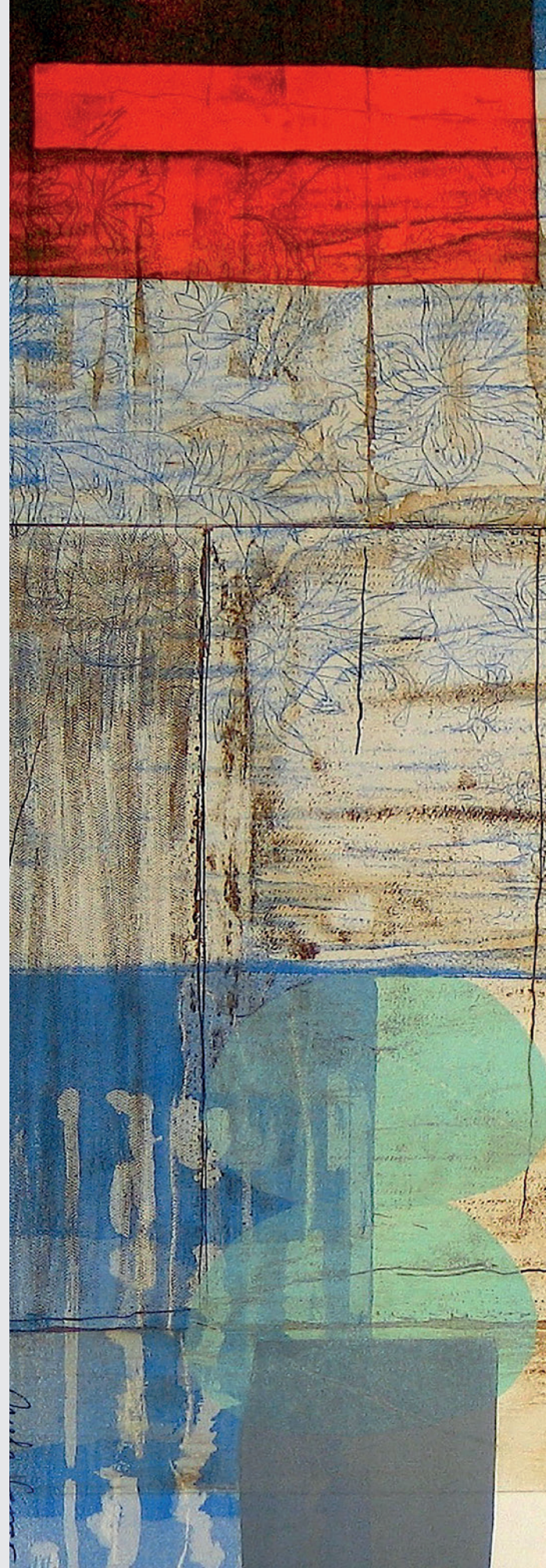
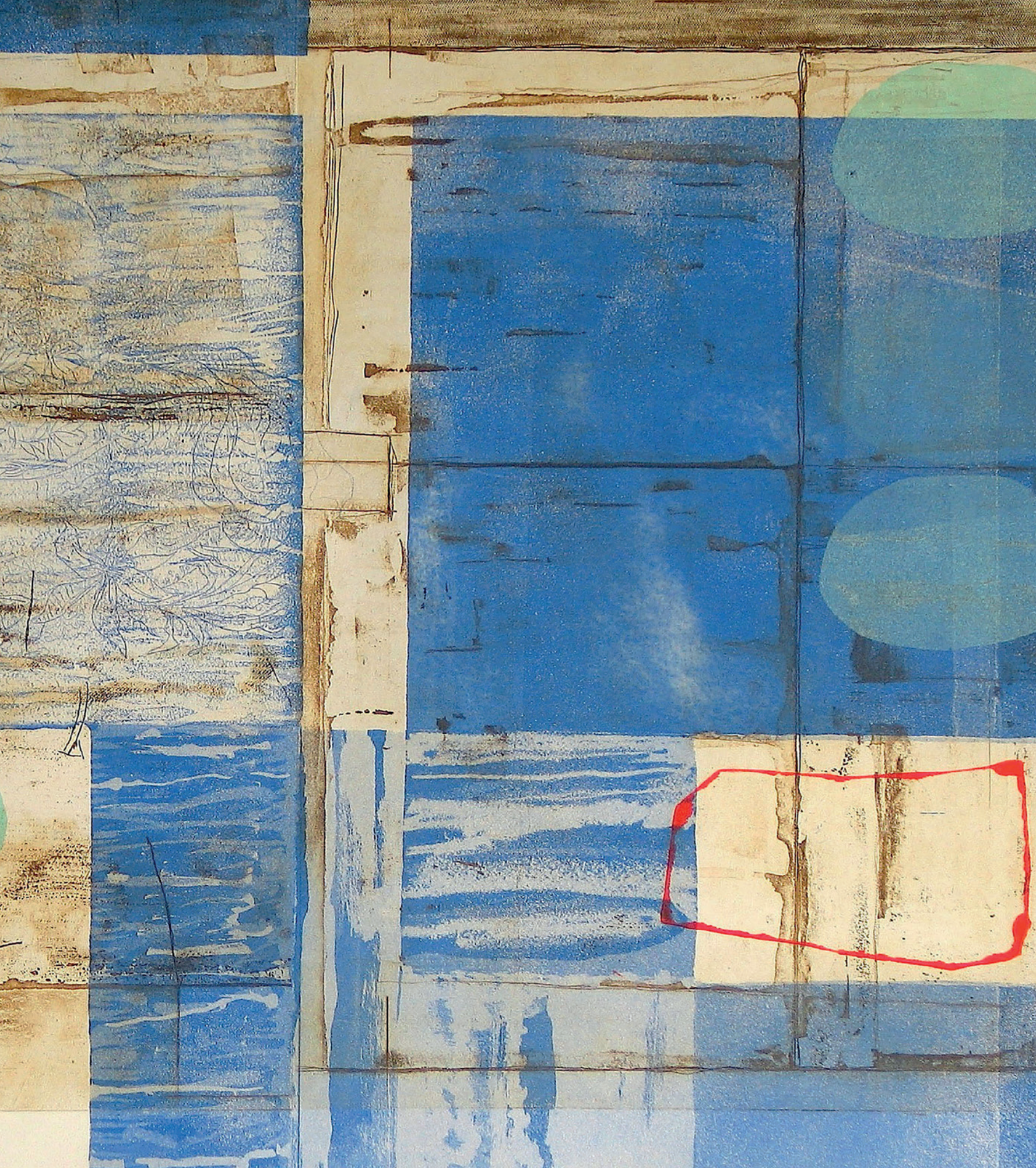


