



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 25 April 2019 (registry number 277421), Lar España hereby announces that, on this date, the Board of Directors' resolution, dated 7 June 2019, executing the share capital increase approved by the ordinary General Shareholders Meeting of the Company on 25 April 2019, has been executed in the corresponding notarial public deed.

The share capital increase has been 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 fee.

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.

The new shares issued in the context of the capital increase 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.

Once the share capital increase resolution has been duly registered with the Commercial Registry of Madrid, the Company will begin the corresponding proceedings in order for the National Securities Market Commission and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges to verify and approve the admission to trading of the new shares of the Company.

Furthermore, in relation to the Material Fact published on 25 March 2019 (registry number 276399), Lar España informs that, on this date, the Company executed the notarial deed regarding the share capital reduction through the cancellation of treasury shares that was approved by the Board of Directors on 7 June 2019, 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 6,505,640.00, through the cancellation of 3,252,820 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 3,252,820 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 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 10 June 2019.

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