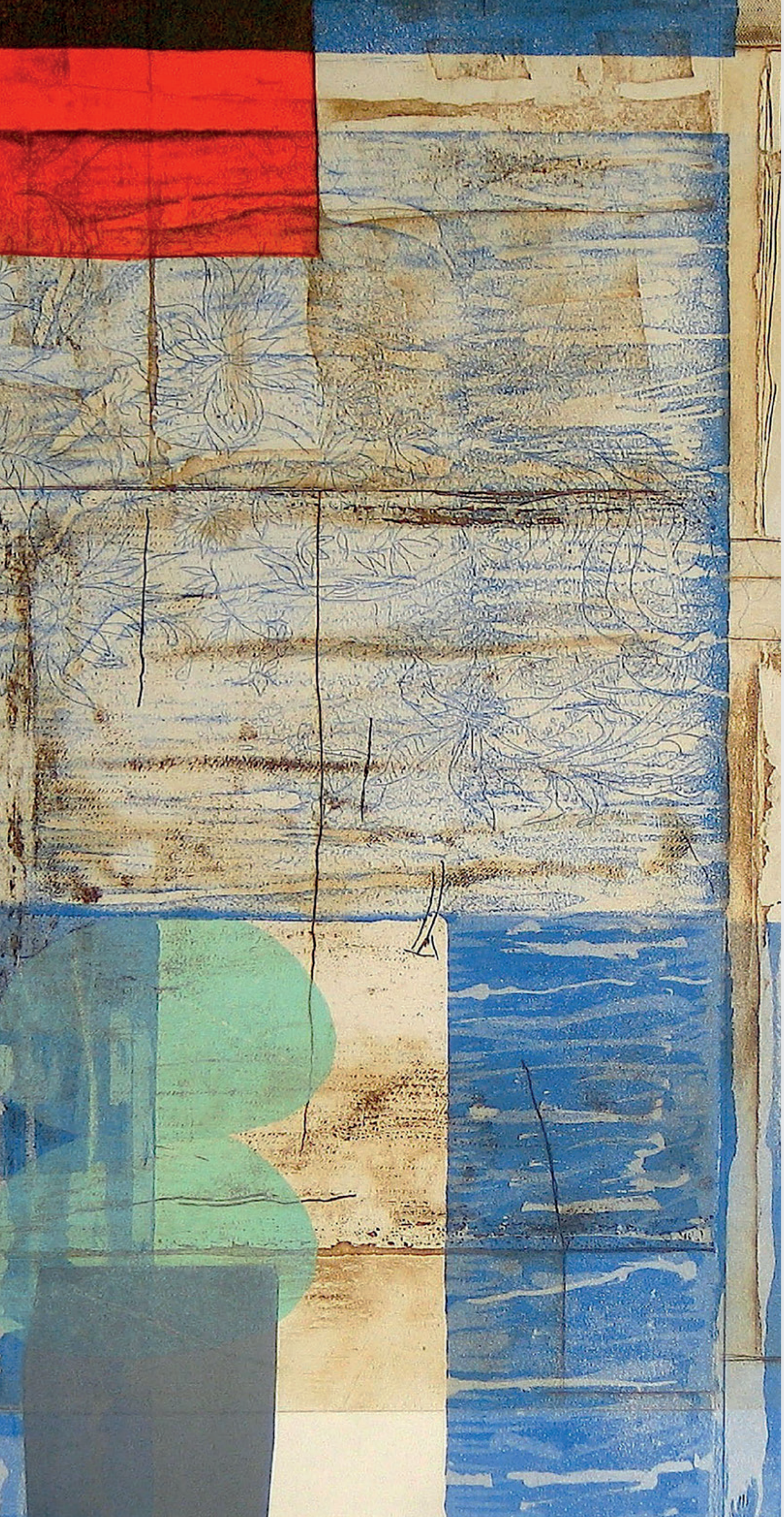


ANNUAL REPORT 2021

ALBA
GRUPO MARCH

CONTENTS

BOARD OF DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS

Chairman
Mr. Carlos March Delgado

Vice-Chairmen
Mr. Juan March de la Lastra
Mr. Juan March Juan

Board Members
Mr. Antón Pradera Jáuregui
Mr. Ignacio de Colmenares Brunet
Ms. María Eugenia Girón Dávila
Ms. María Luisa Guibert Ucín
Mr. Santos Martínez-Conde Gutiérrez-Barquín
Ms. Claudia Pickholz
Ms. Ana Maria Plaza Arregui

Non-Board Member Secretary
Mr. José Ramón del Caño Palop

AUDIT AND COMPLIANCE COMMITTEE

Chairwoman
Ms. Ana María Plaza Arregui

Members
Ms. María Eugenia Girón Dávila
Ms. Claudia Pickholz

Secretary
Mr. José Ramón del Caño Palop

APPOINTMENTS AND REMUNERATION COMMITTEE

Chairwoman
Ms. María Eugenia Girón Dávila

Members
Mr. Carlos March Delgado
Mr. Santos Martínez-Conde Gutiérrez-Barquín
Ms. Claudia Pickholz

Secretary
Mr. José Ramón del Caño Palop

Note: composition of the Board of Directors and its Committees on 28th March 2022, the date of preparation of the 2021 Annual Accounts.

