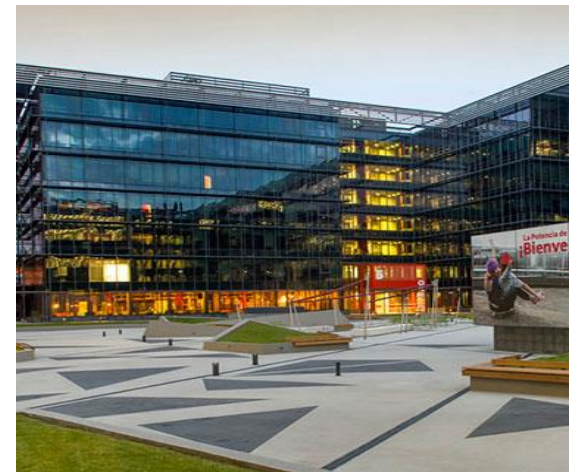


# ZAMBAL SPAIN

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## SOCIMI S.A

General Shareholders Meeting 28<sup>th</sup>  
June 2023



# 1. Business Highlights

More than €1,000M invested since  
2013 in Spain

270,466 sqm GLA

~89% Portfolio Occupancy

Non recourse to bank financing  
across the entire portfolio

Current External RICs Valuation of  
Portfolio (31/12/2022): €947M

# 1. Business Highlights

~95% of the portfolio's GLA being office space

Medium and long-term leases

Multidisciplinary management team with a wide experience in the sector

At least 80% profit-distribution as dividends as per SOCIMIs Legislation

Net Operating Income (NOI) in 2022:  
€47.4M \*

\* Net Operating Income from Zambal Spain Socimi, S.A.  
Income from leasing + Re-invoicing of expenses - Direct operating expenses (from property investments) + Amortization (Note 6 Stand Annual Accounts).

# 1. Who are we?

- Zambal Spain Socimi S.A. (hereinafter Zambal) is an investment vehicle created in 2013. Zambal's purpose is to invest and subsequently manage prime real estate assets in well-consolidated markets.
- Zambal is focused on a long-term investment policy, principally based on assets that generate stable incomes, due to their quality and location, as well as to the nature of their tenants (blue-chip entities market leaders within their sectors). This allows the generation of recurrent cash flows and creation of value for the shareholders.
- Zambal owns a portfolio of 13 buildings in Madrid with office and retail use. Most of them have medium or long-term lease contracts with tenants of proven credit capacity, being, amongst others, Enagás; Unidad Editorial; Distribuidora Internacional de Alimentación (DIA); BMW Ibérica, Vodafone España, ATOS Spain, Gas Natural/Naturgy, Everis Spain and the Community of Madrid.
- Most of the acquisitions have been made with full equity.
- The decision making process of Zambal allows the company to rapidly reach decisions on new potential acquisitions, enabling to close transactions where the time factor is a crucial element.
- Zambal is a vehicle externally managed by IBA Capital Partners S.L.; an independent private capital management company specialized in real estate investment.

## 2. 2022 Summary

- 1) Zambal is oriented towards prime real estate recurring rents-generating assets, preferably commercial (tertiary use), mainly located in Madrid :
  - I. During 2022, there has been a reduction in net rental income by € 3,0m. The main reason was due to the departure of the Ministry of Foreign Affairs from One Ágora building at the end of November 2021. Rent payments were maintained until 22<sup>nd</sup> February 2022, and the impact in rental income was € 5.9m, although it has been mitigated by the increase in rents due to CPI of € 2.0m and the reduction of covid bonuses provided in 2021 (€ 0,9m) among others.
  - II. Zambal initiated and important refurbishment in One Ágora that is expected to be finished in Q4 2023. The progress of the building works has aroused great interest in the office sector, due to the high level of amenities for future tenants.
  - III. This year there have been no new acquisitions.

### 1) Asset Management actions in 2022:

#### i. CAPEX:

- I. One Ágora : the refurbishment works carried out in the building up to December 2022 amount to € 12.8M.
- II. Albarracín 25: during 2021/2022 ATOS, the replacement of the air conditioning system has been conducted. The total investment made by the landlord amounts of €1,6M. Additionally, the EU has granted Zambal a subsidy for the reduction CO2 emission amounting to € 333k.
- III. Tripark building: during 2022 a landlord's CAPEX contribution of € 250k has been paid to the tenant in order to refurbish the 3<sup>rd</sup> Floor and extend the lease contract duration until December 2025.
- IV. Novus: A refurbishment of the inner courtyard has been done for a total cost of € 100k.

