESB and S&P, among others.
- Publishing the Company's first **Climate Risk Report**, in line with the recommendations issued by the **Task Force on Climate-Related Financial Disclosures (TCFD)**.
- Publishing a **Progress Report (COP)**, in keeping with our commitments under the United Nations Global Compact. In addition to the above, Lar España will continue to take part in accelerator programmes, building on its leadership position in sustainability innovation, along similar lines to the Business and Human Rights accelerator in which it is currently involved.
- Updating the Company's **materiality analysis** to address both internal and external impacts, as per the provisions of the CSRD Directive.
- Adapting reporting procedures in light of new obligations at EU level, including the **European Taxonomy and new information requirements** under the CSRD Directive, with which Lar España will need to comply by 2026.

3.1 Environmental Engagement

Once again, Lar España launched a number of projects this year designed to keep sustainability at the forefront of property management.

Highlights included various actions to improve energy efficiency, water conservation measures and an analysis of climate-related risks and opportunities.

Day by day, each property moves a little further along the Company's roadmap for modernisation and sustainability, based on comprehensive research.



Quality assets

Lar España has implemented the main international reference certifications as a key tool to ensure the quality of its assets.

Every property under Lar España's management is certified to conform to the requirements of **ISO 14001 (Environmental Management Systems)** and **ISO 45001 (Occupational Health and Safety Management Systems)**. Over the coming months, the Company intends to implement ISO 50001 – the most widely adopted standard for energy management worldwide – to develop an Energy Management System spanning all areas of the business.



97% of the portfolio assets in terms of GAV are certified in ISO 14001 and ISO 45001

Lar España holds **BREEAM certifications for 100% of its properties, of which 98%** (in GAV terms) **are rated “Excellent” or “Very Good”**. BREEAM is the leading global framework for evaluation and certification in sustainable construction. Throughout 2023, the Company took further steps to maintain this status:

- The Lagoh shopping centre is close to completing the certification process for BREEAM “In-Use”, having been fully operational for the two-year qualifying period.
- In the second half of the year, work began on an initial analysis of properties with certifications due for renewal in 2024.



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
VidaNova Parc	P1: Very Good / P2: Excellent	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.

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



Data automation: an essential resource for analysing consumption patterns

Lar España has embarked on a major project to monitor its environmental performance, allowing it to address any areas where there is room for improvement and produce detailed action plans for each of its properties.

The Company introduced its own platform for displaying and analysing data on both resource consumption (energy and water) and environmental impacts (greenhouse gas emissions, air quality and waste) across its portfolio in 2021.

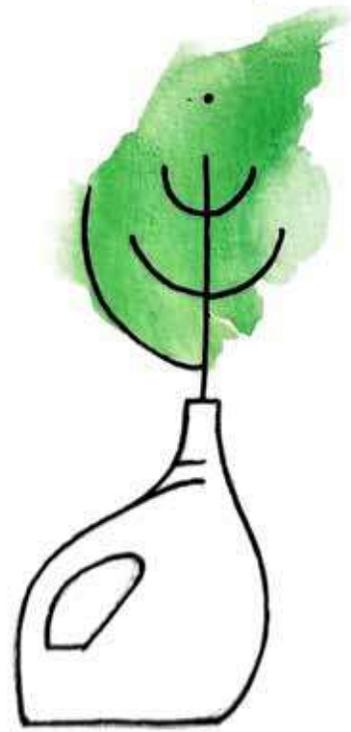
It has now completed the implementation of a new remote submetering system that will allow it to access up-to-date and disaggregated information on the status of each of its properties. Thanks to these tools, the Company is able to access a more detailed performance analysis for each asset and a breakdown of their consumption and emissions levels.



Energy Efficiency Plan

Lar España's electricity supplier policy states that all contracts are subject to a Renewable Origin Guarantee (ROG).

Good progress was made in 2023 on initiatives under the Energy Efficiency Plan. Energy audits were carried out at all properties to allow the appropriate Energy Saving Measures (EMS) to be identified and planned. The measures selected reflect the need for economic viability and the objectives and characteristics unique to each property. This work should enable specific challenges in relation to environmental and energy performance to be tackled effectively.



Energy Saving Measures (ESMs) implementation plan will represent for Lar España a potential energy and economic savings in its assets.

With regard to Royal Decree-Law 14/2022 of 1 August, on sustainability measures related to energy efficiency and reduction of energy dependence on natural gas, in force until 1 November 2023, the Company's portfolio has continued to apply its air-conditioning in the area of air conditioning.



Water footprint

Lar España has completed a **review of water consumption and management in operational properties**, in line with ISO 14046. This analysis looked at footfall at each property, annual water consumption for different uses and the main environmental impacts this entails. The exercise also identified the business risks and opportunities associated with water use.

This preliminary study established a baseline that will allow the Company to develop property-specific action plans to reduce water consumption in 2024, depending on the hydrological resources available locally.

After the first Decarbonization Strategy developed in 2021, Lar España has updated its commitments to combat climate change in accordance with the expectations and needs of society and the market.



Carbon Footprint and Decarbonization Strategy

Lar España has now registered its new 2022 carbon footprint with the Ministry for the Ecological Transition and the Demographic Challenge (MITERD). This means that the Company can point to five consecutive years of records demonstrating a progressive reduction in emissions. Once more, independent verification was carried out, on this occasion by Bureau Veritas.

Then, in late December, **the Board of Directors approved an updated version of Lar España's Decarbonisation Plan**, following a new analysis of adaptation and mitigation measures. This document outlines a series of concrete objectives that respond to the requirements set by the international **Science-Based Targets Initiative (SBTi)** and it is aligned with the sectoral transition risk calculation tool **Carbon Risk Real Estate Monitor (CRREM)**.

In the coming years, the Company will work to achieve the following objectives:

- Achieve **climate neutrality by 2030**, with a 60% reduction in Scope 1+2 emissions (market-based approach).
- Explore **investment opportunities in offset projects** as an additional tool to achieve climate neutrality.
- Increase commitment **to achieving Net zero** for Scopes 1+2+3 emissions by 2050.



- After identifying the main sources of **Scope 3 emissions**, drive progress in their monitoring and consolidation to design reduction measures, demonstrating a stronger commitment to global coverage of emissions associated with tenants, waste management, and suppliers.

Based on the current emission typology and Lar España's Carbon Footprint, the main lines of work outlined in the Decarbonization Strategy for each scope are as follows:

Scope 1

- Improvements in heating, ventilation, and air conditioning systems in terms of energy efficiency.
- Replacement of obsolete equipment for lower emissions of pollutants and GHG.
- Establishment of a protocol for monitoring refrigerant gas leaks within the operation of its assets.
- Medium to long-term replacement of equipment dependent on fossil fuels.

Recognizing the climate urgency, **Lar España's Decarbonization Strategy** stands as another example of a roadmap **within Europe and Spain's objectives** for transitioning to a decarbonized economy.

Scope 2

- On-site electricity generation through the installation of photovoltaic panels to achieve reductions in Scope 2 emissions of location-based typology.
- Regarding the market-based standard, the Company has already significantly reduced its emissions by establishing a policy of procuring energy with Renewable Origin Guarantee (ROG) for all its consumption.

Scope 3

- Compilation and tracking of emissions from its tenants.
- Traceability of emissions generated during waste management and treatment.
- Conducting a life cycle analysis in refurbishment projects to calculate embedded carbon, as well as emissions derived from the production phases of materials, construction or rehabilitation, use, and end-of-life of the building.
- Emissions within its supply chain.



Waste Management Plan

The Waste Management Plan has been in place since 2021 and **plays a key role in tracking and monitoring** waste management data.

This year, the Company has continued to work in accordance with Law 7, 8 April 2022 on the management of waste and contaminated soil to promote a circular economy. This new law introduces a series of requirements, including:

- Continuous action to cut down on waste and promote good waste-management practices, encompassing packaging, organic waste and hazardous materials.
- Improved traceability of treatment processes for all categories of waste produced.
- Expanding the Company's sphere of responsibility to all stages of waste management and the product life cycle.



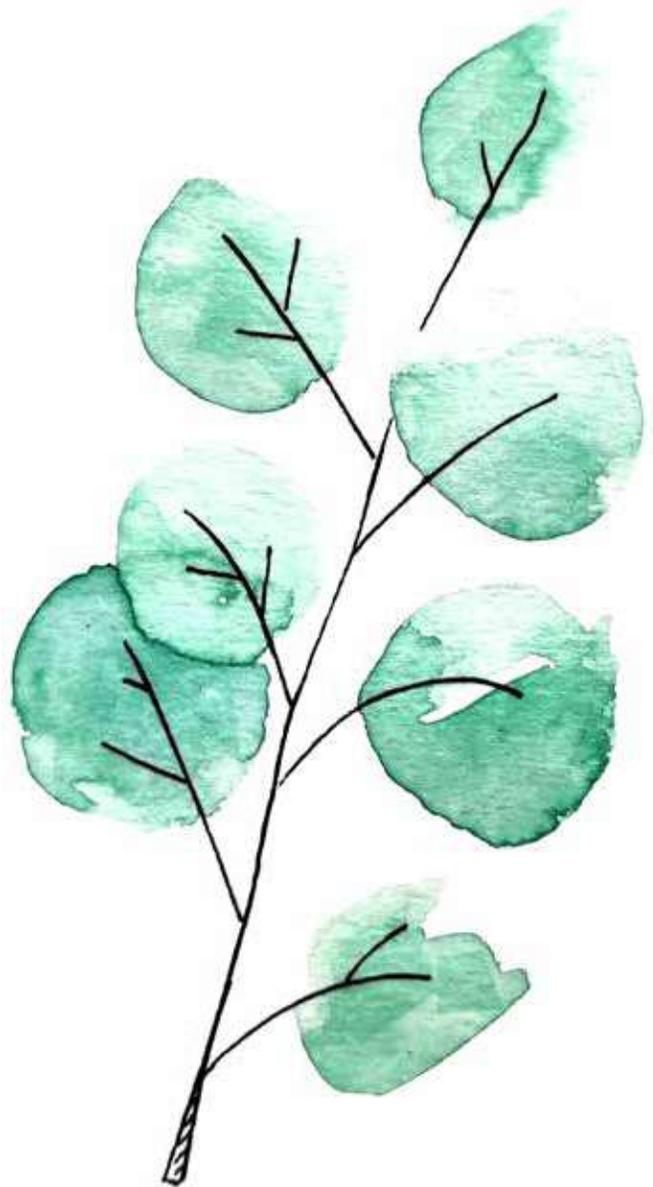


Urban biodiversity

Lar España places great importance on preserving the diversity of plant and animal life in the immediate surroundings of its properties. In doing so, **it aims to support greater biodiversity in densely populated urban areas**, known to have a significant positive impact on human health and well-being. The Company has identified a set of priority projects for biodiversity protection, enhancement and management. Biodiversity Reports have been produced for 58% of properties in its portfolio within their BREEAM certification.

Highlights for 2023 include:

- In the Ecological Report carried out as part of the BREEAM certification process, Lagoh was commended for its extensive green space, with 35.9% of the site devoted to landscaping. Lagoh is home to a wide variety of species, 70% of which are native to the Mediterranean region – examples include *Olea europea*, *Cistus purpureum*, *Myrtus communis*, *Pistacia lentiscus* and *Cupressus sempervirens*.
- Ten bird boxes were installed in the outdoor carpark at As Termas.
- At El Rosal, the native plants *Rosmanirus officinalis* and *Lavandula angustifolia* were introduced to landscaped areas. In parallel, the plant population was continuously monitored to prevent the spread of the invasive *Ailantus altissima*, no traces of which were found.
- Lawns in landscaped areas at the Portal de la Marina site were replaced by native, drought-tolerant plants of the genera *Rosmarinus*, *Nerium* and *Agapanthus*.



3.2 Contributing to Society

Lar España's properties **play a central role in communities**, creating value by offering opportunities for economic and human development and promoting well-being and equality.



Communication with stakeholders

Lar España uses a range of tools to ensure that their tenants, staff and all visitors have access to the best possible communication channels. That means agile, efficient solutions that cover all needs and expectations.

In addition to the fact that each centre has a specific mailbox for complaints, queries and proposals open to all types of audiences, satisfaction surveys are also carried out aimed at both tenants and their employees as well as visitors, which is another driver of change and improvement, considering other opinions and perceptions.