INVESTMENT COMMITTEE

Chairman
Mr. Antón Pradera Jáuregui

Members
Mr. Ignacio de Colmenares Brunet
Ms. María Luisa Guibert Ucín
Mr. Juan March de la Lastra
Mr. Juan March Juan
Mr. Santos Martínez-Conde Gutiérrez-Barquín

Secretary
Mr. José Ramón del Caño Palop

MANAGEMENT

General Directors
Mr. Javier Fernández Alonso
Mr. Carlos Ortega Arias-Paz

Directors
Mr. José Ramón del Caño Palop
Mr. Félix Montes Falagán
Mr. Andrés Zunzunegui Ruano

Note: composition of the Board of Directors and its Committees on 28th March 2022, the date of preparation of the 2021 Annual Accounts.

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Ladies and gentlemen, shareholders:

I am very pleased once again to be able to write to you to inform you about the progress of Alba and its investee companies in the past financial year and in the first months of 2022.

After a 2020 year affected by the COVID-19 pandemic, last year was marked, globally, by the mass vaccination of the population, at least in the developed countries, and by the progressive lifting of health restrictions, with the consequent reactivation of economic activity, although with some reversal being caused by the successive waves and new variants of the virus.

In any case, we think the worst of this health crisis has already been overcome and hope that in 2022 we will definitely return to a pre-COVID-19 level of normality, bearing in mind, however, that the virus will probably not completely disappear. The recent restrictions in several Chinese cities and the uptick in contagion in various countries, after most social distancing restrictions and measures had been eliminated, remind us that the virus still has the potential to distort social and economic life. It should also be noted that a large part of the world's population does not yet have access to the full vaccination programme, and this raises the risk of new outbreaks in the future.

The human and economic cost has been enormous, but so has the reaction of the States and the main Central Banks, which managed to alleviate to a great extent the contraction caused by the stoppage of economic activity in the first half of 2020. The fiscal and monetary measures, while necessary to avoid a major crisis in terms of liquidity and solvency, have aggravated several of the imbalances existing in many countries, especially regarding debt and public deficit.

The economic reopening, very significant in many countries from mid-2021, led to a strong recovery in employment and demand, with considerable consequences in commodity prices, supply chain tensions and the sudden emergence of strong inflationary pressures, which are added to the ultra-expansive monetary policies mentioned above.

The Russian invasion of Ukraine – the first large-scale conventional war between two European countries since the end of World War II – has compounded this trend in early 2022. This military attack, unanimously condemned by western countries and which has generated a wave of global solidarity with the Ukrainian people, brings forth a new human drama with a high number of civilian victims in the Ukrainian population and a large movement of refugees into the European Union. However, it also has multiple consequences at the geopolitical and economic level, in the short and long term, and has highlighted tangible threats to European and global stability.

Strong economic sanctions on Russia and heightened geopolitical instability have led to a considerable uptick in the prices of raw materials – especially energy – while the effects of combat in Ukraine are in turn having a very relevant impact on the supply and prices of various agricultural raw materials, which could seriously affect other countries, especially in the Middle East and North Africa. The medium and long-term effects are difficult to assess at this time, but it is clear that they will be greater the longer the conflict lasts or if it scales to greater proportions.

Therefore, from a purely economic point of view, we can say that the war in Ukraine is contributing to exacerbating the previously mentioned inflationary tensions and to accelerating the process of normalising monetary policies, which will translate into interest rate increases. This process is more advanced in the United States, which has strong economic growth and low unemployment and is less affected by the war, while Europe is taking a more cautious position, likely due to weaker economic development in a more unstable environment on the back of the Ukrainian crisis.

In any case, we think interest rate hikes are inevitable in the face of inflation levels not seen in several decades, and the big challenge for central banks is to be able to normalise monetary policies without affecting economic growth. Many governments, including Spain's, will necessarily be forced to review their public accounts when faced with higher financing costs on increased indebtedness due to the measures adopted in dealing with COVID-19.

From a **macroeconomic** perspective, we feel there is no need to look at specific data from 2021 at an international level, other than the fact that this year there was strong economic growth in most countries due to the reopening of activity, although with certain differences between them, with the United States being one of the countries that showed the greatest strength.

