



## 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 Act, Lar España Real Estate SOCIMI, S.A. ("**Lar España**" or the "**Company**") hereby informs the National Securities Market Commission of the following

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### MATERIAL FACT

In connection with the Material Fact registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on 28 December 2018 (Register number 273427), Lar España hereby informs that, on this date, the public deed regarding the reduction of share capital, granted on 28 December 2018, has been duly registered with the Commercial Registry of Madrid.

The share capital reduction was approved by the Board of Directors of the Company on 27 December 2018, 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 3,088,980.00, through the cancellation of 1,544,490 own shares with a face value of two euros each. Likewise, and in order to amend and clarify the information provided under the referred Material Fact of 28 December 2018, it is hereby stated that all of the cancelled shares were acquired under the Company's buy-back program that was announced through a Relevant Fact on 28 September 2018 (Register number 270006) and which expiration date was extended on 28 December (the "**Buy-back Program**"). The share capital resulting from the reduction has been set at 186,438,088.00 euros, represented by 93,219,044 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 does not involve the return of contributions to the shareholders since the Company is the holder of the canceled shares.



The reduction has been 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 Act. 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 Act in connection with the capital reduction.

In the following days, the Company will request the exclusion of the 1.544.490 cancelled shares from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Stock Exchange Interconnection System (Continuous Market).

Madrid, on 29 January 2019.

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