

REAL ESTATE ACTIVITY

The rental market for offices in Madrid in fiscal year 2023 was marked by the adjustment to the new post-COVID scenario, the boost in technology, the concern for sustainability and wellbeing, the preference for strategic locations, stable prices with an upward trend in *prime* areas and greater flexibility in terms of contracts and services.

The concern for environmental sustainability and employee well-being influenced office leasing decisions. Buildings certified with environmental standards, such as LEED or BREEAM, and those that incorporated wellness-focused designs, such as natural lighting and green spaces, were highly valued by companies.

Despite the work from home flexibility patterns, strategic locations in Madrid, such as Paseo de la Castellana or Azca, maintained or increased their attractiveness. Thus, the demand for office spaces in central and well-connected locations remained strong. As a result, there was an upward trend in office rental prices in *prime* areas due to high demand and the limited availability of quality space in these locations.

Alba's real estate investment strategy focuses on the acquisition of office properties in *prime* areas of Madrid, buildings as a whole, preferably leased to companies of reputable solvency.

The leasable area at December 31, 2023 amounted to 42,420 sqm and 1,038 parking spaces, with no changes in the portfolio during the year. The occupancy rate stood at 97.7% at the end of the year, compared to 88.4% of the previous year.

The value of the properties is updated every six months by an independent expert, who, as of December 31, 2023, valued them at €301 million.

Income from property leases amounted to €15 million in 2023, 16.3% higher than in 2022, as a result of the higher occupancy level of the properties and the increase in the average rent of the leases.

During the year, investments of €3 million were made to improve leasable spaces, strengthen the image of the properties that required it and modernize the facilities, achieving greater efficiency, better compliance with ESG standards and the generation of added value in them.

Lastly, in the last quarter of the year, the drafting of the project for the integral refurbishment of a building located at Castellana, 44 Bis (Otea Building) was completed, and which remodel began in 2024 and is expected to be completed in the last quarter of 2025.

At year-end 2023, Alba's portfolio included the following properties: Castellana Building, 89; Castellana Building, 42; Castellana Building, 44; Oasis Building and Castelló Building, 74.