In **Spain,** real GDP grew by 5.1% in 2021, after the 10.8% drop it suffered in 2020. The recovery in Spain has been slower than in other countries as a result of our high exposure to the tourism sector and, possibly, the lower weight of export activity and the lack of flexibilities in our labour market. Indeed, prior to the war in Ukraine, estimates indicated that Spain would not likely recover pre-crisis GDP until the end of 2022 or 2023.

However, the impact of Ukraine's war on energy costs and prices of all kinds of raw materials is creating downward revisions to our country's growth estimates for 2022, with the International Monetary Fund recently lowering its growth forecast from 6.4% to levels slightly below 5.0%.

On the other hand, the strong increase in inflation is having a big impact; it had already started to manifest since mid-2021, closing the year at an annual rate of 6.5%, but has shot up to 9.8% year-on-year by the end of March – levels not seen since 1985. We had already warned in last year's Annual Report of a potential uptick in inflation, but the current situation has far exceeded our expectations. Although it is true that part of this increase may have a cyclical component, the impact on citizens' savings and disposable income is very worrisome, with the possibility of high inflation rates and low economic growth becoming a chronic scenario, and the consequent loss of competitiveness in an economy like Spain, with relatively low productivity rates and an inflexible labour market.

Although the pace of normalisation of the monetary policy in Europe is still unknown, the more-than-likely increases in interest rates and the lower purchases of public debt by the European Central Bank will contribute to increasing financing costs for all economic actors and, especially, for the Public Treasury itself, whose debt has increased notably due to the mentioned measures to alleviate the impact of COVID-19. Thus, at the end of 2021, public debt in Spain was at 118% of GDP, one of the highest figures in more than a century. Although the percentage of government debt over GDP benefited from GDP growth in 2021, government debt continued to increase in the year, to €1.4 trillion (+6.1%), and the public deficit, although lower than in 2020, was still very high, reaching 6.9% of GDP. As we already stated in the previous Annual Report, we expect these worrying levels will not improve in the coming years as public deficits will foreseeably remain high. Although the increase in indebtedness has been widespread in all countries, the pandemic has only worsened the weakness of our public accounts, particularly in the face of rising interest rates, which is no longer just a possibility but has now become a real threat. Therefore, we think that significant reforms may be necessary to deal with the new macroeconomic scenario, also including the traditional problems of the Spanish economy, such as the lack of flexibility of our labour market, structural and youth unemployment, the sustainability of public pensions and the improvement and modernisation of our education system.

To finish this macroeconomic section on a more positive note, we would like to highlight, on the one hand, the notable recovery in employment during 2021 and, on the other hand, the significant allocation of European recovery funds to Spain that represents a good opportunity to accelerate the modernisation of our country in areas such as new technologies, renewable energy, etc. With regards to the labour market, it is noteworthy that at the end of 2021, levels prior to the pandemic had been recovered, both at the employment level as well as in the number of unemployed and the unemployment rate – although this data has been positively affected by the temporary workforce reduction programmes ("ERTEs") carried out during the pandemic, with their extensions having just ended.

Stock markets, meanwhile, performed very positively in 2021, with widespread increases driven by the economic reopening, demand and savings accumulated during lockdowns and, significantly, by continued expansive monetary policies, which, as we have already discussed, were substantially extended to alleviate the effects of the pandemic.

Among the world's major stock markets, the most notable performance was seen in the North American indexes, which reached new all-time highs: the S&P 500 (+26.9%), the Nasdaq 100 (+21.4%) and the Dow Jones (+18.7%). These increases were accompanied this time round by strong revaluations also seen in many of the European markets, led, for example, by the French CAC 40 (+28.9%), the Dutch and Swedish indexes (+27.7% each) or the Italian Mibtel (+22.5%), while the German DAX and the British FTSE 100 went up by 15.7% and 14.3%, respectively. For its part, the Ibex 35 performed positively, but less markedly so than the rest of European indexes (+7.9%), and is one of the few indexes on the continent that had not recovered to pre-pandemic levels by the end of 2021.

The worst annual performance among major global indexes was in the Chinese market (-5.2% in the China 300 and -14.1% in the Hang Sheng) and the Brazilian Bovespa (-11.8%).

The buoyant market tone was quickly truncated in the first few weeks of 2022 by the sharp rise in commodity prices and inflation in general as well as by geopolitical instability, with sharp declines in the first few days of the Russian attack on Ukraine. While most indexes have recovered in recent weeks from strong initial declines, almost all of them finished the first quarter in negative figures.

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Although, at the stock market level, the initial impact of the war has, in many cases, been recovered or even exceeded, we recommend that investors be extremely prudent because of the effect that the current environment can have on business results and the potential reduction in market valuations as a result of rising interest rates. At Alba, we remain true to our philosophy of maintaining a long-term vision, with low indebtedness, an adequate balance between profitability and risk and prioritising those companies with strong balance sheets and management models. The key to investment in the equity markets in the medium and long term ultimately lies in the growth of profits and cash flow of the companies and we believe that good long-term investment opportunities could be found even in the current context.