Over the course of H2 2023, the following have been carried out:

- Accessibility and mobility surveys at Albacenter.
- Satisfaction surveys with retail staff and visitors at Albacenter.
- Visitor satisfaction surveys at Lagoh and VidaNova.

For Lar España, **sustainable mobility** encompasses a variety of solutions, including charging points for electric vehicles, parking provision for motorcycles, bicycles and scooters as well as access routes through local public transport networks.

Sustainable mobility

A **commitment to sustainable mobility is a common** theme across the Company's portfolio, reflecting a societal shift towards greater environmental and social engagement. Current initiatives include:

- Installation of charging points for electric vehicles as required by Royal Decree 29 of 1 August 2021.

The Company also has a policy of requiring all energy suppliers to provide the appropriate certificate under the Renewable Energy Guarantee of Origin.

- Promoting car sharing.
- Improvements to pedestrian access routes and campaigns to encourage use of public transport.
- Promotion of personal mobility through the installation of electric scooter charging points in various assets of the portfolio.



Health and well-being at the Company's properties

ISO 45001 certification

As of 2022, every property under Lar España's management is ISO 45001 certified, demonstrating compliance with the leading standard for occupational health and safety. This means that the majority of properties **in its portfolio are guaranteed to offer a safe and healthy environment** for all employees and contracted workers. The Company's approach in this area rests on a recognised Management System designed to minimise the risk of accidents, emergencies and cases of occupational illness.

Air quality

Lar España is keenly aware of the importance of good interior air quality to its tenants' health and well-being. The Company uses **specialist monitoring software** which helps to support optimum management of HVAC systems and enhance energy performance.

Every month, Lar España runs a set of thematic reports that have allowed it to establish target values for an extensive range of air quality indicators, including: thermal comfort, CO₂, suspended particulate matter and organic compounds deriving from paints, finishes, refurbishment work, cleaning and maintenance, etc. **The monitoring results from 2023 reveal significantly high levels of indoor air quality.**

Accessibility

At Lar España's assets, the teams work continuously to offer a unique and differential experience that is accessible to all types of audiences. To ensure that all users who wish to do so can make use of the facilities, in 2023 the Company has continued with the **extension of the certification in Universal Accessibility** in accordance with the UNE 170001 Standard, having reached the figure of 8 assets in the certified portfolio: Parque Abadía, El Rosal, VidaNova, Lagoh, Megapark, Albacenter, As Termas and Portal de la Marina.

The Company is now working on the definition of the Universal Accessibility Management System in Gran Vía de Vigo and Ànec Blau, in order to subsequently proceed with its certification in accordance with this standard.

Other highlights of 2023 included:

- A new partnership agreement between the Seville Autism Association and the Lagoh shopping centre, following a **Cognitive Accessibility Audit** to explore ways of making the centre more welcoming for people with Autism Spectrum Disorder (ASD) and their families.
- Installation of **stoma-friendly toilets** at the Albacenter and Portal de la Marina shopping centres, being the first two assets with this type of installation, with the intention of extending it to the rest of the portfolio. This will make a big difference to people who need fast access to toilet facilities in order to empty, rinse or change a colostomy bag.

More than 66% of the Lar España portfolio is currently certified under the **UNE 170001 standard**

Social Impact Committee

New for 2023, the **Social Impact Committee** was formed to plan and oversee strategies to help the Company quantify its social impact, engage with communities, and ensure that all social initiatives are aligned with its stated commitments and priority Sustainable Development Goals (SDGs). So far, the teams involved have focused on the following objectives:

- Promoting a greater role for the Company's shopping centres and retail parks in communities and amplifying social impacts.
- Improving ESG performance in terms of communication on social issues.
- Greater involvement of multi-disciplinary teams thanks to more direct interaction.
- Strategic planning of social initiatives, based on the internal Action Plan drawn up in response to the 2030 Agenda and SDGs.

Social initiatives

Once again, Lar España ran a series of initiatives at its shopping centres and retail parks to further its ESG agenda.

In numbers, Lar España finished the year on **220 collaborations** with agencies, organisations, foundations and NGOs, recording the following outcomes:

- More than **2,000 hours** worked.
- More than **€370,000** allocated to community projects.

Winners of the 2023 Iberian Property Investment Awards in the CSR category

As an example of Lar España's drive for the development of differential social initiatives and that achieve the highest participation rates, **the Company received at the last edition of the 2023 Iberian Property Investment Awards the award for the Social Impact Initiative of the Year for its 'Solidarity Kilometers' initiative**, with which it was sought to improve the experience of the patients of the Hospital de Dénia, Alicante, through of mobilizing the community around sport and solidarity.

Lar España launched these races in 2020 with the aim of raising funds for improving the facilities of the hospital complex, having accumulated up to the date **100,000 kilometers**. The jury highlighted that Lar España is an example of "how the world Real estate can be an agent of change in your direct society."

Susana Guerrero, as General Counsel of Lar España,, emphasised on receiving the award that: "We have always felt the obligation to give value back to the communities where we operate and to society in general. That is why it is an honour to receive this award".

Social Initiatives H2 2023

Promoting sport and healthy lifestyles

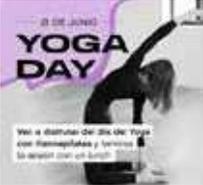
Focusing on exercise as a route to **better physical and mental health** in Lar España's communities, coupled with public awareness campaigns on preventing common illnesses that touch all our lives.

Asset	Initiative
<p>Lagoh</p> 	<p>To mark Breast Cancer Awareness Day on 19 October, 1,000 pink wristbands were handed out to all shopping centre employees, along with a leaflet explaining how to check for lumps at home. An information stand offered visitors the chance to learn more about breast cancer from representatives of the Pulseras Rosas organisation.</p> <p>From the heart: blood donation drives in partnership with the Andalusian Regional Government ran throughout February and June.</p> <p>Racing Navidad, run jointly with Madre Coraje, children were invited to take part in a workshop to make their own race bibs, before grabbing the wheel of one of our pedal cars for a fun-packed obstacle race, all vying to be the first to visit Father Christmas or the Three Wise Men. As part of the event, there was a collection of toys for donation to Madre Coraje.</p>
<p>Albacenter</p> 	<p>Press conference and book signing with the president of the Ostomy Association, Iris Torrente, who spoke about her recent publication, <i>Mi modo aleatorio</i>. The aim of the event was to raise awareness of ulcerative colitis and other immune-mediated conditions.</p> <p>Visit from the AMAC association, with donation boxes and activities to mark World Breast Cancer Awareness Day.</p> <p>Talks on health and well-being in the staff room, courtesy of Herbalife ("Your Health in Focus") and Farmasi ("Caring for your Skin").</p>

Promoting sport and healthy lifestyles

Asset	Initiative
<p>Albacenter</p>   	<p>A blood drive with the Hermandad de Donantes de Sangre.</p> <p>“Botijos de luz”: an exhibition in solidarity with the NGO Stop Ceguera, which held a sale of traditional clay drinking vessels (“Botijos”) in aid of its work.</p> <p>Sponsorship of the San Silvestre fun run with more than 6,000 people taking part.</p>
<p>Ànec Blau</p>	<p>Sponsorship and practical support for the handball tournament, Top 4 Casteldefells.</p> <p>Sponsorship of the Olympic Channel, with over 1,500 children taking part.</p> <p>Blood drive with the Catalonia Banc de Sang i Teixits.</p> <p>Sponsorship of the Carrera El Capó campaign, with more than 600 people taking part.</p>    
<p>Abadía</p>     	<p>Sports days in support of disadvantaged groups, in partnership with the Decathlon Foundation.</p> <p>Information stand with the Spanish Association Against Cancer (AECC) in aid of breast cancer awareness.</p> <p>Blood donation days and recruitment of registered bone marrow donors with Donantes de Sangre – Toledo.</p> <p>Photography exhibition by the ASPACE Federation to raise awareness of people living with cerebral palsy.</p> <p>Sponsorship of the Toledo night run, in collaboration with the Council's Department for Sports.</p>

Promoting sport and healthy lifestyles

Asset	Initiative
<p data-bbox="120 394 216 452">Gran Vía de Vigo</p>   	<p data-bbox="563 394 1273 423">Second edition of +Xuntos fun run against gender-based violence.</p> <p data-bbox="563 580 1480 609">Hosting registration and bib collection points for the 40th edition of Marcha Aspanaex.</p> <p data-bbox="563 760 1493 818">Sponsorship of the Diesemn half-marathon, “<i>Las 21 Santander</i>”, with the chance to win race bibs on Instagram or by visiting the collection point in Gran Vía de Vigo.</p>
<p data-bbox="120 980 227 1008">VidaNova</p>  	<p data-bbox="563 980 1224 1008">A 3x3 tournament organised by the Morvedre Basketball Club.</p> <p data-bbox="563 1158 1488 1216">Support for the Spanish KBG Syndrome Association, sharing the story of Hugo, a young boy living in Puerto de Sangunto.</p>
<p data-bbox="120 1394 236 1452">As Termas El Rosal</p> 	<p data-bbox="563 1394 981 1423">Blood drive entitled “<i>Donar es de cine</i>”.</p>
<p data-bbox="120 1594 208 1622">El Rosal</p>  	<p data-bbox="563 1594 1427 1709">Shared initiative with the Bierzo Rotary Club and Residencias Campolar to help Campolar residents sell handmade products from their occupational workshops. Healthcare staff from the residence were on hand to offer information and accept donations towards a trip around Spain.</p> <p data-bbox="563 1772 1480 1830">Workshops, talks and presentations from Clínica Ponferrada as part of the “Más Salud, Más Bierzo” campaign.</p>
<p data-bbox="120 2020 236 2049">Megapark</p> 	<p data-bbox="563 2020 1025 2049">Yoga morning to celebrate World Yoga Day.</p>

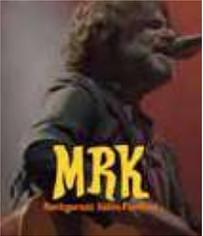
Equality

Supporting the rights of women, families and other groups, including the LGBTQIA+ community:

Asset	Initiative
<p>Lagoh VidaNova</p> 	<p>To celebrate Pride Month, last June Lar España's social media was flooded with posts championing tolerance and inclusion.</p>
<p>Lagoh Albacenter Portal de la Marina Ànc Blau El Rosal As Termas</p>	<p>Overarching campaign for 2023, taking on bullying and inequality with some help from the musical Dumbo — an inclusive live-action show with interpreters for deaf children and representatives from specialist associations for children with hearing impairments. An actor with Down syndrome appeared in the leading role.</p> 
<p>Albacenter</p>	<p>Educational courses for parents in association with the FDA Juventud Foundation.</p> 
<p>Gran Vía de Vigo</p> 	<p>“Violencia sexual na xuventude”: an exhibition from Programa Irene to highlight the problem of sexual violence against children.</p>
<p>As Termas</p> 	<p>Video homage to the women who work at the centre, in celebration of International Women’s Day.</p> <p>Exclusive activities as part of the Hola Familia programme.</p>
<p>Megapark</p> 	<p>Job fair.</p>

Promoting culture

Showcasing the rich variety of careers in music, writing and art and supporting local social and economic development.

Asset	Initiative
<p>Albacenter</p> 	<p>Entrepuntejos woolcraft club, with classes offered by the Albacete Knitters' Association.</p> <p>Flamenco dance classes in the Activity Room with Miguel de Luis.</p>
<p>Portal de la Marina</p> 	<p>Partnership with the Montgó Rock Festival, featuring a prize draw for two festival passes, geared towards promoting other cultural attractions in the area.</p>
<p>Ànec Blau</p> 	<p>Third edition of the micro short 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 was also a screening day when the films were shown in one of the premium auditoriums at Yelmo Cines Ànec Blau. A number of prizes were awarded to different categories, with the top prize being €2,000 for the best micro short film.</p> <p>A tourist information point was set up in the centre, run by the town council.</p> <p>Space at the centre was used to host a girls' chess exhibition in collaboration with the Catalan Chess Federation, featuring the Catalan girls under-16 team and their Mallorcan rivals.</p>
<p>Gran Vía de Vigo</p> 	<p>Second edition of the MONA artwork and illustration market to promote local artistic talent.</p> <p>Prizes were awarded for standout works and an exhibition entitled "Ciencia Brillante" was held in partnership with the Galicia Sur Biomedical Foundation.</p>
<p>VidaNova</p> 	<p>Duathlon for school pupils in association with Sagunto Municipal Council.</p>
<p>As Termas</p> 	<p>"As Termas Suma" campaign, with NGOs offered the chance to bid for prizes of up to €3,000 towards their social initiatives, among other elements.</p> <p>Arde Lucus exhibition with eleven information panels.</p>

Environment

Encompassing a range of initiatives and partnership projects aimed at modelling environmental sustainability and lightening our impact on the planet.