#### ii. New Agreements:

##### **AVDA. DE MANOTERAS 40:**

*Despite the strong impact of Covid on the cinema sector, a lease agreement has been signed with Restalia to occupy a retail unit on the ground floor of the building. There are two other interested companies in letting the remaining areas on GF.*

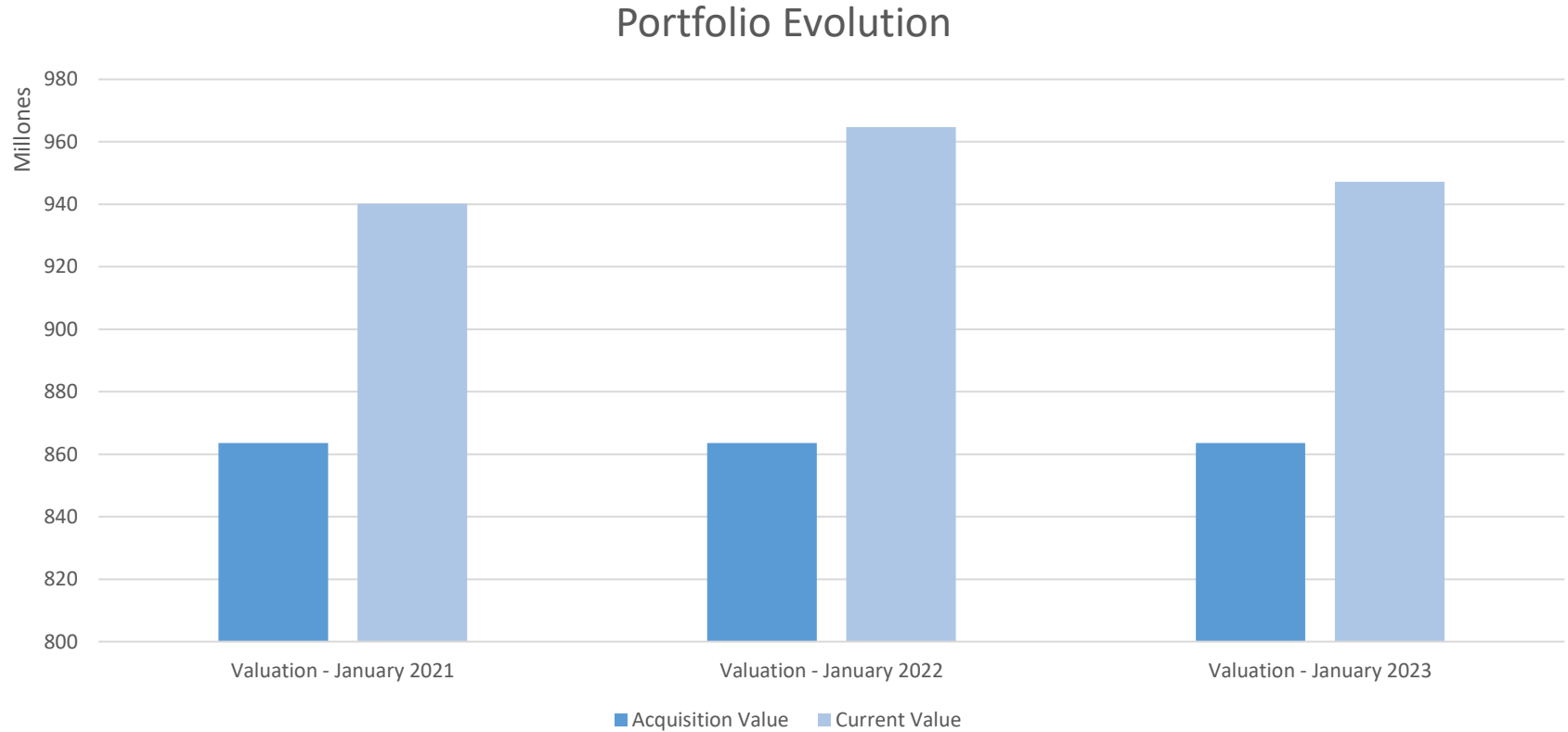
##### **LERIDA 44 (NATURGY):**

*An agreement is under negotiation to replace Naturgy (current tenant) with Lexer (user of the building).*

##### **AVDA SAN LUIS 25 (UNIDAD EDITORIAL):**

*Negotiations have started with the tenant to extend their lease agreement for 60% of the surface of the building and 8 additional years since January 2024. Zambal will start the refurbishment of the building in 2023.*

# 3.1. Portfolio Evolution



*RICS valuations by an external expert.*

## 4. Assets Acquired in 2013

# ZAMBAL SPAIN

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## SOCIMI S.A

### AVDA. DE SAN LUIS 25 (Madrid) OFFICE BUILDING



- Acquisition Date: September 2013
- GLA: 16,889 sqm + 403 parking units
- Tenant: UNEDISA (RCS Media Group)

The building is located in the north of Madrid between the M-30 and M-40 satellite highways and has direct access to the airport.

