



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 Facts published on 25 March 2019 and 18 December 2019 (registry numbers 276399 and 284815 respectively), Lar España informs that, on this date, the Company executed the notarial deed regarding the share capital reduction through the redemption of treasury shares approved yesterday by the Board of Directors, pursuant to the delegation granted by the General Shareholders Meeting held on 29 May 2017, that agreed, under item eleven of the agenda, to authorise the Board of Directors for the derivative acquisition of own shares, in accordance with the terms and conditions established in the abovementioned resolution of the General Shareholders Meeting, expressly authorising it to reduce share capital on one or more occasions in order to redeem the acquired own shares.

Consequently, the share capital of Lar España has been reduced in the amount of EUR 5,907,662, through the cancellation of 2,953,831 own shares with a face value of two euros each.

The purpose of this capital reduction, as envisaged in the Buy-back Program, is 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 is no right of opposition for the creditors included in article 334 of the Spanish Companies Law in connection with the capital reduction.

Once the resolution regarding the share capital reduction has been registered with the Commercial Registry of Madrid, the Company will request the exclusion of the 2,953,831



cancelled shares from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Stock Exchange Interconnection System (Continuous Market).

Finally, the Company informs that, after the execution of the capital reduction, the share capital of the Company has been set at EUR 175,267,460, represented by 87,633,730 registered shares of two euros per value each.

Madrid, on 20 December 2019.

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