



NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 228 of the Royal Legislative Decree 4/2015, of 23 October, approving the consolidated text of the Securities Market Act and article 17 of Regulation (EU) 596/2014 on market abuse, Lar España Real Estate SOCIMI, S.A. (“**Lar España**” or the “**Company**”) hereby informs the National Securities Market Commission of the following

MATERIAL FACT

Lar España hereby informs that today, in compliance with the contractual agreements entered into with the Manager, Grupo Lar Inversiones Inmobiliarias, S.A. (“**Grupo Lar**”), the Board of Directors of the Company approved a share capital increase with the sole purpose of allowing the amount payable to Grupo Lar as performance fee for the financial year 2017, adjusted in accordance with the agreement reached by both parties in December 2017, as well as the amount payable in connection with the divestment of real estate assets for more than 100 million euro (divestment fee), also as agreed by both parties in December 2017, to be invested in shares of the Company.

This capital increase, will be carried out with the exclusion of pre-emptive rights by virtue of the authority granted to the Board of Directors by the ordinary General Shareholders' Meeting of the Company on 29 May 2017 and will be fully subscribed and paid for by Grupo Lar, for an effective total amount of 20,923,697.47 euro (4,278,874 euro corresponding to nominal value and 16,644,823.47 euro to share premium), through the issuance of 2,139,437 new ordinary shares of Lar España, of the same class and series as the outstanding shares of the Company, for an effective price of 9.78 euro (2.00 euro corresponding to nominal value and 7.78 to share premium). The referred price is equivalent to the EPRA NAV per share of the Company as of 31 December 2017, adjusted to the dividend payments and share premium distributions approved by the ordinary General Shareholders' Meeting on 19 April 2018, which was published on the Company's website on 4 May 2018.

The new shares that will be subscribed by Grupo Lar will have a mandatory lock-up period of three years, in accordance with the provisions included in the Investment Management Agreement entered into between Grupo Lar and the Company.

The Company will grant the corresponding capital increase public deed after the auditor appointed by the Commercial Registry issues the mandatory report confirming that the



issuance price complies with the applicable provisions of the Spanish Companies Act.

It is informed as significant event with the appropriate effects in Madrid, on 7 May 2018.

Lar España Real Estate SOCIMI, S.A.

Mr. José Luis del Valle Doblado,

Chairman of the Board of Directors