The property consists of five floors, three of them above ground, and is fully leased long-term to UNEDISA, one of the major Spanish media groups and a subsidiary company of the Italian media group RCS.

### ONE ÁGORA (Madrid) OFFICE BUILDING



- Acquisition Date: December 2013
- GLA: 30,469 sqm + 496 parking units<sup>(\*)</sup>
- Tenant: UNEDISA (RCS Media Group)

Contemporary building in Madrid designed by Gabriel Allende in 2004. This asset is divided into two twin towers, each with 15 floors above ground and three floors below ground, with direct access from the M-30 highway. The property is currently undergoing a comprehensive refurbishment process.

This project, in which IBA has collaborated with the architectural firm L35, involves a great improvement in the accessibility and representativeness of the building, the total renovation of its facilities, as well as the union of both towers and the creation of innovative common areas that will allow the extension of the services to be offered to tenants, thus becoming a benchmark in the office market and one of the most modern and innovative buildings in Madrid.

<sup>(\*)</sup> This will change after the refurbishment works.



## 4. Assets Acquired in 2014

### PRINC BUILDING (Madrid) OFFICE BUILDING



- Acquisition Date: June 2014
- GLA: 9,798 sqm + 187 parking units
- Tenant: ENAGAS

Located in the Embajadores neighborhood of Madrid, which is enjoying sustainable growth thanks to the Madrid Río urban park and the Mahou beer maker, among others.

The building consists of two blocks with separate entrances and communication cores. It has eight floors above ground level and three basements, and it is 100% occupied on a long-term lease by ENAGAS, the main supplier of natural gas in Spain.

### TRIPARK BUSINESS PARK (Las Rozas de Madrid) OFFICE BUILDING



- Acquisition Date: June 2014
- GLA: 10,480 sqm + 411 parking units
- Tenant: DIA

This contemporary building designed by Gabriel Allende and built in 2002 is part of the Tripark Business Park (developed by Hines). It has four floors above ground and two below ground, and the building has LEED Gold certification.

It is 100% leased to Distribuidora Internacional Alimentos, SA (DIA), one of the leading players in the food sector.



## 4. Assets Acquired in 2015

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### AVDA. DE BURGOS 118 (Madrid) OFFICE BUILDING



- Acquisition Date: January 2015
- GLA: 11,682 sqm + 495 parking units (\*)
- Tenant: BMW

A standalone building located in a prestigious business park at the junction of the A-1 and M-11 highways, adjacent to the future extension of Madrid's central axis: the Paseo Castellana.

The property is fully leased on a long-term contract to BMW and serves as the company's Spanish Head Office.

### AVDA. DE AMÉRICA 115 (Madrid) OFFICE BUILDING



- Acquisition Date: September 2015
- GLA: 50,421 sqm + 1,503 parking units
- Tenant: VODAFONE SPAIN

Located on the North side of Avenida de América in Madrid, the Vodafone Building has connections to the A-2 in both directions, the M-40 to the north, and the Alameda de Osuna and Canillejas neighborhoods. This business park, completed in 2012, is made up of five free-standing glass buildings surrounding a central area where the accesses come together. Each building has a ground floor plus six above-ground floors for office use, and two underground floors used as parking.

The whole building is rented on a long-term lease to Vodafone España, S.A.U. and it is the company's Spanish headquarters.

## 4. Assets Acquired in 2016

### AVDA. DE MANOTERAS 40 (Madrid) LEISURE CENTRE



- Acquisition Date: May 2016
- GLA: 12,923 sqm + 980 parking units
- Tenant: Multi Tenant (Main tenant CINESA-AMC)

The Manoteras Leisure Centre, is located 12 km from the city centre in the northern periphery of Madrid, directly facing the M-11 highway.

The property has a GLA of circa 13,000 sqm and hosts a large cinema operator, with 20 projection rooms and 4,000 seats, as well as 10 retail units leased to leading restaurant chains, providing the asset with a complete and varied leisure offer. The building also boasts 980 parking spaces at basement level.

### AVDA. DE SAN LUIS 77 (Madrid) OFFICE BUILDING



- Acquisition Date: December 2016
- GLA: 31,899 sqm + 979 parking units
- Tenant: Naturgy/Gas Natural SDG, S.A.