If we now focus on the performance of Alba In 2021, the Net Asset Value ("NAV") rose by 26.2% in the year to €5,433 million at the end of the year. NAV per share grew by the same rate, ending the year at €93.29 per share.

However, in the first months of 2022, until 31 March, the NAV and NAV per share fell by 4.4%, down to €5,195 million and €89.20 per share, respectively.

In addition, the Alba share price increased by 32.2% in 2021, to €51.50 per share at the end of the fiscal year, with a better performance than Eurostoxx 50 (+21.0%) and Ibex 35 (+7.9%).

In the first quarter, the share price rose by 2.9%, to €53.00 per share, compared to the 3.6% drop for Ibex 35 and 9.2% drop for Eurostoxx 50.

As for **Alba's results,** in 2021 it achieved a consolidated net profit of €302.7 million after tax, compared to losses of €102.4 million in the previous year. This strong recovery was mainly due to the substantial improvement in the results of practically all of our investee companies, some of which suffered notably in 2020, both due to the lower activity caused by the pandemic and the significant impairment of assets that was accounted for by several of them. Additionally, the results were favoured by the increase in the fair value of financial instruments and the capital gains obtained in various sales of assets and financial investments.

Alba made a net profit of €5.20 per share in the fiscal year, compared to a net loss of €1.76 in 2020.

In this report, you can find a more detailed analysis of the various items that make up Alba's Profit and Loss Statement and the Balance Sheet, as well as information about the performance of our investee companies in the 2021 financial year.

In 2021, the volume of **investments** amounted to €964.0 million, a record year in both the volume of funds invested and the number of investments made. This amount compares to the €67.3 million invested in 2020 and includes the following investments:

- The purchase of an indirect stake of 12.28% in Atlantic Aviation for €312.2 million, through KKR Apple Holdings Corporation. With a presence in 78 airports in the United States, Atlantic Aviation is one of the leading providers of airport services for private and corporate aviation in the country.

- The purchase of an indirect stake of 14.68% in ERM Worldwide Group Limited for €249.4 million, through the acquisition of a 15.97% stake in Nature Topco UK Limited. ERM is based in London and is the world's leading Company specialising in environmental, sustainability and health and safety consulting services.

- The purchase of a 23.71% stake in Profand Fishing Holding through an investment of €101.0 million, by means of the purchase of shares and the subscription of a capital increase aimed to support the Company's organic and inorganic growth. Profand is one of the leading companies in the fishing sector in Spain and a world leader in the fishing and marketing of cephalopods. It has mining activities and processing plants in Spain, the United States, Argentina, Morocco, India, Peru and Senegal.

- The acquisition of a 3.13% share in Befesa for €70.0 million, in the context of the capital increase carried out by Befesa to finance the acquisition of American Zinc Recycling in the United States. With this investment, Alba increased its share in Befesa to 5.10%.

- The purchase of the office building located at Paseo de la Castellana 42 in Madrid for €54.5 million.

- Increase in stakes in Viscofan (0.93%) and Ebro Foods (0.44%), for €25.0 million and €11.4 million, respectively.

- The contribution of €13.3 million in a capital increase in Piolín II, a Company through which an indirect stake in Parques Reunidos is held, to finance the acquisition of an amusement park in the United States.

- Other financial investments for a total amount of €127.2 million.

On the other hand, **divestments** were made in 2021 for a total amount of €461.9 million, among which the following stand out:

- The sale of its entire stake in Euskaltel (11.00%), for €216.2 million, as part of the takeover bid of Grupo MásMóvil.

- The sale of shares representing 7.32% of the share capital of Indra Sistemas for €127.4 million. At the end of the year, Alba held a 3.21% stake in the capital of this Company.

- The sale of 1.57% of Acerinox for €49.5 million.

- The sale, through Deyá Capital, of the 16.83% stake in Alvinesa, for €48.4 million.

- And the sale of several properties in Madrid, for a total of €20.4 million.

As a result of these asset purchases and sales, Alba's net cash – excluding the impact of the global consolidation of Satlink, Nuadi and Preving (companies held through Deyá Capital) – was reduced substantially, from €522.8 million at the end of 2020 to €181.5 million at the end of 2021. Despite the reduction, this cash position, together with Alba's prudent debt capacity, gives our Company an important financial capacity to undertake new investments. True to its philosophy of prudence and long-term vision, Alba continues to analyse new investment opportunities in listed and unlisted companies in both Spain and internationally.

Among the transactions announced or completed after the end of the fiscal year and until 31 March 2022, the most significant include the investment of €94.9 million in the purchase of a minority stake (2.77%) in the listed Italian technology company Technoprobe, the sale, through Deyá Capital, of the stake in Satlink for €48.5 million – of which €9.4 million was reinvested in Satlink itself as part of the sale agreement – and the sale of a real estate property in Madrid for €7.5 million.

