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NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, Lar España Real Estate SOCIMI, S.A. (hereinafter, "Lar España" or the "Company") hereby informs the National Securities Market Commission of the following

MATERIAL FACT

It is hereby announced that on 25 July 2017, the public deed relating to the share capital increase of Lar España, approved on 29 May 2017 by the ordinary General Shareholders Meeting, under item twelfth of the agenda, for a nominal amount of EUR 4,167,070 through the issuance and placing of 2,083,535 new ordinary shares of Lar España of two euros nominal value each and a share premium of EUR 7.20 each, which are of the same class and series as the existing shares currently in circulation, has been duly registered with the Commercial Registry of Madrid ("**Capital Increase**"). Therefore, the total amount of the Capital Increase amounts to EUR 19,168,522.

The Capital Increase was fully subscribed and paid for through monetary contributions by Grupo Lar Inversiones Inmobiliarias, S.A., manager of Lar España, in accordance with the provision included in the twelfth resolution approved by the ordinary General Shareholders Meeting of Lar España on 29 May 2017.

Consequently, the share capital of Lar España has been set at EUR 185,248,194, divided into 92,624,097 shares, with a nominal value of two euros each, all of which belong to the same class and series.

Madrid, 2 August 2017.

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