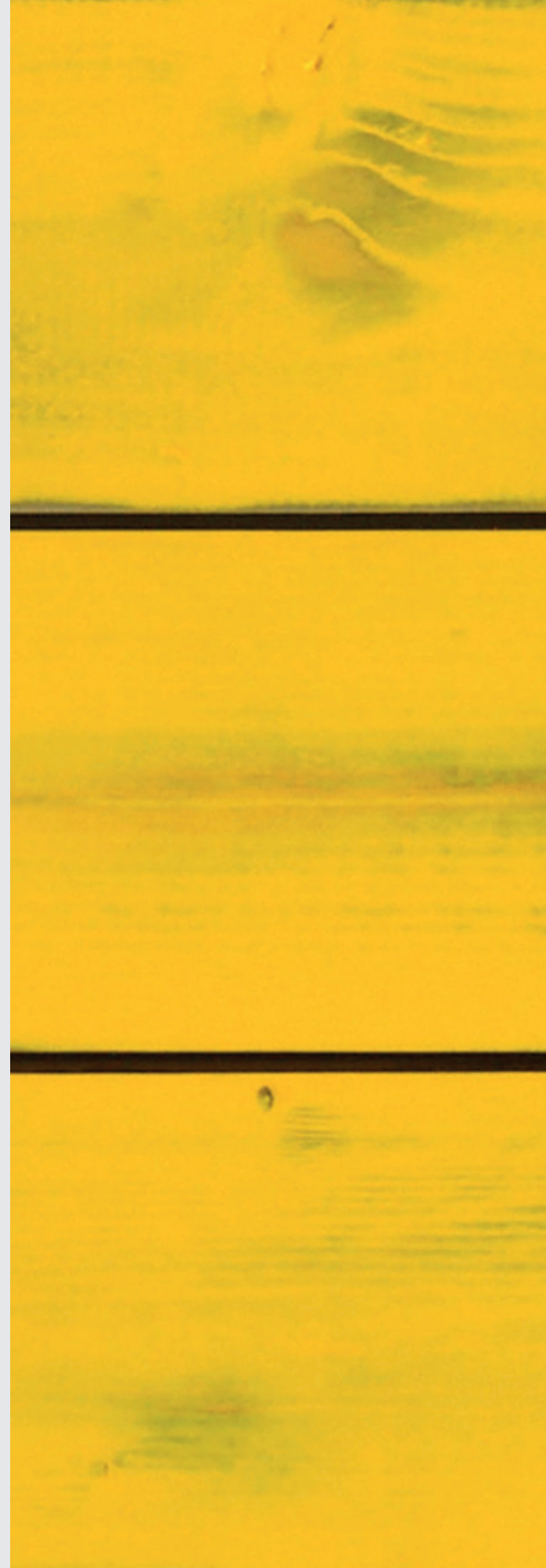
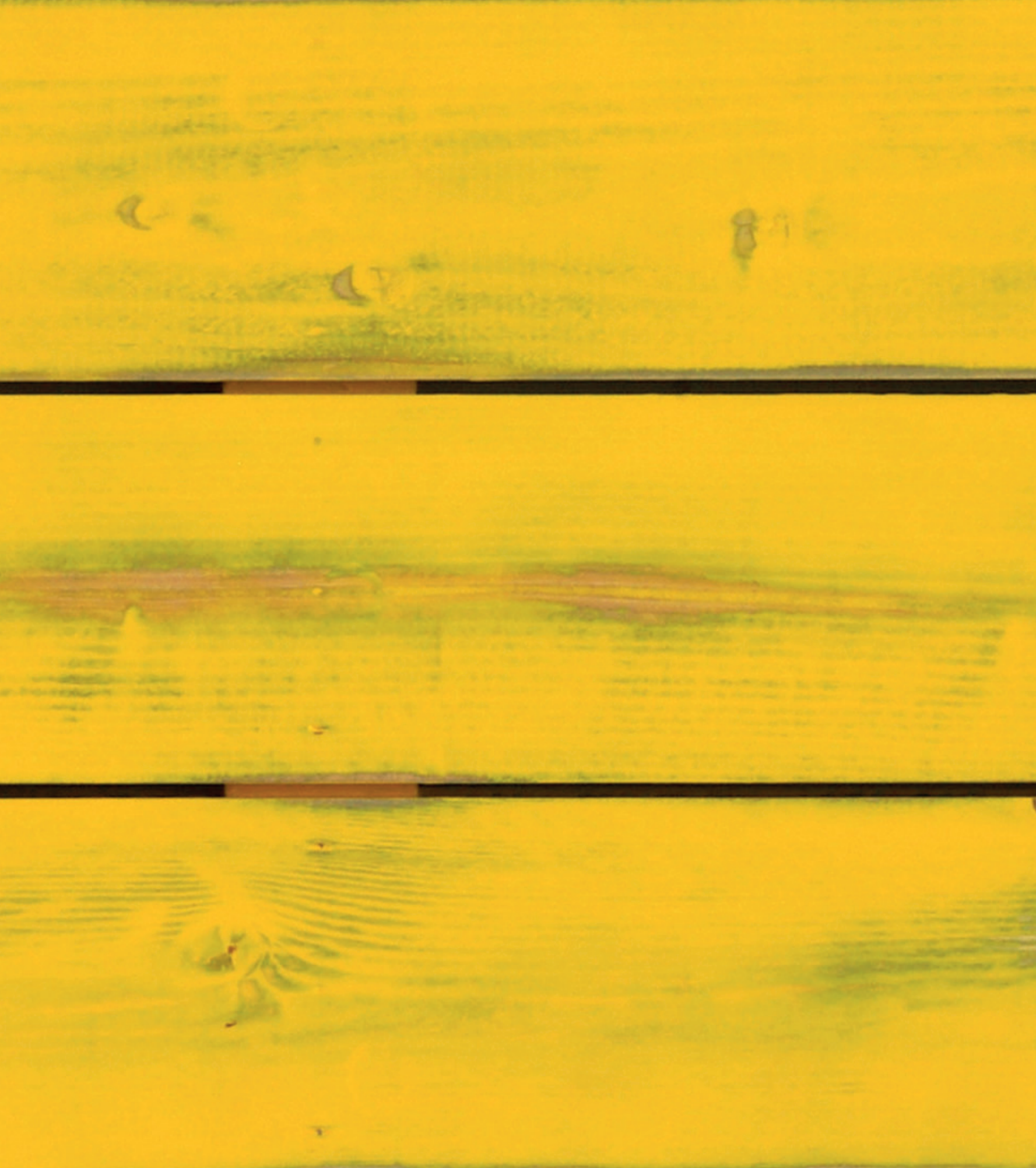