With regard to the **rules and practices of good corporate governance,** Alba has continued its efforts to incorporate into its internal regulations and practices both the new rules that have been introduced and the recommendations on good corporate governance.

As regards internal regulations, amendments to the Articles of Association were made during 2021, the Regulations of the General Meeting and the Regulations of the Board of Directors in order to adapt them to Act 5/2021, of 12 April, in particular with regard to holding General Shareholders' Meetings exclusively by teleconference, to the approval of the Statement of Non-Financial Information and related operations as well as to the remuneration of the directors for the performance of executive functions.

On the other hand, and taking into account the amendment to the Code of Good Governance for Listed Companies approved by the CNMV (Spanish Stock Exchange Regulator) on 26 June 2020, the Sustainability and Communications policies were updated that same year and, for the same purpose, a new Corporate Governance Policy was approved in early 2021, which has taken into account the modifications of the other corporate policies and the resulting organisational changes.

The organisational changes include the composition of the Board of Directors, which, on the occasion of the General Meeting held in June 2021, was reduced from twelve members to ten, of which three are "proprietary directors", six "independent directors" and one holds the category of "other external director". This composition of the Board is considered appropriate to the Company's capital structure and is also balanced in terms of knowledge, experience and different types of the board members.

Regarding gender diversity in the composition of the Board, following Recommendation 15 of the Code of Good Governance for Listed Companies (new wording approved by the CNMV on 26 June 2020), in 2020 the Board set an objective for the least represented sex on the Board of Directors to reach 40% of its total members and the guidelines for complying with this, and this objective was reached at the General Meeting held on 21 June 2021.

Also at the proposal of the Appointments and Remuneration Committee, during 2021 the Board proceeded to its evaluation according to the approved matrix of competencies. However, a new competency matrix has been approved in early 2022 and will be considered for upcoming evaluations.

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Likewise, in 2021 the Company complied with all the applicable recommendations of the Code of Good Governance for Listed Companies, approved by the CNMV in 2015 and amended in 2020. Specifically, out of a total of 64 recommendations, 53 are applicable, 52 of which are fully complied with and only one complied partially.

The following reports and documents were also approved: the Annual Corporate Governance Report, the Report on Remuneration of Directors, the Non-Financial Information Report, the Related-Party Transactions Report and the Board's Evaluation, as well as other additional reports issued by the Board's Committees. Monitoring and Internal Audit reports on Risk Control and Management, Regulatory Compliance and Crime Prevention functions have also been prepared and submitted to the relevant bodies.

With regard to the **distribution of profit for the year,** the Board of Directors has proposed to the General Shareholders' Meeting the distribution of an ordinary dividend of €1.00 gross per share for 2021, which will entail the payment, subject to prior approval by the General Shareholders' Meeting due to be held in mid-June, of €0.50 gross per share. This dividend would be complementary to the one of the same amount paid in October last year.

Finally, as usual, I would like to finish this letter by expressing, on behalf of the entire Board of Directors, our gratitude to all of the employees of our Company and of all our investee companies for their professionalism, enthusiasm and dedication, and all of you, our shareholders, for your trust and support.

Sincerely,
Carlos March Delgado

MOST SIGNIFICANT DATA

MOST SIGNIFICANT DATA

ECONOMIC – FINANCIAL

In millions of euros unless otherwise indicated	**2021**	2020	2019	2018
Share capital	58	58	58	58
Net equity	4,205	4,024	4,348	4,059
Shares outstanding (thousands)	58,240	58,240	58,240	58,240
Net income	303	(102)	179	154
Dividends	58	58	58	58
Earnings per share in euros	5.20	(1.76)	3.08	2.65
Dividend per share in euros	1.00	1.00	1.00	1.00