The asset consists of 14 buildings that form the corporate HQ of Naturgy in Madrid.

The building is located at Avenida de San Luis, 77, in the northern-central part of Madrid city between the M-30 and M-40 ring roads. It has direct access to the airport.

## 4. Assets Acquired in 2017

### SANTIAGO DE COMPOSTELA 96 (Madrid) OFFICE BUILDING



- Acquisition Date: November 2017
- GLA: 14,731 sqm + 182 parking units
- Tenant: Audiencia Provincial de Madrid

Office building located on the M-30, in the northwest area of Madrid. The property consists of 14 floors above ground with a total SBA of 14,731 sqm and 182 parking spaces. The building is fully rented to the Community of Madrid and serves as the headquarters of the Provincial Court of Madrid.

### LÉRIDA 44 (Madrid) OFFICE BUILDING



- Acquisition Date: November 2017
- GLA: 4,045 sqm
- Tenant: Naturgy/Gas Natural SDG, S.A

Office building located just 500 meters from the Azca area. It consists of 4,045 sqm of office space and is fully rented to Naturgy. The interior of the building was entirely refurbished in January 2016.

### AVDA. DE ALBARRACÍN 25 (Madrid) OFFICE BUILDING



- Acquisition Date: December 2017
- GLA: 14,904 sqm + 191 parking units
- Tenant: ATOS Spain, S.A.U.

Office building located in the Julian Camarillo office area. The property consists of 5 floors above ground with total SBA of 14,904 sqm and 191 parking spaces. The building is fully rented to Atos as their headquarters in Spain.

## 4. Assets Acquired in 2018

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**NOVUS BUILDING – AV. FUENTE DE LA MORA 1 (Madrid)** OFFICE BUILDING  
CENTRE



- Acquisition Date: October 2018
- GLA: 42,945 sqm + 561 parking units
- Tenant: Everis HQ, Hilti and Eurest

Grade A office building located in Camino Fuente de la Mora 1, in Manoteras business area. The property is located between A-1, M-11 and M-40 motorways , with excellent connections and public transportation facilities.

Novus building is composed of two connected buildings which share basements and main entrance. The property is distributed over 6 floors above ground and two floors below ground. The property is fully let and houses the business headquarters of the company Everis. The multinational Hilti and Eures complete the list of tenants of the Novus Building.

**ALBARRACÍN 31 (Madrid)** OFFICE BUILDING



- Acquisition Date: December 2018
- GLA: 19,727 sqm + 232 parking units
- Tenant: Spanish Penal Courts

Office building located in Calle Albarracín 31, within the business area of Julián Camarillo. The area is closed to Alcalá and Hermanos García Noblejas streets and enjoys excellent connections with the City of Madrid and the airport.

The building has a total gross lettable area of 19,727 sqm, distributed over ground floor + 3 levels and is provided with 232 below ground parking spaces. The property is fully leased to the Spanish Criminal Courts (Comunidad de Madrid).

## 5. Financial Information

# ZAMBAL SPAIN

## SOCIMI S.A

(€'000)

Balance sheet	31/12/2022	31/12/2021	Variance	% Variance
<b>Non-current assets</b>	<b>785,459</b>	<b>789,390</b>	<b>(3,931)</b>	<b>(0,5%)</b>
Investment properties	778,431	780,784	(2,353)	(0.3%)
Long-term investments	7,028	8,606	(1,578)	(18.3%)
<b>Current assets</b>	<b>55,290</b>	<b>62,695</b>	<b>(7,405)</b>	<b>(11.81%)</b>
Trade and other receivables	4,643	5,135	(492)	(9.5%)
Prepayments and accrued income	117	119	(2)	(2.5%)
Cash and cash equivalents	50,530	57,441	(6,911)	(12%)
<b>Total assets</b>	<b>840,749</b>	<b>852,085</b>	<b>(11,336)</b>	<b>(1.33%)</b>

Source: Stand Alone Annual Accounts for 2022 and 2021

### Non-current assets

- The principal item in non-current assets is investment property. During the period Zambal has made a CAPEX investments amounting to €12,327k and amortizations of €14,680k.
- The €7,028k under long-term investments related to deposits arranged at Public Housing Institutions of the pertinent Autonomous Regions (€6,698k) corresponding to 2-month rent deposits made by the tenants and straight line rents (€330k).

### Current assets

- The €4,643k under trade and other receivables relate to rents and invoiced expenses pending to collect (€2,391k), straight line rents (€2,128k) and others (€124k).