REAL ESTATE ACTIVITY





REAL ESTATE ACTIVITY

The rise in inflation and interest rates in 2022 has led to corrections in the valuation of the portfolios of real estate assets: portfolios composed of prime, well-located, efficient and ESG-compliant real estate properties have not been significantly devalued, while those containing poorly located and/or lower quality assets have been corrected with a reduction in their value.

Despite the uncertainties, in 2022 the office rental market maintained a good pace of commercialisation and new contracts. Employees returned to the office, either permanently or in hybrid format, which caused the volume of occupancy of the buildings to range from 75% to 85% in Madrid.

The level of rental income per square meter, following the impact of the pandemic, has tended to climb higher, reaching levels in the prime zones of Madrid, of around €37 per square meter per month.

Alba's real estate investment strategy focuses on real estate properties for office use in prime zones of Madrid, entire buildings that are preferably rented to lessees of renowned solvency.

In 2022, Alba continued with its policy of divestment of non-strategic real estate properties. Office plants and various parking spaces were sold in two properties located in Madrid (Av. General Perón 38 and Plza. de Marqués de Salamanca 10). These sales generated cash for €24 million, yielding an IRR of 7.9% and 3.8% per annum, over a period of 21 and 15 years, respectively.

The leasable area as at 31 December 2022 was 42,420 m² and 1,038 parking spaces. The occupancy rate at year-end 2022 was 88.4%, 10.5% higher than the occupancy rate in December 2021.

The value of the real estate properties is updated every six months by an independent expert, valuing them as of 31 December 2022 at €335⁽¹⁾ million.

Income from leases of real estate properties in 2022 amounted to €13 million, which represents a 6.6% increase over 2021, despite having reduced the leasable area due to sales made in the year.

(1) Includes Corporación Financiera Alba's corporate headquarters.



During the financial year, €2 million were invested to update the rentable spaces, renovating real estate properties as required

and modernising facilities, achieving greater efficiency, complying with ESG standards and thus adding value to them.