Asset	Initiative
Albacenter 	Hosting the COPE awards , with nature drawing competition in partnership with Eloy Camino school.
Ànec Blau  	Social media quiz event to encourage more conscious water use, featuring a prize draw. "Dona tu ropa" : publicity campaign calling for donations of unwanted clothing, in partnership with Humana, and climate change awareness campaign.
Abadía 	Campaign with WWF to promote the conservation of our seas, coasts and wildlife, with information stand. Second Life campaign with Decathlon enabling visitors to buy and sell used exercise equipment.
Gran Vía de Vigo 	Gran Vía de Vigo took part in Earth Hour , switching off all façade and outdoor lighting and one third of lights in the car park School eco-themed drawing competition in which all schools in the province were invited to take part.
MegaPark 	Urban gardening workshop as part of the "Summer Fest" campaign.

Charitable collaborations

Supporting highly regarded local organisations, helping them boost their profile among visitors to Lar’s shopping centres and retail parks.

Asset	Initiative
<p>Albacenter Portal de la Marina À nec Blau Abadía Gran Vía de Vigo El Rosal</p>	<p>Throughout the year, dedicated space was set aside for a diverse range of NGOs to promote their work and sign up supporters.</p> <p>Assortment of charity stands for organisations including: UNICEF, Save the Children, Dejando Huella, WWF, Acción contra el hambre, Médicos sin fronteras, etc., as well as foundations such as Fundación Trifolium, Pasqual Maragall.</p>
	
<p>Albacenter À nec Blau Abadía El Rosal Txingudi</p>	<p>Various food collection campaigns, in association with Banco de Alimentos and Socorro de los Pobres.</p>
	
<p>Albacenter Portal de la Marina À nec Blau Gran Vía de Vigo El Rosal As Termas Megapark</p>	<p>Charity toy collection with the Red Cross, Corazones Unidos Bierzo, Cáritas and Hospital Las Cruces.</p>
	
<p>Portal de la Marina</p>	<p>Joint initiative with Arropa to collect donations of preloved clothing in aid of those most in need.</p>
<p>À nec Blau</p>	<p>Coffee morning with La Torradeta to raise funds for vulnerable groups.</p>
	
<p>Abadía</p>	<p>Volunteer opportunities with Caixabank for their “<i>Ningún hogar sin alimento</i>” campaign.</p> <p>Campaign to invite donations of school equipment, in partnership with Alcampo.</p> <p>Charitable sponsorship of Cadena Ser’s “<i>Ser niños jugando – Toledo</i>” campaign.</p> <p>Day-long events in support of Alcampo, with charity jumble sale for more than ten local organisations.</p>
	

Asset	Initiative
El Rosal 	Collection of a variety of everyday items for Gente Solidaria — baby food, nappies, etc.
Txingudi	Sale and distribution of tickets for the Red Cross's Gold Draw and collection of donations for its work.

International aid

Contributing to disaster relief in other countries by supporting international campaigns.

Asset	Initiative
Lagoh As Termas Albacenter El Rosal	Increasing awareness of the Red Cross campaign “Donate to the Turkey-Syria Earthquake Appeal”. 
Abadía	Information stand with ACNUR to draw attention to the Turkey-Syria earthquake. Campaigns in partnership with the Red Cross to raise funds for those affected by earthquakes in Morocco and flooding in Libya.

Other initiatives

Asset	Initiative
Lagoh	Pet Zone with dog park , water fountain and play area for pets to enjoy. Launch of a selection of services especially for pets at Lagoh, including: lead and muzzle loans, free dog waste bags, decals for pet-friendly destinations and information on rules and provisions for pets at the centre, circulated through various channels.
Ànec Blau	Provision of space for animal rescue charities to promote their work, plus social media messaging. Information stand with the cat protection charity, Asociación Bienestar Bigotes
Gran Vía de Vigo	Switching on the Christmas lights in collaboration with Sanitas Mayores Vigo.

3.3 Leaders in Corporate Governance

Corporate governance has always been a priority for Lar España. The Company firmly believes that a **robust governance structure** is the key to sound decision-making, the smooth operation of any company, market trust, value generation, and ultimately, long-term sustainability.

Lar España has now released its Annual Corporate Governance Report for 2023. This detailed report is a reflection of the Company's solid corporate governance structure – supported by the excellent work of its various governance bodies – rigorous ethical and performance standards, robust monitoring and risk management system and engaged, transparent relationship with stakeholders. Once again, the Company affirmed its commitment to its business model, reaching the following milestones in the second half of the year:

- Update of the **Risk Control and Management Policy** and the **Risk Map** of the Company in accordance with the Integrated Risk Management System, designed to identify, evaluate, and mitigate the Company's risks, thus ensuring a reasonable degree of security. The ongoing development and review of the company's risk map by the Board ensure that all potential risks (financial and non-financial, such as those related to climate, environment, sustainability, cybersecurity, or reputation, among others) have been adequately considered, and that the necessary resources are available for their mitigation and the minimization of potential impacts.

The year 2023 once again closes with **the highest levels of compliance and transparency**, which reflect the Company's commitment to the best governance practices.

- Approval of a **new Internal Information System** and updating and strengthening of **the Company's Ethics and Whistleblowing Channel**, as provided for in Law 2/2023, of February 20, regulating the protection of people reporting legal infringements and combating corruption, to ensure that every employee or third party professionally linked to the Company can report possible infringements. The **Crime Prevention Policy** has also been updated to align it with the latest legal developments and always adapt it to the highest compliance standards.
- Update of the **Handbook for Internal Control over Financial Reporting (ICFR)**, within the process of identifying and evaluating risks of financial information, in accordance with the latest regulations of the Board of Directors as the responsible body for the ICFR.
- New **Purchasing and Outsourcing Policy** that establishes a general framework of action and guiding principles related to these processes in the development of Lar España's activities.
- In line with the **highest standards of transparency**, reporting, and continuous communication of financial and sustainability information, through roadshows, conferences, and one-on-one meetings with investors, shareholders, analysts, proxy advisors, and stakeholders in general, always with the support and participation of the Board.

Lar España advocates the active fight of companies against climate change. At this line and through the reporting framework offered by the TCFD, it formalises its management within the strategic development of its business.



Climate risk analysis based on TCFD

Lar España has published a report on the risks and opportunities of climate change, based on the four themes put forward by the Task Force on Climate-Related Financial Disclosures (TCFD): governance, strategy, risk management and metrics and targets. This report details the analysis undertaken and presents an exhaustive map showing how a changing climate may affect the Company's properties. This process lays the groundwork for specific strategic adaptation measures to mitigate these effects.

The document follows the recommended structure:

Governance

This section **defines the roles** of the Board of Directors, its Committees, senior management and the ESG Committee (*) in ensuring compliance with the Company's strategic policies on climate-related risks and opportunities.

Strategy

Risks and opportunities for the short, medium and long-term are set out with reference to the following scenarios and time frames:

Physical risks			Transition risks	
Scenarios			Scenarios	
RCP 2.6 IEA CPS The scenario of lower emissions. This future is characterized by a stable level of greenhouse gas emissions, which decreases in the future and becomes negative by 2100.	RCP 4.5 Described by the IPCC as an intermediate scenario. Greenhouse gas emissions reach their peak around 2040 and then decline.	RCP 8.5 It projects the worst reasonable scenario and is widely used for climate risk assessment and stress testing.	SSP1 (Net zero) IEA NZE 2050 The only scenario from the IPCC that meets the goal of the Paris Agreement and seeks to limit global warming to a 1.5°C increase by 2100.	SSP5 (Business as usual) It's the most pessimistic scenario in terms of greenhouse gas emission levels. Current emissions would triple by 2075, leading to a projected increase in the average temperature of 4.4°C by 2100.
Timeframes				
Short-term	Medium-term		Long-term	
Up to 2030	From 2030 to 2050		From 2050 onwards	

(*) The ESG Committee is an operational body comprised of a cross-functional senior management team with representatives from various departments involved in asset management.

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



Based on these scenarios and time frames, the report identifies **seven physical risks and six transitional risks** with a potential negative impact on Lar España's operations.

Physical Risks

- Increase in operational costs due to intensive air conditioning.
- Disruption in construction and renovation activities due to high temperature conditions hindering work.
- Increase in operational costs due to maintenance of green areas under high temperature and drought conditions.
- Increase in maintenance costs due to more frequent asset deterioration (due to heavy precipitation, etc.).
- Increase in insurance premiums due to higher frequency of catastrophes (fires, floods, etc.).
- Asset damage/degradation.
- Business interruptions due to difficulty in providing basic services related to water consumption.

Overall, adopting a risk evaluation model that addresses exposure, vulnerability and adaption capacity in an integrated way has lowered the Company's exposure to residual risk. Lar España's portfolio is exposed to only **limited risk in relation to climate change. This is due to the adaptation and mitigation measures**

Transition Risks

- Decrease in rental income due to assets' lack of adaptation.
- Depreciation of asset value and difficulties accessing financing.
- Increase in costs related to emission rights and energy prices.
- Increase in costs related to regulatory requirements and transparency.
- Rise in raw material costs.
- Increase in costs of transitioning to lower-emission technology and early obsolescence.

implemented in recent years and to a sound governance and strategy infrastructure. Given the inherent uncertainty in climate risk analysis and the underlying modelling, the Company reviews and updates its risk analysis on an annual basis and monitors any effects on performance at the property and global level.

Risk management

This section presents a **detailed description of procedures for identifying, assessing and managing climate-related risks**. In early 2024, as part of the update and review of the corporate Risk Map 2023/2024, the description of the risk “Inadequate adaptation to the effects of climate change and environmental sustainability” has been modified to include a reference to the development and integration of this risk with more specific climate change adaptation risks (physical and transition risks), as well as to adapt the reporting of these risks in accordance with the international TCFD standard.

Metrics and targets

The selected metrics provide an objective means of tracking Lar España's performance within the range of possible scenarios mentioned above. **They have proven useful in shaping strategic planning** for each property and identifying effective, efficient measures to reduce exposure to risk, based on solid evidence and in line with the Company's sustainability objectives.

Category	Metric	2021	2022 (*)
Asset use	Gross lettable area (sqm)	551,326	550,391
Energy	Energy intensity (kWh/sqm/year)	43.01	39.63
	Percentage renewable energy	97.09%	98.60%
	No. assets exceeding energy intensity levels set out in sector's net zero scenario for 2023 (CRREM)	-	3
Emissions	Carbon intensity (kg CO ₂ e/sqm/year) Scope 1+2 (**)(***)	0.94	0.57
	No. assets exceeding carbon intensity levels set out in sector's net zero scenario for 2023 (CRREM)	-	-
Water	Water consumption in communal areas (m ³)	123,753	134,096
	Assets with average, high or very high water stress exposure	8	6
Asset management	Percentage of portfolio BREEAM-certified	93%	100%
	Frequency of asset maintenance	Ongoing	Ongoing
	Insurance policy coverage	High	High

(*) Rivas Futura and Vistahermosa assets are included despite their divestment in July 2023, as they were included in the analysis carried out and in the full 2022 data.

(**) Market-based.

(***) Since 2020, Lar España has been regularly reporting Scope 3 emissions. However, only those related to energy re-billings to tenants are currently included as they are verifiable information. Within Lar España's decarbonization strategy, advancing in the measurement and control of Scope 3 emissions is a priority. Therefore, at this time, they do not constitute a relevant indicator for assessing climate-related risks.

Green clauses in lease agreements

The second half of the year ended with a higher percentage of contracts in the portfolio with green clauses, reaching **27% (*) of the Company's total contracts**. This percentage will continue to rise over the next 12 months as the Company pursues its strategic objectives. In this way, the tenants, in addition to commit to take all necessary measures for the safety and health of employees, visitors and suppliers and to comply with necessary requirements in terms of diversity and equality, they commit themselves to be aligned with certain sustainable operation requirements established by Lar España.