## 5. Financial Information

# ZAMBAL SPAIN

## SOCIMI S.A

(€'000)

Balance Sheet	31/12/2022	31/12/2021	Variance	% Variance
<b>Equity</b>	<b>778,577</b>	<b>787,293</b>	<b>(8,716)</b>	<b>1.11%</b>
Share capital	646,006	646,006	-	0.00%
Share Premium	66,522	66,522	-	0.00%
Reserves	41,224	37,433	3,791	10.13%
Treasury shares	(613)	(581)	(32)	5.51%
Profit/(loss) for the year	25,437	37,913	(12,476)	(32.91%)
<b>Non-current liabilities</b>	<b>7,444</b>	<b>7,364</b>	<b>8</b>	<b>1.09%</b>
Long-term payables	7,444	7,364	8	1.09%
<b>Current liabilities</b>	<b>54,728</b>	<b>57,428</b>	<b>(2,7)</b>	<b>(4.70%)</b>
Short Term financial liabilities	50,000	50,605	(605)	(1.20%)
Trade and other payables	4,692	3,503	1,189	33.94%
Advances from customers or accrued expenses	36	3,320	(3,284)	(98.92%)
<b>Total equity and liabilities</b>	<b>840,749</b>	<b>852,085</b>	<b>(11,336)</b>	<b>(1.33%)</b>

Source: Stand Alone Annual Accounts for 2022 and 2021

### Shareholders' Funds

- The Company's equity amounts to €778,577k of which €613k relates to treasury shares.

### Non-current liabilities

- Non-current liabilities relate to deposits received from the tenants.

### Current liabilities

- The Short Term financial liabilities was from related intercompany loans.
- The €4,692k mainly relates to the Capex.

## 5. Financial Information

# ZAMBAL SPAIN

## SOCIMI S.A

(€'000)

Income Statement	31/12/2022	31/12/2021	Variance	% Variance
Incomes	56,699	59,374	(2,675)	(4.51%)
<b>Total Revenue</b>	<b>56,699</b>	<b>59,374</b>	<b>(2,675)</b>	<b>(4.51%)</b>
Staff Costs	-	(328)	328	(100%)
Other Operating Expenses	(14,765)	(15,459)	694	(4.49%)
Fixed Asset Depreciation	(14,680)	(14,782)	102	(0.69%)
Impairment	(66)	(35)	(31)	88.57%
Other Operating Income	-	8,088	(8,088)	(100%)
<b>Total Operating Results</b>	<b>27,188</b>	<b>36,858</b>	<b>(9,670)</b>	<b>(26.24%)</b>
<i>% of Revenue</i>	47.95%	62.08%	(1.413pp)	
Financial Income	6	2,071	(2,065)	(99.71%)
Financial Expense	(1,757)	(1,025)	(0,732)	71.41%
<b>Financial Income/(Expense)</b>	<b>(1,750)</b>	<b>1,046</b>	<b>(2,796)</b>	<b>(267.30%)</b>
<i>% of Revenue</i>	(3.08%)	1.76%	(1.320pp)	
<b>Profit/Loss Before Taxes</b>	<b>25,438</b>	<b>37,904</b>	<b>(12,466)</b>	<b>(32.89%)</b>
Corporate Income Tax	-	-	-	
<b>Profit/(Loss) from ongoing operations</b>	<b>25,438</b>	<b>37,904</b>	<b>(12,466)</b>	<b>18.1%</b>
Profit/(Loss) from discontinued operations (Including CIT)		9	(9)	(100%)
<b>Net Profit/(Loss)</b>	<b>25,438</b>	<b>37,913</b>	<b>(12,475)</b>	<b>(32.90%)</b>

Source: Stand Alone Annual Accounts for 2022 and 2021

### Revenues & Operating Expenses

- The decrease in the Revenue is related to the departure of a tenant from one asset, mitigated by the increase in rents due to CPI and the reduction of covid bonuses provided in 2021. The Other Operating Income was the amount recovered from the City Council in 2021.

### Financial Income/expenses

- The Financial Income were directly linked to the interest over the amount recovered from the City Council in 2021.
- The Financial Expenses are from intercompany loans (€1,575k).



## 5. Financial Information

# ZAMBAL SPAIN

SOCIMI S.A

€'000

	31/12/2022	31/12/2021 (**)
Income	56,699	59,374
EBITDA*	41,934	51,675
Investment Properties (IP)	778,431	780,784
% EBITDA / IP	5,39%	6.62%

\* EBITDA is calculated as Operating Result - Fixed Asset Depreciation - Impairment

\*\* The EBITDA include the amount recovered from the City Council €8,088k in 2021, without this the % EBITDA/IP was 5,58%

## 6. Disclaimer

**ZAMBAL SPAIN**

SOCIMI S.A

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