

4 February 2026

Dear co-investor,

We closed 2025 with a satisfactory annual growth of around +20% in our international products and slightly higher returns in the Iberian fund. Our International fund, which represents approximately 70% of the firm's assets under management, has already more than tripled in value since its launch ten years ago.

As is often the case following an outburst of opinions on headline topics (AI, geopolitics, and—more recently—gold and silver prices), we prefer to remain on the sidelines. First, we understand that nobody can consistently predict outcomes. Second—and we believe this is good news—because such predictions are not required to grow our savings over the long term.

For example, at Azvalor, we built significant positions in gold and silver mining companies when they were largely ignored by the market. We have now exited these investments entirely, crystallising substantial capital gains from all of them. But we did not make any forecasts prior to these investments; instead, we partnered with strong management teams operating the highest-quality assets we could find, purchased at low prices. Those prices were low precisely because of the lack of interest in them and the absence of “headlines”. For this reason, we are now leaving the party just as the latest arrivals are showing signs of intoxication. And where are we going now? Well, as always, we continue to focus on finding good businesses, well-managed by trustworthy teams, that the market offers at attractive prices due to the clouds hanging over their very short-term outlook. With a larger, more experienced team now fully trained in the Azvalor Method, we are analysing a greater number of companies with increased depth and rigour. In our opinion, this is the most important news for future returns.

To assess what we can expect from current levels, we turn—as always—to our preferred indicator: the value of the companies in our portfolios relative to their current market prices. **Despite the sharp rise in the first days of January (more than +10% in our International fund), we continue to see significant upside¹**, which we detail below for each fund. As this upside diminishes due to rising share prices, we sell and look for new opportunities; if suitable alternatives are not available at attractive prices, we temporarily hold cash. This approach spares co-investors the need to trade in and out of our funds, as portfolio rotation is already managed at the company level.

The main US indices continue to trade at record valuation multiples, with an unprecedented concentration in a small number of stocks. In this environment, **Azvalor portfolios are invested in very different areas of the market, with virtually no overlap with these indices, and trade at around a 50% discount to the broader market. In our opinion, this approach implies lower risk and greater upside potential than the indices themselves.**

Let's look at the portfolios in detail.

Azvalor Iberia

The net asset value of Azvalor Iberia increased by +31% in 2025, reaching EUR 196, and by year-end had accumulated a return of +96% since launch.

During the year, we received two takeover bids for portfolio holdings (Catalana Occidente and Allfunds) at prices well above their market quotations. In addition, one of our core investments in recent years, Técnicas Reunidas, delivered an exceptional performance, rising +160% over the year. The portfolio remains concentrated (the top ten holdings represent 57%) in a limited number of high-conviction investments—companies we know in depth and have followed closely for many years.

As is our usual practice, we have fully or partially reduced positions that performed strongly and reinvested the proceeds in new opportunities. As a result, we continue to increase the value of the portfolio and its upside, which we currently estimate at **+54%**.

Azvalor Internacional

The net asset value of Azvalor Internacional rose by +19.5% in 2025, reaching EUR 281, and by year-end had delivered a return of +181% since launch.

The portfolio is also concentrated (the top 15 holdings account for 53%) in a group of outstanding companies—global or local leaders that are best in class—trading at valuations well below both the market and their own historical levels. By way of reference, for every 100 invested, these companies generate an earnings yield of approximately 11%, compared with around 4% for the US equity market.

Portfolio rotation has once again allowed us to increase the value of Azvalor Internacional while maintaining an attractive upside, which we currently estimate at **+69%**.

Azvalor Blue Chips

The net asset value of Azvalor Blue Chips grew by +14.7% in 2025 and by year-end had accumulated a positive return of +117% since launch.

Azvalor Blue Chips follows a strategy similar to that of the International fund, but focused exclusively on large-cap companies. At present, we estimate an upside potential of **+70%**.

Azvalor Managers

Azvalor Managers delivered a return of +21.4% in 2025 and, since its launch in 2018, has accumulated a total appreciation of +108%, equivalent to an annualised return of approximately +11%.