# REAL ESTATE ACTIVITY

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In 2021, the housing market remained in an uncertain context marked by the emergence of the health crisis. The pandemic has intensified the big trends of digitisation, omnichannel selling

and remote working. In addition, companies that had opted to “gain time” since 2020 crystalized their relocation processes, extending their short-term contracts.





The sum of these movements, together with those produced by natural expirations during the year, as well as the adoption of hybrid work models, have helped to bring contracting activity back up to the average levels recorded in the last decade, although with the return of workers to offices, which had already gained momentum since September 2021, it has again experienced some slowdown at the end of the fiscal year.

The Alba real estate investment strategy focuses on real estate properties for office use in prime zones of Madrid – full buildings that are preferably rented to lessees of renowned solvency –.

In 2021, Alba acquired an office building for €54.5 million, located at Paseo de la Castellana, 42, in Madrid. The building has 4,444 m<sup>2</sup> of surface area above ground level distributed over ten floors and has 30 parking spaces.

Moreover, Alba continued with its policy of disinvestment of non-strategic real estate properties. Two real estate properties located in Tres Cantos and Alcobendas and various parking spaces were sold. These sales generated a cash inflow of €20.4 million, obtaining an annual IRR of 16.3% and 12.1% over 21 and 23 years respectively, and has reduced the leaseable area by 20,471 m<sup>2</sup> and the parking spaces by 148.

The value of the real estate properties is updated every six months by an independent expert, who valued them on 31 December 2021 at €334.8 million.

The occupancy rate at the end of 2021 was 77.9%, which is 2.7 p.p lower than the occupancy rate of 2020. At 31 March 2022, the occupancy level is 87.5%.

Income from real estate property leases decreased by €4.0 million in 2021, to €12.1 million, largely due to the reduction of the rentable floor space in the fiscal year. It should be noted that office contracts remain stagnant in Madrid during most of 2021, although a rebound is expected in 2022. The upward trend in rent prices in Madrid during the last years has remained stagnated in 2021 due to the pandemic, although the adjustment in prime rent prices was residual, with these rent prices reaching a maximum monthly rate of €36 per square meter.

During the financial year, €4.2 million were invested to update the rentable spaces, renovating real estate properties as required and modernising facilities, achieving greater efficiency and thus adding value to them.