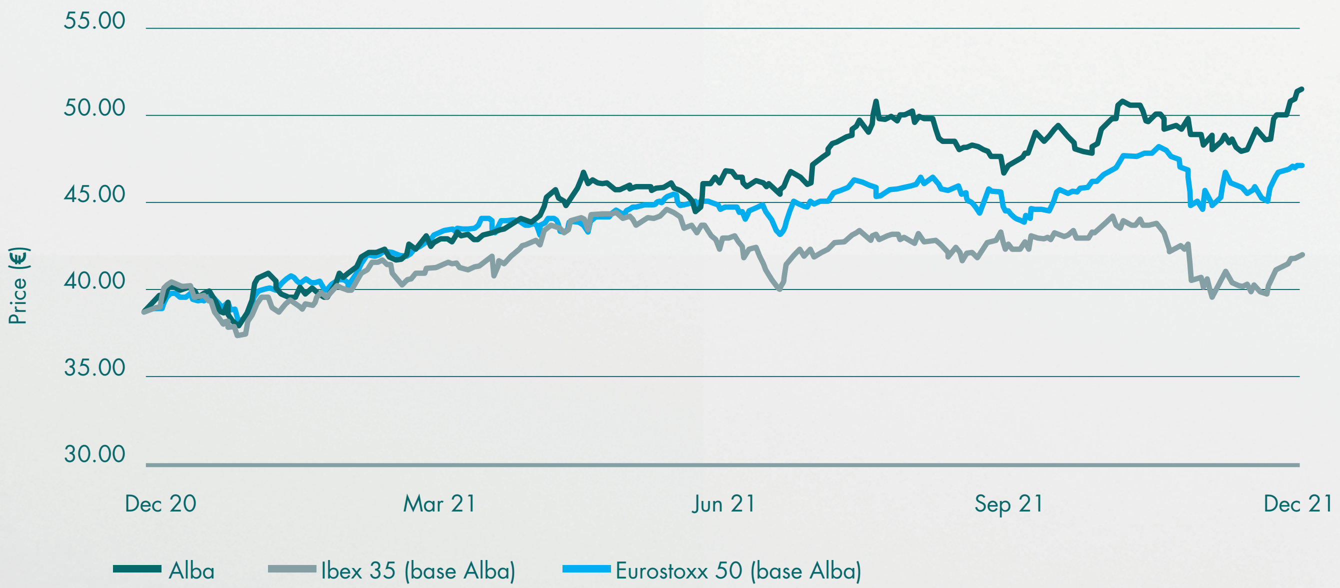
STOCK MARKETS

	2021	2020	2019	2018
Closing price in euros per share				
Maximum	51.50	48.55	49.75	51.90
Minimum	37.85	30.85	40.65	39.35
Last	51.50	38.95	48.55	42.50
Market capitalisation at 31/12 (millions of euros)	2,999	2,268	2,828	2,475
Volume traded				
Number of shares (thousands)	3,668	6,706	2,814	6,521
Millions of euros	167	244	129	290
Daily average (millions of euros)	0.7	0.9	0.5	1.1
Dividend yield (on last price)	1.9%	2.6%	2.1%	2.4%

MOST SIGNIFICANT DATA

Alba's share price rose 32.2% in 2021, a significantly higher performance than the Ibex 35, which increased by 7.9%, and the Eurostoxx 50, which rose by 21.0% in the year.

ALBA'S STOCK MARKET PERFORMANCE IN 2021 AGAINST IBEX 35 AND EUROSTOXX 50



Source: Bloomberg.

Likewise, the performance of Alba's shares on the stock exchange over the last ten years has been better than that of the Ibex 35, although it is slightly lower than the performance of Eurostoxx 50. From December 2011 to the end of 2021, the price of Alba's shares rose by 70.4%, while during the same period the Eurostoxx 50 went up by 85.6% and the Ibex 35 marginally increased by 1.7%.

ALBA'S STOCK MARKET PERFORMANCE OVER THE LAST 10 YEARS COMPARED TO IBEX 35 AND EUROSTOXX 50

Source: Bloomberg.