In parallel, Lar España is in the process of updating its Best Efforts Guide, to include useful information to help tenants embrace the Retail for the future. The guide recommends a series of good practices for tenants, employees, communities and society more widely. The aim is to promote well-being, diversity, equality, workplace satisfaction and accessibility, as well as energy efficiency and responsible resource use, among others.

Sustainability/ESG Committee

The Committee was formed in 2020 to bring together department heads with responsibility for promoting and managing various aspects of sustainability at both corporate and operational levels. Thus, the commitments and objectives are transferred to the different departments and their compliance is monitored by Lar España's management team.

At the **four meetings** held over 2023, members discussed a range of matters, including:

- Environmental initiatives addressing, for example, energy efficiency, waste management, the Company's decarbonisation strategy and the calculation of its water footprint.
- Outcomes from the analysis of climate-related risks and opportunities based on the TCFD standard.
- Green clauses and communications with tenants and other stakeholders.
- Sustainable mobility.
- BREEAM sustainability certifications for Lar España properties.
- Innovation initiatives.

With the launch of this Committee, the Company now has a dedicated platform for free and open discussion, aimed at defining clear objectives consistent with its general sustainability policy.

(*) 100% of leases signed in 2023 include green clauses.

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EPRA Awards

As a member of the European Public Estate Association (EPRA), in 2023 Lar España won its ninth consecutive Gold Award for excellence in financial reporting. It was also the sixth consecutive year that the Company has been recognised for its sustainability and ESG reporting.

This achievement acknowledges Lar España's persistent efforts to align itself with the world's preeminent frameworks for standards in the real estate sector.



GRESB

For the sixth consecutive year, Lar España has participated in the evaluation conducted by GRESB (Global Real Estate Sustainability Benchmark), recognized as the most prominent ESG commitment assessment within the real estate sector.

In this edition, **Lar España has led the rating among 1,013 companies in Europe** in the Management component, achieving the highest scores in matters related to strategy and objectives, internal policies, reporting, risk management, and engagement with stakeholders.

In the Performance component, **Lar España surpasses the sector average** in most categories, particularly excelling in engagement with tenants and communities.

Looking ahead to its next participation, the Company has an improvement plan aimed at enhancing its environmental data. Efforts will be concentrated on achieving broader data coverage and incorporating advancements in climate change and water management.



MSCI⁽¹⁾

Lar España has collaborated with MSCI-IPD and features on its annual real estate index, the IPD Spain Annual Property Index, which provides additional information and visibility on the real estate sector. The Company has built a reputation as an independent global authority on measuring business resilience to long-term environmental, social and governance risks.

In the second half of 2023, **Lar España saw its rating upgraded from 'BBB' to 'A'**, placing it in the top 18% of real estate companies included in the index. This achievement is another reflection of the Company's market-leading approach to good corporate governance, and its success in boosting efficiency and cutting greenhouse gas emissions through exemplary property management. **MSCI also acknowledged the high quality of the company's portfolio, with 100% of properties BREEAM certified** versus the industry average of 39%. Over the course of the year, Lar España continued work to add green clauses to its lease agreements, incentivising retailers to get on board with the Company's strategy and goals.

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.

(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.

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Women hold 33% of seats on Lar España's Board of Directors; the Company has pledged a target of 40% by the end of 2024.

Collaboration with UN Global Compact

Global Compact and climate change



Lar España became a signatory to the UN Global Compact in 2020 and has since participated in various accelerator programmes as a way to get behind the 2030 Agenda, keep in touch with trends in the ESG space and reach for continuous improvement. This is another example of how the Company seeks to evolve in response to key market trends and expectations, **building on continuous learning to integrate best practice.**

This year, Lar España took part in the third edition of the Climate Ambition Accelerator programme – the only listed real estate company out of 75 participating Spanish firms. It was a chance to both **renew the Company's commitment to tackling climate change** as a priority business issue and learn more about the full implications of evidence-based emissions reduction targets in line with SBTi.

Global Compact and human rights



Lar España will join the second edition of the **Human Rights for Business Accelerator**, run by the Spanish Global Compact Network. It will be one of 60 Spanish companies among more than 800 participants worldwide.

This six-month international training programme, due to get under way in February, will explore tools and processes to help companies keep on top of issues surrounding human and worker's rights.



DIRSE

Since the end of the year, Lar España, represented by Mr. Jon Armentia Mendaza, is part of the **Spanish Association of Sustainability Managers (DIRSE)**, dedicated to supporting, promoting and recognising sustainability professionals in any sector who are changing how value is created in their organisations. A decade since its foundation, DIRSE now boasts more than 700 members and has representatives in 12 of Spain's autonomous regions. Along with its counterparts in Italy, the UK and Germany, DIRSE is part of the European Association of Sustainability Professionals (EASP).

This makes **Lar España unique among listed REITs**, further demonstrating its commitment to respecting the environment, society and good corporate governance in all of its business and investment practices.

forética

FORÉTICA

As of January 2024, Lar España is a member of Forética, one of Spain's leading associations for sustainable business. This relationship will help **galvanise ESG integration efforts across the Company**, offering a diverse training programme and multiple research clusters.

Lar España is the first listed real estate company to join the organisation, which has a roster of more than 200 members.



Consolidated Financial Statements

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During 2023 the Company has reached **operating revenues of 95 million euros**, which is an **increase of 14%** over those registered in 2022.



4.1 Company Chart 31.12.2023



The **scope of the Group's consolidation** (*) at 31 December 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 - Hiper Albacenter, S.A.U.	Albacenter Hypermarket	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 + Commercial Gallery	100%	🌳
●	100%	LE RETAIL - Gran Vía de Vigo, S.A.U.	Gran Vía de Vigo	100%	🏠
●	100%	LE RETAIL - Rivas, S.L.U.		100%	🌳
●	100%	LE RETAIL - Vistahermosa, S.L.U.		100%	🌳
●	100%	LE RETAIL - Hiper Ondara, S.L.U.	Portal de la Marina / Megapark As Termas Petrol station	100%	🏠 🌳
●	50%	INMOBILIARIA - Juan Bravo 3, S.L.		50%	

Company: ● Full Consolidation ● Equity Method

Asset Class: 🏠 Shopping Centres 🌳 Retail Parks



(*) On 26 December it was agreed to dissolve and wind up the companies (i) LE LOGISTIC - Alovera I y II, S.A.U.; (ii) LE RETAIL - Alisal, S.A.U.; (iii) LE OFFICES - Eloy Gonzalo 27, S.A.U.; (iv) LE LOGISTIC - Alovera III y IV, S.L.U.; (v) LE OFFICES - Joan Miró 21, S.L.U.; (vi) LE LOGISTIC - Almussafes, S.L.U.; (vii) LE RETAIL - Galaria, S.L.U.; (viii) LAR ESPAÑA INVERSIÓN LOGÍSTICA IV, S.L.U.; (ix) LE RETAIL - Villaverde, S.L.U.; (x) LE OFFICES - Marcelo Spinola 42, S.L.U.; (xi) LE RETAIL - Cordoba Sur, S.L.U., which were not active.

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4.2

Consolidated Statement of Comprehensive Income

TOTAL (Thousands of euros)	2023	2022
Revenues	91,355	80,228
Other income	3,556	3,363
Personnel expenses	(802)	(928)
Other expenses	(28,320)	(22,639)
Changes in the fair value of investment properties	(40,350)	32,575
Results of disposals of investments properties	(405)	-
RESULTS FROM OPERATIONS	25,034	92,599
Financial income	4,562	886
Financial expenses	(14,394)	(16,201)
Changes in the fair value of financial instruments	-	(4,336)
Impairment and result of disposals of financial instruments	20,458	-
Share in profit (loss) for the period of equity accounted companies	8	(27)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	35,668	72,921
Income tax	1,121	-
PROFIT FOR THE PERIOD	36,789	72,921

Revenues

91,355

Thousands of euros

+14% vs 2022

Profit
for the period

36,789

Thousands of euros

Result from operating activities

At 31 December 2023, the Group presented a positive result for its operations amounting to **25,034 thousand Euros** (92,599 thousand Euros at 31 December 2022). **Meanwhile the profit for the period amounts to 36,789 thousand Euros.**

Revenues

Revenue during 2023 amounted to **91,355 thousand Euros**, meaning a **14% increase** versus the figure obtained in the same period last year (revenue of 80,288 thousand Euros during 2022).

Other expenses

At 31 December 2023, the Group incurred other expenses amounting to **28,320 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 12,404 thousand Euros.
- Management fees (fixed and variable fee included) for management services provided to the Company by Grupo Lar Inversiones Inmobiliarias ("Grupo Lar") totals 8,937 thousand Euros. The fixed amount totals 5,669 thousand Euros, the variable amount, 3,268 thousand Euros, corresponds to the performance fee provision included in the financial statements as at 31 December 2023. For further information see section [4.6 Fees of Grupo Lar as manager of Lar España](#), in which you will find a detailed and components considered for the calculation of these fees.

Change in the fair value of investment properties

On 31 December 2023, the negative amount in this entry, **40,350 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) at 31 December 2023.

Net Financial Result

The **financial result** was a positive balance of 10,626 thousand Euros at 31 December 2023 (negative balance of 19,651 thousand Euros at 31 December 2022).

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

The amount of **20,458 thousand Euros** recorded corresponds to the repurchases of green bonds carried out in the period.

4.3 Consolidated Statement of Financial Position

ASSETS (Thousands of euros)	31.12.2023	31.12.2022
Intangible assets	1	1
Investment properties	1,312,956	1,199,898
Equity-accounted investees	1,458	1,450
Non-current financial assets	13,949	11,868
Trade and other receivables non-current	3,541	5,615
NON-CURRENT ASSETS	1,331,905	1,218,832
Non-current assets held for sale	-	287,964
Trade and other receivables	9,931	11,744
Other current financial assets	3	3
Other current assets	2,080	2,594
Cash and cash equivalents	244,218	197,141
CURRENT ASSETS	256,232	499,446
TOTAL ASSETS	1,588,137	1,718,278
NET EQUITY AND LIABILITIES (Thousands of euros)	31.12.2023	31.12.2022
Capital	167,386	167,386
Share premium	415,303	452,924
Other reserves	266,441	205,773
Retained earnings	36,789	72,921
Treasury shares	(371)	(250)
EQUITY	885,548	898,754
Financial liabilities from issue of bonds and other marketable securities	577,542	694,434
Loans and borrowings	69,950	69,936
Deferred tax liabilities	12,990	15,578
Other non-current liabilities	19,784	17,480
NON-CURRENT LIABILITIES	680,266	797,428
Liabilities related to non-current assets held for sale	-	5,738
Financial liabilities from issue of bonds and other marketable securities	3,113	3,985
Loans and borrowings	185	185
Other financial liabilities	107	12
Trade and other payables	18,918	12,176
CURRENT LIABILITIES	22,323	22,096
TOTAL EQUITY AND LIABILITIES	1,588,137	1,718,278

Non-current assets

Investment properties

At 31 December 2023, **investments properties** are classified as non-current assets, at a fair value of **1,312,956 thousand Euros** (1,199,898 thousand Euros at 31 December 2022, except for the shopping centres Vistahermosa, VidaNova Parc, Parque Abadía and Rivas Futura amounting to 273,300 thousand Euros, which were previously classified under “Non-current assets held for sale” at 31 December 2022).

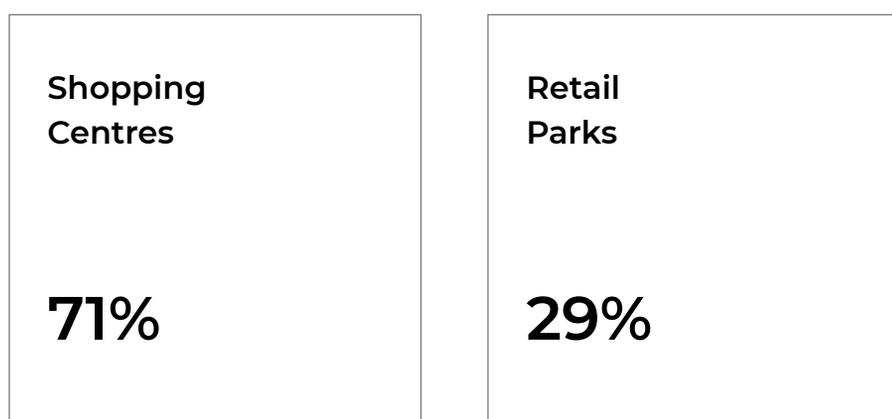
In addition, in 2023 the Company **has divested Rivas Futura and Vistahermosa retail parks** for a combined total price of 129.1 million euros, which represents a 24% revaluation with respect to the acquisition price.

