

**RELEVANT FACT**  
**CARBURES EUROPE, S.A.**  
**February 22, 2017**

In accordance with Article 17 of the Regulation (EU) n° 596/2014 about market abuse and Article 228 of refunded text 228 of Stock Market Law, approved by the Royal Legislative Decree 4/2015, of October 23, and concordant provisions, as well as in Circular 15/2016 of Alternative Stock Market (MAB), we provide the following information:

CARBURES EUROPE, S.A. (henceforth, CARBURES) and, its subsidiary, CARBURES AEROSPACE AND DEFENSE GLOBAL S.A.U. (henceforth, CARBURES A&D) have signed a binding letter of intentions with the company INVERSIONES INDUSTRIALES TXINDOKI S.L., from Aristrain´s Group (henceforth, ARISTRAIN), through which the latter will lend to our subsidiary a sum of up to 25.000.000.-€ (TWENTY-FIVE MILLION EUROS). The subsidiary will be able to dispose of this amount gradually between the third quarter of 2017 and June 2018. The loan will mature for five years and will have an interest rate of 5% per annum and another 5% PIK.

The amount of this loan will be allocated in full to the investment in CARBURES A&D., to execute the whole of its order book and, in addition, has sufficient funding for the achievement of new business and new contractual commitments in the air and defence.

The amount disposed of may be amortized in one of the following ways:

- 1.- By the return of the financing provided in accordance with the contractual conditions signed.
- 2.- Through the conversion of credit into shares of CARBURES A&D, within the framework of a capital increase of the company. In this way, there is the possibility that ARISTRAIN may become a shareholder with control (50% shareholders) of the subsidiary through the capitalization of the credit. The price will be adjusted by independent third party based on EBITDA of CARBURES A&D less financial debt.
- 3.- By capitalizing on the parent company of the CARBURES group under certain conditions, that is, the parent would be listed on a national continuous market or on an international stock market and, at the same time, certain levels of capitalization and liquidity.

The financing will be guaranteed with the shares of CARBURES A&D. ARISTRAIN shall have the right to propose one (1) member of the Board of Directors and may be appointed as a Director on such Board or as a mere observer or adviser. The current direction of Carbures A&D will continue in its performance, for which a set of annual objectives are set that, if it not achieved, could lead to changes in executive or financial direction.

This binding letter of intent will result in the formalization of the contract within 5 weeks.

El Puerto de Santa María, 22 February 2017.

CARBURES EUROPE, S.A.  
Guillermo Medina Ors  
Non-executive Secretary of the Board