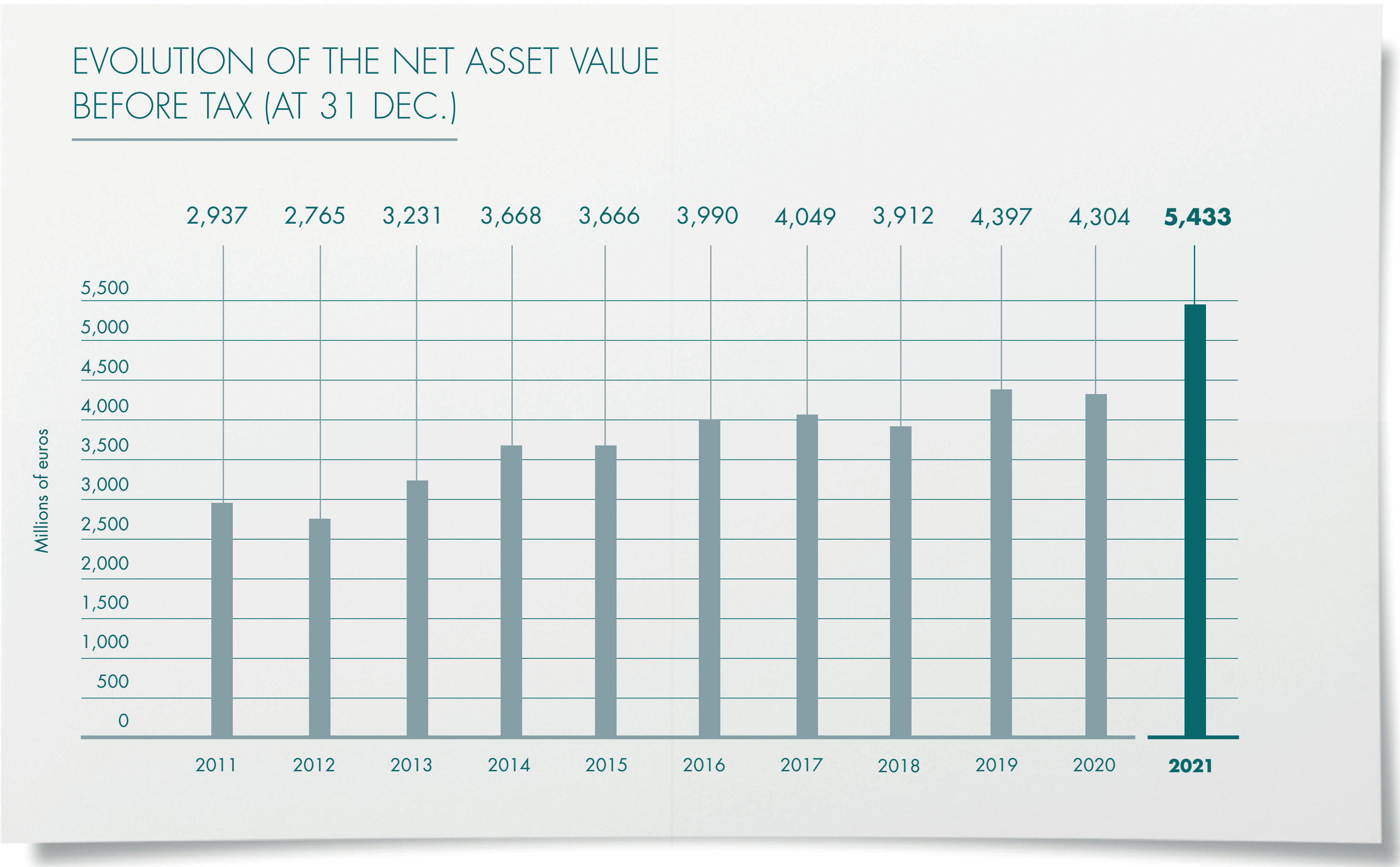
MOST SIGNIFICANT DATA

NET ASSET VALUE

In millions of euros unless otherwise indicated	**2021**	2020	2019	2018
Data to 31/12				
Net Asset Value	5,433	4,304	4,397	3,912
Net Asset Value in euros per share	93.29	73.89	75.50	67.17

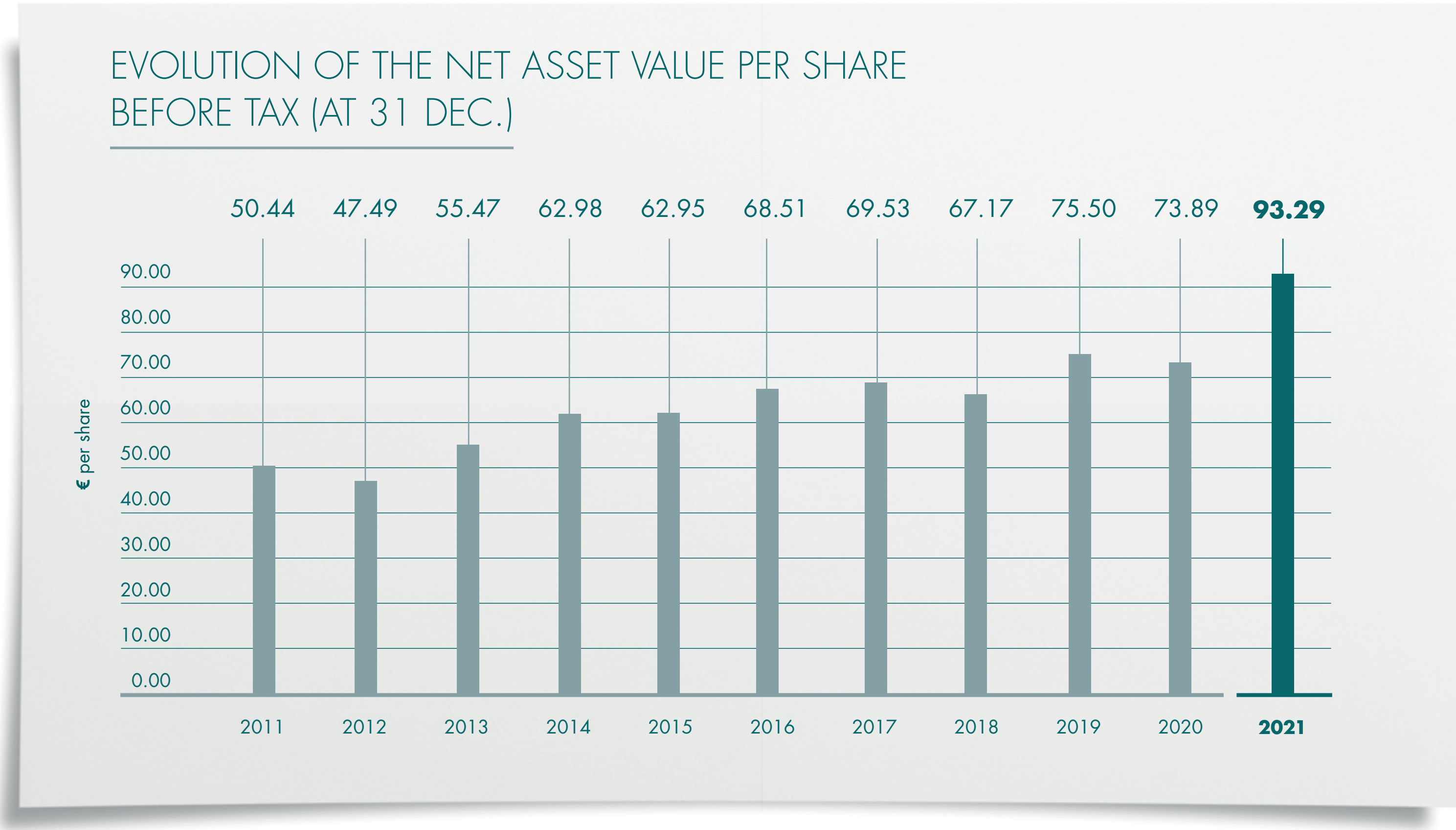
Considering the amounts at the end of each year, the NAV increased by 26.2% in 2021, reaching its greatest historic value in closing a financial year.