The Group’s investment properties, consist of nine shopping centres and three retail parks.

NET INVESTMENT (Thousands of euros)	31.12.2023	31.12.2022
Shopping Centres	935,220	968,998
Retail Parks	376,979 (*)	503,300
Others	757	900
INVESTMENT PROPERTIES	1,312,956	1,473,198 (**)

(*) In 2023 the Company divested Rivas Futura and Vistahermosa retail parks. (**) The investment properties corresponding to the shopping parks VidaNova Parc, Vistahermosa, Parque Abadía and Rivas Futura for a total amount of 273,300 Thousands of euros, were at 31 December 2022 classified under the heading “Non-current assets held for sale”.

Investment properties by asset class



Equity-accounted investees

At 31 December 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.

Non-current financial assets

At 31 December 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.

Trade and other receivables

At 31 December 2023 and 31 December 2022, this line item mainly includes the amount from lessees for the period from January to December, which are pending collection.

Additionally reflects the receivables from public entities in the amount of 4,662 thousand Euros (5,390 thousand Euros at 31 December 2022).

Net Equity

At 31 December 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 was 12 thousand Euros), and **37,621 thousand Euros charged to share premium** (after deducting the amount corresponding to treasury shares and was 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 2023, the Company has carried out its own share sale and purchase transactions, as described below:

	Number of share	Thousands of euros
31 December 2022	56,714	250
Additions	596,124	3,225
Disposals	(590,293)	(3,104)
31 December 2023	62,545	371

The positive result generated by the sale of treasury shares during 2023 amounted to 81 thousand Euros, recorded under "Other reserves".

Financial liabilities

Financial debt

The characteristics of the financial debt at 31 December 2023 are as follows:

Loans and borrowings

Loans and borrowings	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	69,950
LOANS AND BORROWINGS						185	69,950

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	2,270	290,973
November Green Bond	1.84%	03/11/2028	300,000	843	286,569
FINANCIAL LIABILITIES FROM ISSUE OF BONDS AND OTHER MARKETABLE SECURITIES			700,000	3,113	577,542

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 2023 Lar España repurchased green bonds for a total amount of **€119 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 31 December 2023:

(Thousands of euros)	31.12.2023
GAV	1,312,956
Full Consolidation Gross Debt	651,000
Equity Method Gross Debt	-
Total gross debt	651,000
Cash (Full Consolidation and Equity Method)	244,380
Total net debt	406,620
NET LTV	31.0%⁽¹⁾

(1) Calculated as Net Debt/GAV.

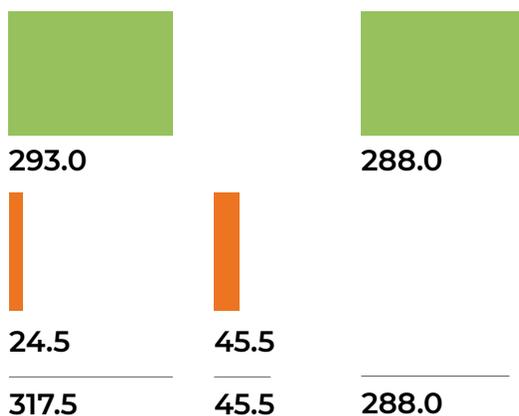
Financial debt amounts to **€651 million**, with an **average cost of 1.78%** and an **average maturity of 3.8 years**.

At 31 December 2023, Lar España's debt stood at **651,000 thousand Euros**, with an **average cost below 1.8%** and a **net LTV ratio of 31.0%**. The average debt maturity stood at 3.8 years.

The amortisation schedule is detailed below:

Debt maturity profile
(Million €)

2024 / 2025 → 2026 → 2027 → >2028



● Bank debt ● Green Bonds

Following the bond buy-backs carried out in 2023, the amount of debt corresponding to the green bonds issued in 2021 has been reduced to an aggregate total amount of **€581 million** as at 31 December 2023, compared to a total of €700.0 million as at 31 December 2022.

Deferred tax liabilities

At 31 December 2023, this entry includes deferred tax liabilities deriving from the business combination carried out by 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.

Average debt maturity
3.8 years

Net LTV
31.0%

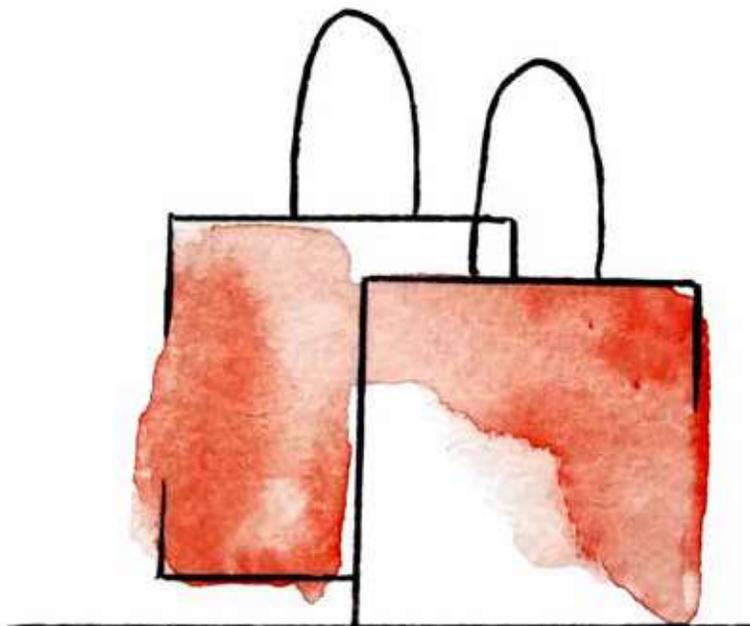
Average cost of debt
1.78%

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



During 2023, Lar España bought back green bonds totalling €119 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 buyback 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 will be 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 2023, for a total amount of **€9.0 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 2023.

*"This decision make 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.

The result of the green bond buy-back carried out in 2023 has had a positive impact of about **20.5 million euros** on the Company's income statement for that period.

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



4.5 Consolidated Statement of Cash Flows

(Thousands of euros)	2023	2022
A) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	68,809	59,292
1. Profit/(loss) for the period before tax	35,668	72,921
2. Adjustments for:	29,603	(12,255)
Profit / (loss) from adjustments to fair value of investment properties (+/-)	40,350	(32,575)
Impairment (+/-)	292	642
Financial income (-)	(4,562)	(886)
Financial expenses (+)	14,394	16,201
Impairment and gain or loss on disposal of financial instruments (-)	(20,458)	-
Changes in Fair value of financial instruments (+/-)	-	4,336
Share in profit (loss) for the period of equity-accounted companies (+/-)	(8)	27
Results of disposal of investments properties (+/-)	(405)	-
3. Changes in operating assets and liabilities	12,689	15,366
Trade and other receivables (+/-)	4,858	17,775
Other current assets	4,961	(3,106)
Trade and other payables (-)	2,618	815
Other current assets and liabilities (-)	91	16
Other current and non-current assets and liabilities (-)	161	(134)
4. Other cash flows used in operating activities	(9,151)	(16,740)
Interest paid (-)	(12,691)	(17,399)
Interest received (+)	3,540	659
B) CASH FLOWS USED IN INVESTING ACTIVITIES	120,484	(16,775)
1. Payments for investments (-)	(7,854)	(16,775)
Investment property	(7,854)	(16,775)
2. Proceeds from divestments (+)	128,338	-
Investment property	128,338	-
C) CASH FLOWS FROM FINANCING ACTIVITIES	(148,537)	(152,254)
1. Payments made and received for equity instruments	(40)	411
Acquisition/disposal of treasury shares (+/-)	(40)	411
2. Proceeds from and payments for financial liability instruments	(98,542)	(122,700)
Redemption and repayment of:	(98,542)	(122,700)
Other financial liabilities (-)	(98,542)	(122,700)
3. Payments for dividends and remuneration on other equity instruments	(49,955)	(29,965)
Dividends (-)	(49,955)	(29,965)
D) TRANSFER CASH AND CASH EQUIVALENTS IN NON-CURRENT ASSETS HELD FOR SALE	6,321	(6,321)
E) NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	47,077	(116,058)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	197,141	313,199
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	244,218	197,141

4.6 Grupo Lar fees as Lar España's Manager

On 8 June 2021, the Company's Board of Directors approved the main terms and conditions for the renewal of **the management agreement entered into by Lar España and Grupo Lar**, which was due to expire on 1 January 2022 (the Investment Management Agreement or "IMA").

The terms and conditions for the renewal of the IMA have been agreed taking account of **the experience accumulated** to date and the good relationship between the Company and the Manager, on the understanding that these changes benefit Lar España and improve the alignment of interests.

The new contract will be in force for **five years**, from 1 January 2022 to 31 December 2026, with a fixed commission (base fee), a variable commission (performance fee) and an additional variable commission linked to special actions, all of them explained below.

Base fee (fixed fees)

In accordance with **the Investment Management Agreement (IMA)** the base fee to be paid by Lar España is calculated on the basis of the Company's Net Asset Value (EPRA NAV/NTA) at the end of the previous year:

- Fixed fee based on a percentage of **0.62%** of Net Asset Value (EPRA NAV/NTA).

As a result, the fixed fees entered in the Global Consolidated Income Statement for Lar España at 31 December 2023 total **5,669 thousand Euros**.

Base Fee	(Thousands of euros)
EPRA NAV 31.12.22	914,332
Gross fee	5,669
Grupo Lar expenses incurred by Lar España	-
BASE FEE	5,669



Performance fee (variable fees)

Likewise, Grupo Lar has the right to a Performance Fee that is paid to the manager depending on the **profitability obtained** by Lar España **shareholders**.

According to the definition of the calculation the performance fee will be calculated on the basis of the growth of the EPRA NAV/NTA per share and the evolution of Lar España's share price. It will be settled annually and it will be **limited to a maximum amount of 1.5 times the annual base fee**. The amount will be paid, at the Company's choice, in cash or in treasury shares valued at their closing price on a predetermined date.

Thus, the amount of this remuneration will be accrued by the Management Company from the moment that:

- **Annual EPRA NAV/NTA increase** (net of capital increase and shareholders distributions) over 8.5% → **8%** of the amount beyond the **8.5%** of annual increase.
- **Annual increase of the market capitalization** (net of capital increase and shareholder distributions) over 8.5% → **2%** of the amount beyond the **8.5%** of annual increase.



Shopping Centre
Lagoh (Sevilla)

The Company's **EPRA NAV/NTA** variation is calculated as follows:

EPRA NAV/NTA Evolution	(Thousands of euros)
EPRA NAV/NTA 31.12.22	914,332
EPRA NAV/NTA 31.12.23 (*)	901,806
Gross difference	(12,525)
2022 Dividend paid in 2023	50,000
Net difference	37,475
INCREASE % 31.12.22 - 31.12.23	4.10%
Return above 8.5%	0.00%
PERFORMANCE FEE	0

(*) Pre performance Fee figure.

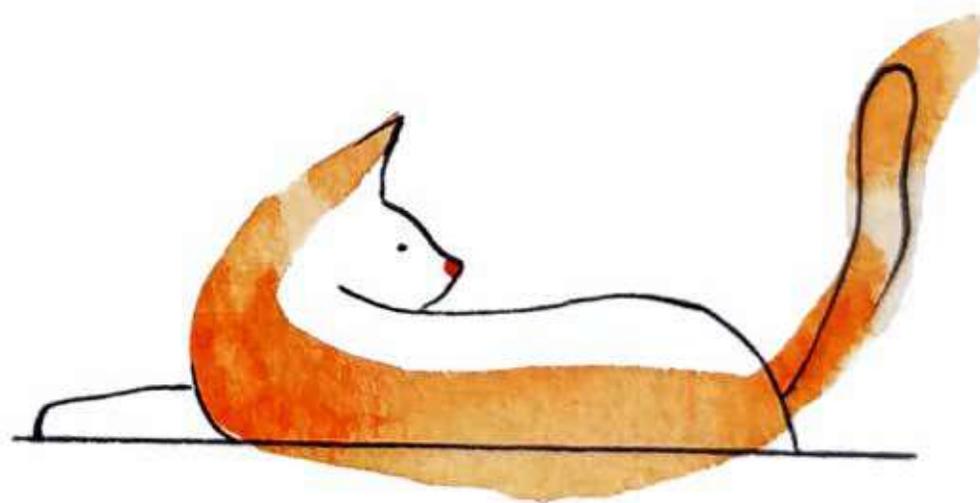
Therefore, none was accrued as a performance fee in accordance with the annual increase in the EPRA NAV/NTA.