The fund has completed its seventh year of operation and manages more than EUR 200 million on behalf of over 2,200 investors. It holds a 5-star Morningstar rating and received a Citywire “Rating +” in 2025. The fund invests globally in companies selected by some of the managers we consider among the best in the world in their respective areas of expertise. It trades at around a 50% discount to the global equity market, with a clearly differentiated portfolio, approximately 30% exposure to emerging markets (including China), and more than 70% invested in small- and mid-cap companies.

Azvalor International Sicav Luxembourg

Azvalor International SICAV Lux, available to international investors, follows a similar strategy to other Azvalor investment vehicles. More specifically, the portfolio invests in companies present in our Azvalor Internacional fund, our international equities fund domiciled in Spain, and it selects the best ideas from Azvalor Iberia—our Iberian equity fund domiciled in Spain.

The fund trades at an average FCF yield of 11% and a weighted average ROCE of 21%. The **upside** of this investment vehicle at the end of the second half of the year is **+71%**.

The main positions added throughout the period are Vista Energy and Canadian Natural Resources. On the other hand, we sold Barrick Mining and Sprott Silver Trust, among others. Regarding performance contribution, **Barrick Mining was the top performer during the second half of the year.**

News at Azvalor

We closed 2025 with assets under management increasing by more than EUR 630 million, representing annual growth of +22% and bringing total assets to EUR 3.556 billion. Net inflows exceeded EUR 90 million during the year. Nearly 3,000 new co-investors joined Azvalor in 2025, bringing the total number of investors to over 30,000.

Last December, following approval by the CNMV, changes were announced to the prospectuses of certain Azvalor funds, which, as of January, are no longer classified as "author funds". This decision reflects the current reality of Azvalor: after years of investment in expanding and consolidating its analysis and management teams, the firm now has 14 professionals across its Madrid and London offices. It was therefore appropriate to align the funds' prospectuses with their actual operating model.

On the operational front, in October, we announced the launch of our tokenised investment fund within the CNMV's regulatory sandbox. This pioneering project, developed in partnership with Allfunds Blockchain and with BNP Paribas Securities Services acting as depositary and fund administrator, represents a milestone for the asset management industry by introducing an alternative distribution model for UCITS funds.

We are also pleased to report that in August, Azvalor received the **Gold rating** from Citywire Fund Group Rating. **Only 20% of asset managers achieve this distinction, which requires outperforming the sector's average score by 33%.**

Finally, we would like to highlight our ongoing commitment to social action through our Davalor project, carried out in collaboration with África Directo. In 2025, we contributed more than EUR 620,000 to projects across Africa, supporting 20 initiatives in more than nine countries. These included the construction and refurbishment of schools, improvements to hospital and dormitory infrastructure, solar installations, the purchase of educational materials and the funding of medical treatments. We extend our sincere thanks to all those involved in these initiatives and to the África Directo team.

Final considerations

We have navigated challenging periods (including the COVID-19 pandemic and the tariffs introduced by the Trump administration). Yet, the robustness of our portfolios and the quality of the companies in which Azvalor funds are invested have enabled us to overcome these difficulties—not only preserving capital, but multiplying it (fivefold since COVID-19, and +60% since April 2025).

We believe that equities are now more necessary than ever for those seeking to preserve purchasing power, given the highly likely inflationary policies in the developed world.

At Azvalor, we face the future with prudence, enthusiasm and optimism, grateful for the broad community of co-investors who have remained steadfast during difficult times, and for what we have achieved together so far. We will continue working to be a safe haven for our savings and those of our co-investors ([watch our 10th Anniversary video](#)).

Once again, we thank you for your trust and invite you to contact our Investor Relations team should you require further information on any of the topics discussed herein, or on any other matter of interest.

Sincerely,

Azvalor Asset Management SGIC Team

¹ The upside potential figures we refer to throughout this document are derived from the difference between the estimated value of each underlying portfolio asset, based on our internal valuation models, and their current market prices.