



NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 227 of the Royal Legislative Decree 4/2015, of 23 October, approving the consolidated text of the Securities Market Law, Lar España Real Estate SOCIMI, S.A. (“**Lar España**” or the “**Company**”) hereby informs the National Securities Market Commission of the following

MATERIAL FACT

In connection with the Material Fact published on 10 June 2019 (registry number 279012), Lar España hereby announces that, on this date, the public deed relating to the share capital increase of Lar España, approved on 25 April 2019 by the Board of Directors of the Company—which was fully subscribed and paid for by the manager of Lar España, Grupo Lar Inversiones Inmobiliarias, S.A. (“**Grupo Lar**”), through monetary contributions equivalent to the received performance and divestment fee—has been duly registered with the Commercial Registry of Madrid.

Consequently, the share capital of Lar España has been increased by EUR 1,242,674.00 through the issuance of 621,337 registered shares, with a nominal value of two euros each and with an issue price 10.34 euros per share (nominal value of EUR 2.00 and issue premium of EUR 8.34) for a total effective amount of EUR 6,424,624.58, of which EUR 5,181,950.58 correspond to the issue premium.

It is expected that the National Securities Market Commission and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges will verify and approve the admission to trading of the new shares of the Company in the following days.

The new shares will be subject to a lock-up period by Grupo Lar of three years, in accordance with the provisions included in the investment manager agreement entered into with Lar España.

Furthermore, Lar España informs that the public deed for the capital reduction through the amortization of own shares, granted on 10 June 2019, has also been registered today in the Mercantile Registry of Madrid.

Consequently, the share capital of Lar España has been reduced in the amount of EUR 6,505,640.00, through the cancellation of 3,252,820 own shares with a face value of two euros each.

As expressly stated in the Material Fact published on 10 June 2019 (registry number 279012), the purpose of this capital reduction, as envisaged in the Buy-back Program, was to contribute to the Company's shareholder remuneration by increasing the profit per share. It is hereby stated that the reduction did not involve the return of contributions to the shareholders since the Company was the holder of the cancelled shares. The reduction was carried out with a charge to free reserves, through the provision of a capital cancellation reserve for an amount equal to the nominal value of the cancelled shares, which will only be available following the same requirements demanded for the reduction of the share capital, as provided by article 335 c) of the Spanish Companies Law. Consequently, in



accordance with the provisions of such article, there was no right of opposition for the creditors included in article 334 of the Spanish Companies Law in connection with the capital reduction.

In the following days, the Company will request the exclusion of the 3,252,820 cancelled shares from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Stock Exchange Interconnection System (*Mercado Continuo*).

Finally, the Company informs that, after the execution of the capital increase and the capital reduction referred to in this Material Fact, the share capital of the Company has been set at EUR 181,175,122.00, represented by 90,587,561 registered shares of two euros per value each.

Madrid, on 21 June 2019.

Lar España Real Estate SOCIMI, S.A.
Mr. José Luis del Valle Doblado,
Chairman of the Board of Directors