The Company's **market capitalization** evolution is also displayed in the following table:

Market Capitalization Evolution	(Thousands of euros)
Market capitalization 31.12.22 (**)	365,299
Market capitalization 31.12.23 (**)	509,774
Gross difference	144,475
2022 Dividend paid in 2023	50,000
Net difference	194,475
INCREASE % 31.12.22 - 31.12.23	53.24%
Return above 8,5%	44.74%
PERFORMANCE FEE	3,268

(**) Calculated according to the average closing price of the last 20 sessions.

Given that the evolution of market capitalisation during the year 2023 **has increased by more than 8.5%, 3,268 thousand Euros** has been accrued linked to the market capitalisation.



To conclude, the sum of **8,937 thousand Euros** that results from adding the base fee to the performance fee is entered in the Global dated Income Statement at 31 December 2023 under the heading "Other Costs". See section 4.2 *Consolidated Statement of Comprehensive Income*.

Fixed and variable fees have been taken into account in the EPRA Cost Ratios calculation (section 5.5 *EPRA Cost Ratios*).

Additional performance fee for special actions

For cases in which the Company undertakes **new asset development** or extension work on its current assets, an additional performance fee is added as a percentage of the total cost (CAPEX excluding land).

The applicable rate will be:

- **4%** of total costs below or up to **€40 million**.
- **3%** of total costs above **€40 million**.

Asset refurbishments will not give rise to a performance fee and will be covered by the base fee.

In 2023 no amount has accrued related to the additional variable commission for special actions.



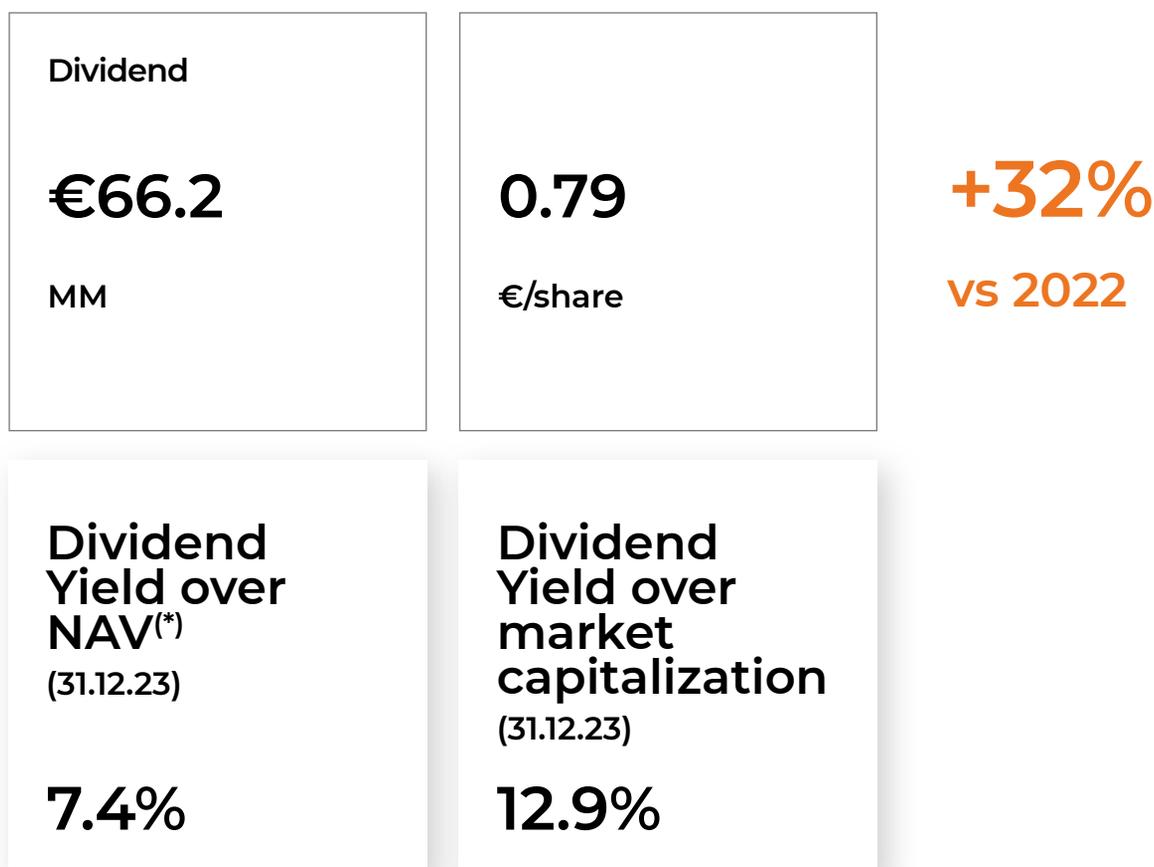
4.7 Proposed Shareholder Remuneration

Lar España was founded with the aim of generating strong returns for its shareholders via a significant dividend payout. In line with recent company notifications, the Company has confirmed that it will **continue to retain an attractive dividend policy**, based on the distribution of **100% of the annual ordinary EPRA Earnings plus 50% of the capital gains obtained from the divestments made during the year**.

As regards 2023, based on the cash generated during the year, a dividend of **€66.2 million** would be payable, primarily comprising 100% of the 2023 ordinary EPRA Earnings (approximately **€56.0 million**, see page 110) adjusted for the effect of the

linearisation of the bonuses granted to tenants in 2020 and 2021 with an impact on the 2023 income statement but with no effect on the Company's cash (approximately 2.7 million Euros). In addition, given that this year the divestments of two retail parks (Rivas and Vistahermosa) were carried out in July, an aggregate amount of **€7.5 million** would be distributed for this.

Therefore, the pay-out to shareholders for the financial year ended on 31 December 2023 to be presented at the Annual General Meeting would be **€66.2 million**, equating to earnings of **€0.79 per share**.



(*) EPRA NTA.

4.8 Shareholder Return

Shareholder Rate
of Return

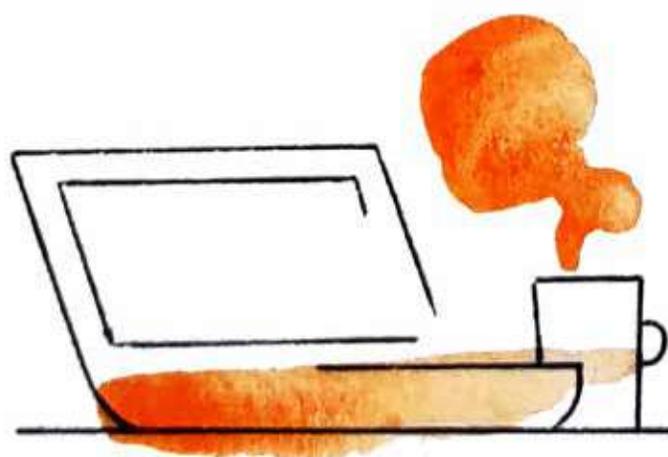
3.75%

The shareholder rate of return in 2023 stood at **3.75%**. To calculate the rate of return, we use the growth per share over the financial year, which is the sum of:

- The variation in the Company's EPRA NTA per share.
- Dividend per share distributed during the financial year.

$$\text{Shareholder Rate of Return} = \frac{\text{Growth (NTA + Dividend) per share}}{\text{EPRA NTA per share 31.12.2022}}$$

	(€/share)
EPRA NTA 31.12.22	10.93
EPRA NTA 31.12.23	10.74
NTA Growth 2023	(0.19)
2022 Dividend paid in 2023	0.60
Growth (NTA + Dividend)	0.41
SHAREHOLDER RETURN 2023	3.75%





Shopping Centre
El Rosal (León)

EPRA Information

5

5.1

EPRA Earnings

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**EPRA Net Asset
Value Ratios**

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**EPRA NIY and
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**EPRA Vacancy
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5.5

**EPRA Cost
Ratios**

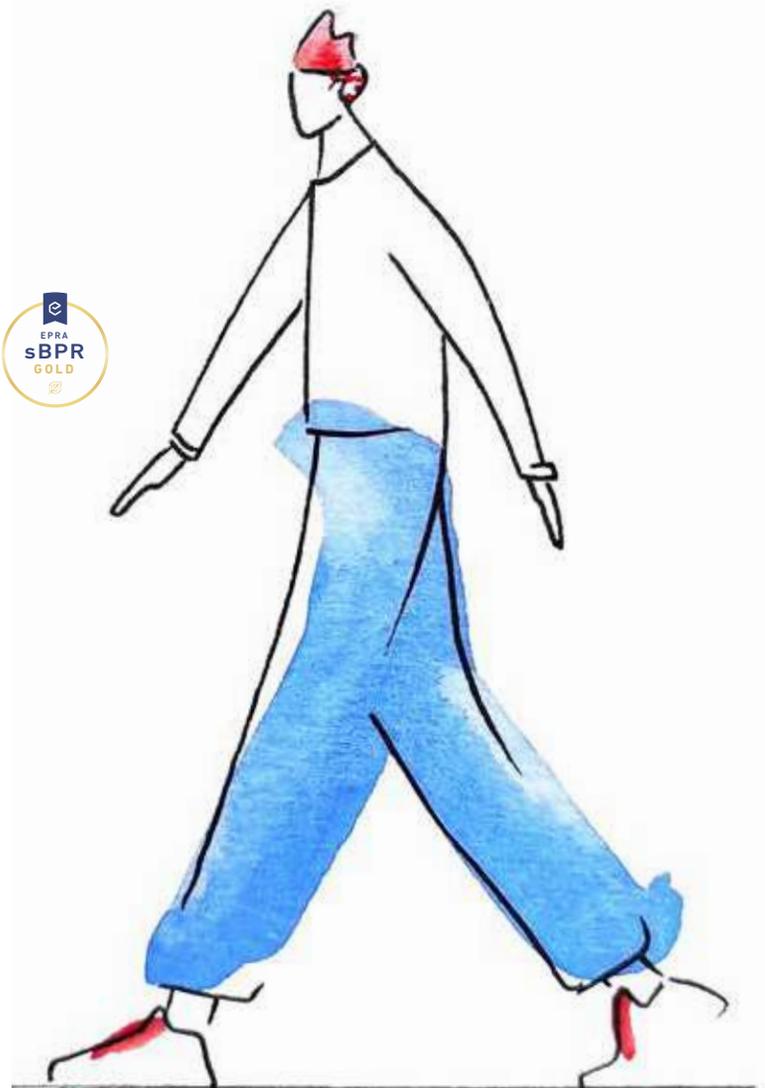
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EPRA LTV

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In September 2023, for the ninth consecutive year, Lar España was awarded the **EPRA Gold Award** for the quality of financial information made available to its stakeholders and for the **sixth 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 2023, for the **ninth 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 **sixth 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 estate companies clearer, more transparent and comparable across Europe.

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

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

Indicator	31.12.2023	31.12.2023
	(Thousands of euros) (%)	(€/share)
EPRA Earnings	76,423	0.91
Ordinary EPRA Earnings ^(*)	55,965	0.67
EPRA NTA	898,538	10.74 ^(**)
EPRA NRV	927,904	11.10 ^(**)
EPRA NDV	885,548	10.59 ^(**)
EPRA Net Initial Yield (NIY)	6.5%	
EPRA “Topped-up” NIY	6.8%	
EPRA Vacancy Rate	3.0%	
EPRA Cost Ratio	16.9% ^(***)	
EPRA Cost Ratio (excluding costs of direct vacancy)	14.7% ^(***)	
EPRA LTV Ratio	32.7%	

^(*) Excluding the positive effect of the bond buy-back.

^(**) When analyzing the evolution of 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.

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5.1 EPRA Earnings

(Thousands of euros)	2023	2022
EARNINGS PER IFRS INCOME STATEMENT	36,789	72,921
Change in value of investment properties	40,350	(32,575)
Profits or losses on disposal of investment properties	405	-
Tax on profits or losses on disposals	(1,121)	-
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	76,423	40,346
Weighted average number of shares (excluding treasury shares)	83,626,677	83,588,177
EPRA EARNINGS PER SHARE (EUROS)	0.91	0.48
ORDINARY EPRA EARNINGS (*)	55,965	
ORDINARY EPRA EARNINGS PER SHARE	0.67	



EPRA Earnings
per share

c.x2 vs 2022

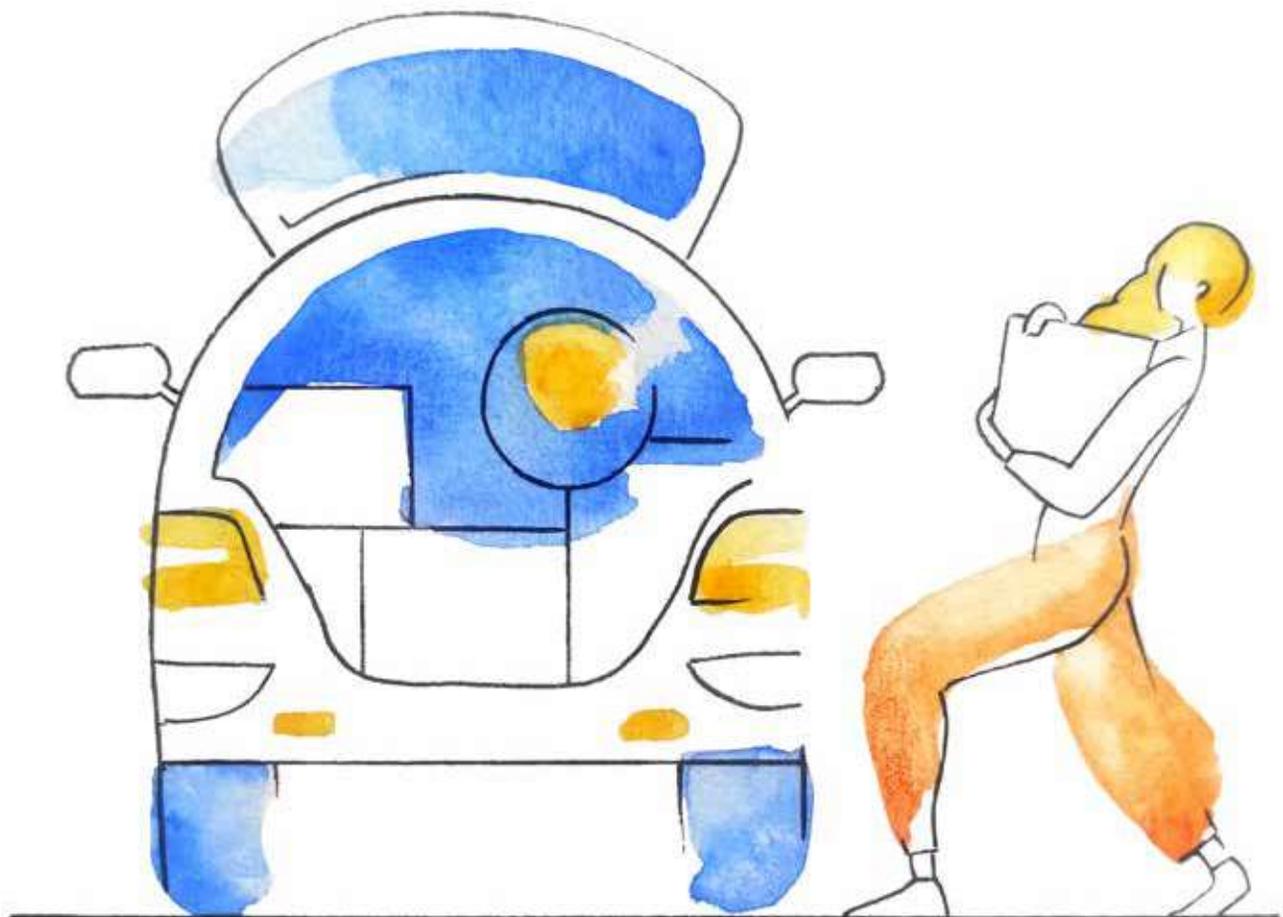
(*) Excluding the positive effect of the bond buy-back.

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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 NNAV 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)	31.12.2023			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	885,548	885,548	885,548	898,754	898,754	898,754
(i) Hybrid Instruments	-	-	-	-	-	-
Diluted NAV	885,548	885,548	885,548	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	885,548	885,548	885,548	898,754	898,754	898,754
Exclude						
(v) Deferred Tax in relation to fair value gains of IP	12,990	12,990	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	-	29,366	n.a	-	33,876	n.a
NAV	898,538	927,904	885,548	914,332	948,208	898,754
Number of shares (excluding treasury shares)	83,630,424	83,630,424	83,630,424	83,636,255	83,636,255	83,636,255
NAV por share	10.74^(*)	11.10^(*)	10.59^(*)	10.93	11.34	10.75

Figures may not match due to rounding.

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

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5.3

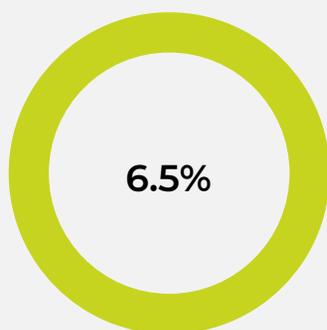
EPRA NIY y EPRA Topped-up NIY

(Thousands of euros)	Total Shopping Centres	Total Retail Parks	Total Lar España
Completed Property Portfolio	935,220	377,736	1,312,956
Allowance for estimated purchasers costs	22,263	7,103	29,366
Gross up completed property portfolio valuation (A)	957,483	384,839	1,342,322
Annualised cash passing rental income	69,265	26,790	96,055
Property outgoings	(6,036)	(2,139)	(8,175)
Annualised net rents (B)	63,229	24,651	87,880
Notional rent expiration of rent free periods or other lease incentives	1,994	983	2,977
Topped-up net annualised rents (C)	65,223	25,634	90,857
EPRA NET INITIAL YIELD (B/A)	6.6%	6.4%	6.5%
EPRA TOPPED-UP NET INITIAL YIELD (C/A)	6.8%	6.7%	6.8%

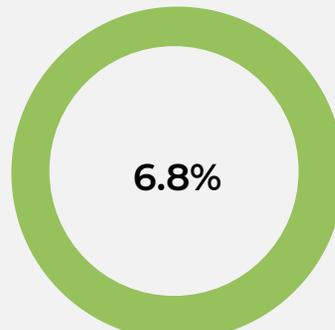
Figures may not match due to rounding.

Yields (*)

EPRA
NIY



EPRA
Topped-up NIY



(*) At 31 December 2022, EPRA NIY and EPRA Topped-up NIY amounted to 5.6% and 5.9% respectively

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5.4

EPRA Vacancy Rate

EPRA Vacancy
Rate

3.0% (*)

	ERV (Thousands of euros)	ERV Vacancy (Thousands of euros)	EPRA Vacancy Rate (%)
Shopping Centres	66,604	2,232	3.4%
Retail Parks	26,938	532	2.0%
TOTAL LAR ESPAÑA	93,543	2,764	3.0%

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

5.5 EPRA Cost Ratios

(Thousands of euros)	Recurring		TOTAL	
	2023	2022	2023	2022
Administrative expenses	(802)	(764)	(802)	(928)
Operating costs net of recoverable income ^{(1) (4)}	(15,561) ⁽²⁾	(14,436) ⁽²⁾	(21,863) ⁽³⁾	(16,328) ⁽³⁾
Administrative/operating expenses in associates	-	-	-	-
EPRA Cost (including including vacancy cost) (A)	(16,453)	(15,200)	(22,665)	(17,256)
Direct vacancy costs	(2,151)	(2,083)	(2,151)	(2,083)
EPRA Cost (excluding vacancy cost) (B)	(14,302)	(13,117)	(20,514)	(15,173)
Gross Rental Income less ground rent costs-per IFRS ⁽⁵⁾	103,708	98,788	94,222	82,915
Net associated costs (<i>net service charge</i>) ⁽⁴⁾	(6,457)	(6,311)	(6,457)	(6,311)
Gross Rental Income (C)	97,251	92,477	87,765	76,604
EPRA COST RATIO (including direct vacancy costs) A/C	16.9%	16.4%	25.8%	22.5%
EPRA COST RATIO (excluding direct vacancy costs) B/C	14.7%	14.2%	23.4%	19.8%



(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

(Thousands of euros)	Group as reported (A)	Proportionate Consolidation (B)			Combined (A+B)
		Share of Joint Ventures	Share of Material Associates	Non-controlling Interests	
Include					
Borrowings from Financial Institutions	70,000	-	-	-	70,000
Commercial paper	-	-	-	-	-
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	-	-	-	-	-
Bond loans	581,000	-	-	-	581,000
Foreign currency derivatives (futures, swaps, options and forwards)	-	-	-	-	-
Net payables	28,158	-	-	-	28,158
Owner-occupied property (debt)	-	-	-	-	-
Current accounts (equity characteristic)	-	-	-	-	-
Exclude					
Cash and cash equivalents	(244,218)	(162)	-	-	(244,380)
NET DEBT (A)	434,940	(162)	-	-	434,778
Include					
Owner-occupied property	-	-	-	-	-
Investment properties at fair value	1,312,956	-	-	-	1,312,956
Properties held for sale	-	-	-	-	-
Properties under development	-	-	-	-	-
Intangibles	1	-	-	-	1
Net receivables	15,555	-	-	-	15,555
Financial assets	-	-	-	-	-
TOTAL PROPERTY VALUE (B)	1,328,512	-	-	-	1,328,512
LTV (A/B)	32.7%				32.7%



Shopping Center
Ànec Blau (Barcelona)

Share Price Performance

6

6.1

Share price
information and
performance

120

6.2

Analyst
Recommendations

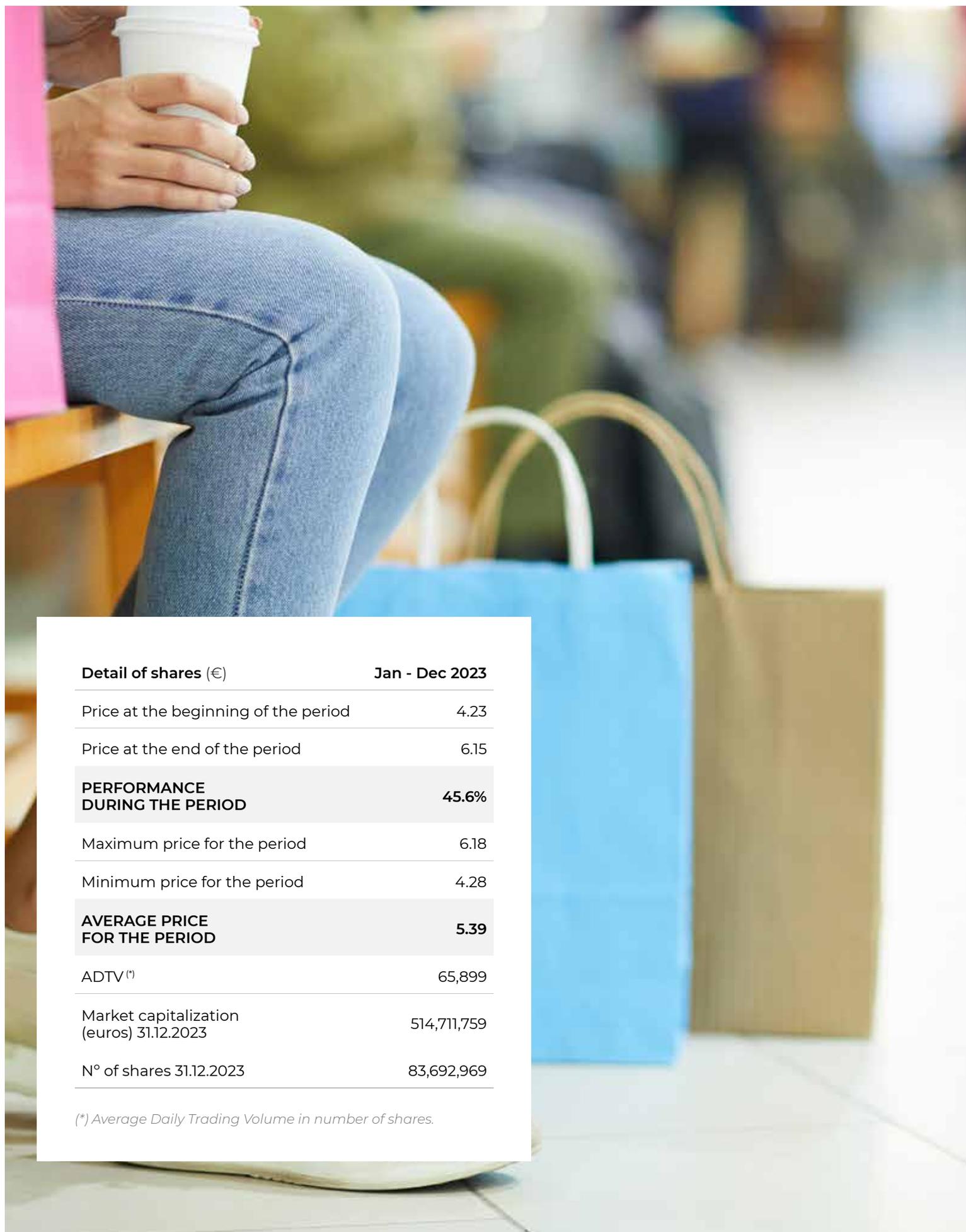
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During 2023, Lar España's share experienced an **appreciation of over 45%**, which, combined with the distribution of a dividend in the second quarter amounting to €0.60 per share, resulted in a **60% return for shareholders during the period.**



6.1

Share price information and performance

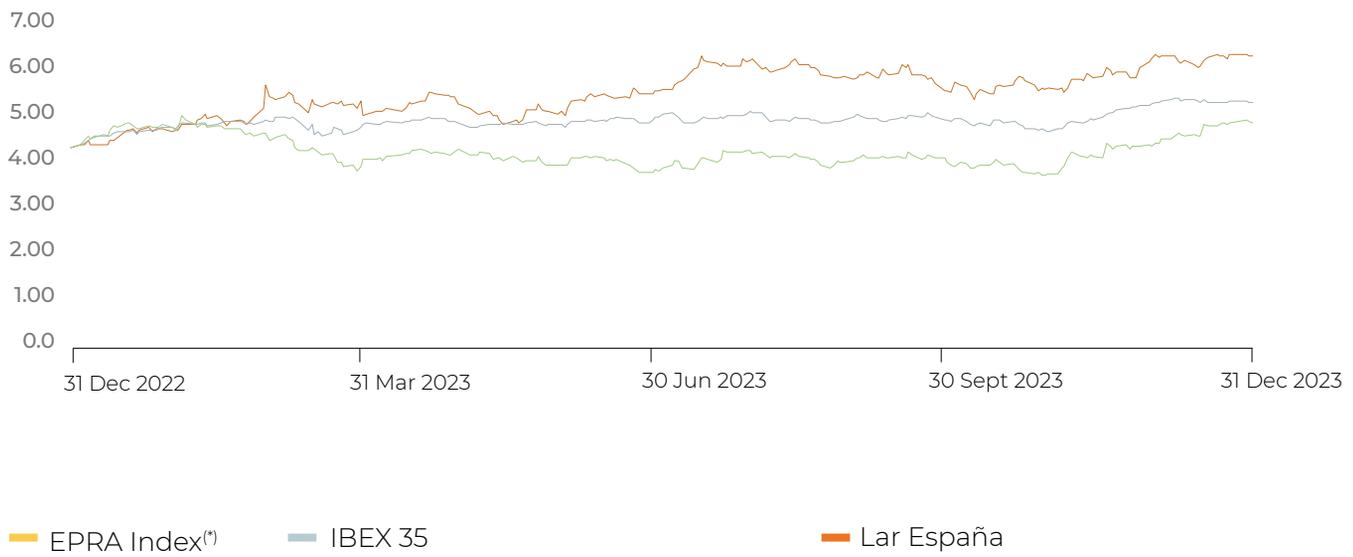


Detail of shares (€)	Jan - Dec 2023
Price at the beginning of the period	4.23
Price at the end of the period	6.15
PERFORMANCE DURING THE PERIOD	45.6%
Maximum price for the period	6.18
Minimum price for the period	4.28
AVERAGE PRICE FOR THE PERIOD	5.39
ADTV ^(*)	65,899
Market capitalization (euros) 31.12.2023	514,711,759
Nº of shares 31.12.2023	83,692,969

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

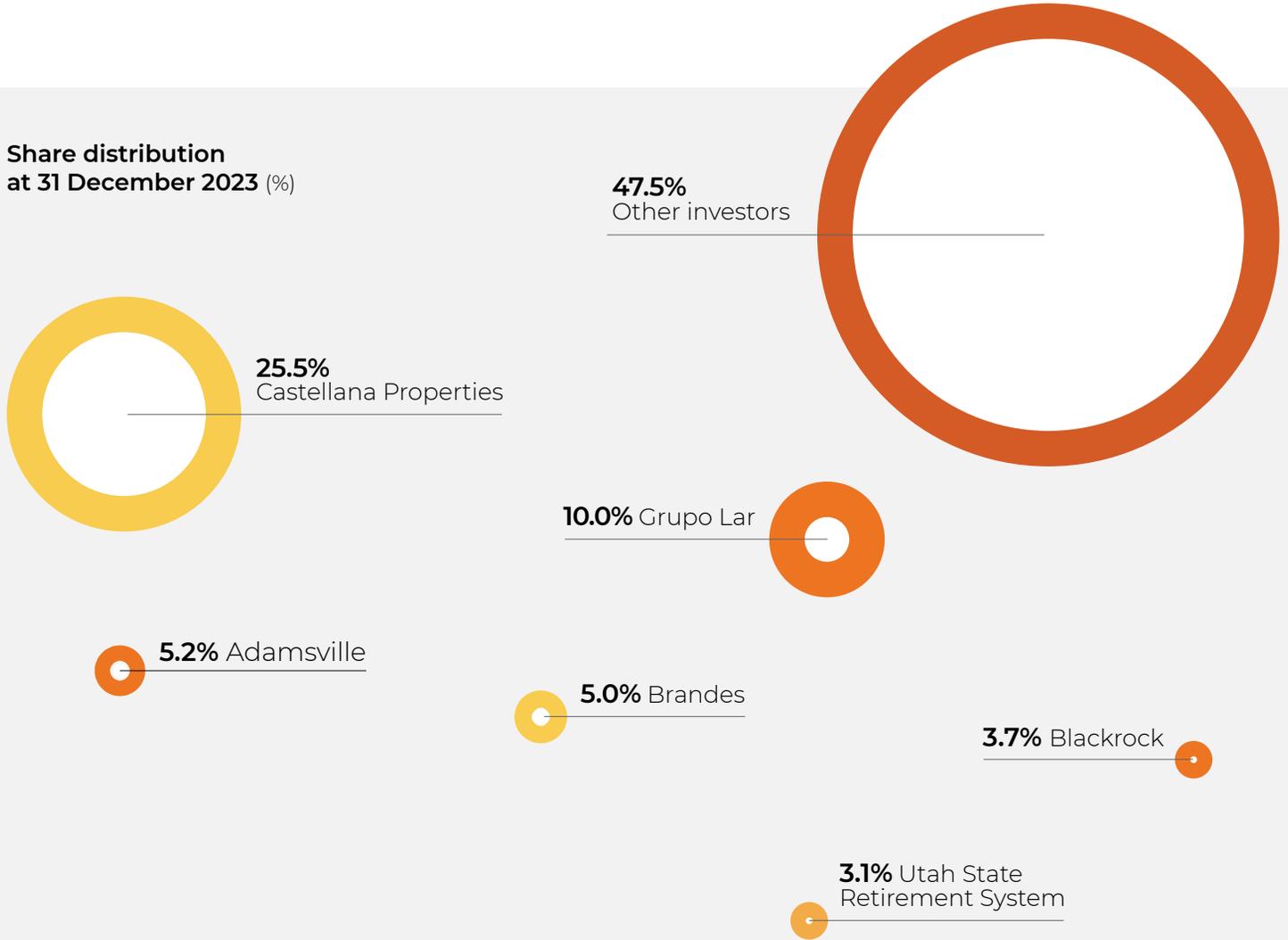
The **share price performance** during 2023 compared with the IBEX 35 and EPRA Index performance can be seen in the following graph:

Lar España share price performance vs Ibex 35 and EPRA Index
(January-December 2023)



(*) Sectoral European reference index.

Share distribution at 31 December 2023 (%)



6.2 Analyst Recommendations

As of the date of this annual report, Lar España has the coverage of 11 analysts, whose average target price is **€7.69**.

25.1%^(*)

**Potential
Return**

100%

**Positive
recommendations
Sell-Side**

91% Buy

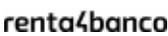


9% Hold



0% Sell



Broker	Recommendation	Analysis Date	Target Price (Euros)
 ODDO BHF	● Buy	01.12.2023	7.50
 GVC Gaesco	● Buy	30.11.2023	7.61
 BESTINVER	● Buy	29.11.2023	7.10
 intermoney valores sv	● Buy	28.11.2023	8.00
 JBCapitalMarkets	● Buy	28.11.2023	8.70
 bankinter	● Buy	28.11.2023	6.34
 MIRABAUD	● Buy	28.11.2023	7.00
 Sabadell	● Buy	03.08.2023	6.58
 renta4banco	● Buy	31.07.2023	9.20
 MORNINGSTAR	● Buy	18.07.2023	7.67
 Santander	● Hold	15.05.2023	8.90

Source: Bloomberg

(*) Taken into account the average target price and the price at the end of the period, at 31 Decembre 2023.

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



¿AÚN NO ERES DISFRUTÓN?

ZARA



Shopping Centre
Gran Vía (Vigo)

Glossary

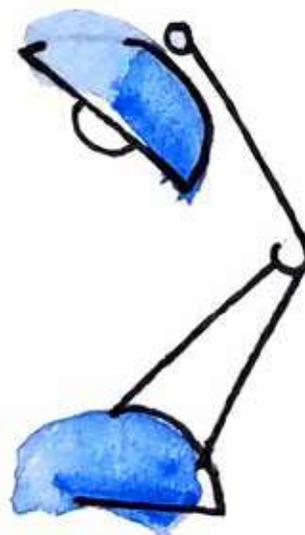
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7

Glossary

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7. Glossary



PBT

Profit Before Tax.

Carbon Risk Real Estate Monitor (CRREM)

It is a global tool funded by the European Union within its Horizon 2020 program, to effectively and sectorially address the financial and transition risks associated with low climate and energy performance within real estate activities. Its use provides estimates towards specific decarbonization pathways by asset and business typology as well as by country, to property owners and stakeholders involved in evaluating, managing, and mitigating climate risks.

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.

EPRA LTV

EPRA ratio that assesses the company's leverage by the ratio of net debt (including issuances, bank financing, short and long term trade liabilities), and the fair value of assets (considering property at market valuation, as well as the value of intangible assets and receivables).

GAV

Gross Asset Value.

GLA

Gross Leasable Area in sqm.

WAULT

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

Net LTV (Loan to Value)

Ratio that measures the total amount of outstanding principal, discounted available cash, against the value of the assets.

Gross Annualised Rent

Gross annual investment return excluding temporary rental discounts or rent-free periods.

Average maturity period (years)

Represents the average maturity term of the company's debt.

Reversionary Yield

Yield calculated as the ratio between the rental income that would be obtained from leasing the entire area at the market prices estimated by the independent valuers (ERV) and the gross asset value.

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.

Effort rate

The effort rate is the ratio between the rent and the charges (co-ownership charges and property tax on the property) and the turnover generated by the operation on the property, which is the subject of the rent.

Task Force on Climate-related Financial Disclosures (TCFD)

The Financial Stability Board (FSB) created this working group in 2018 to promote information on climate change risks and their management to investors.

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