The following graph shows the evolution of the NAV since the end of 2011, where the progressive increase over the period and the significant growth experienced this last fiscal year can be seen:

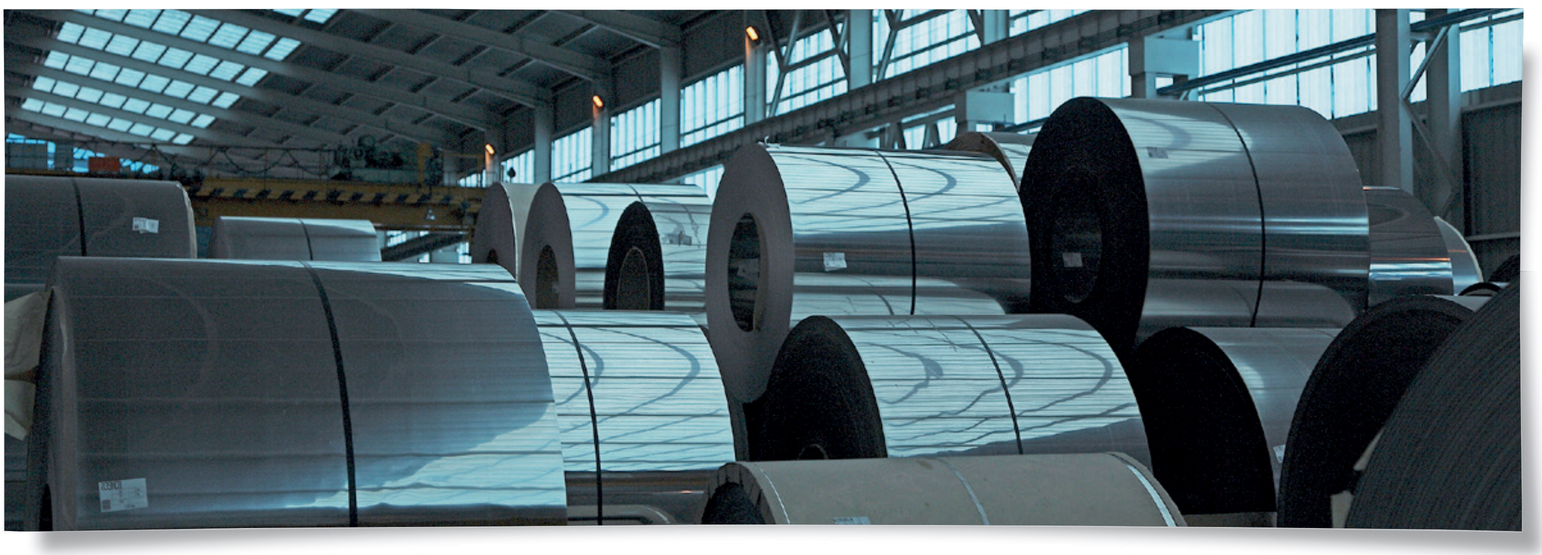


MOST SIGNIFICANT DATA

The following table shows the evolution of the NAV per share in circulation over the same period, before tax, at 31 December of each year:



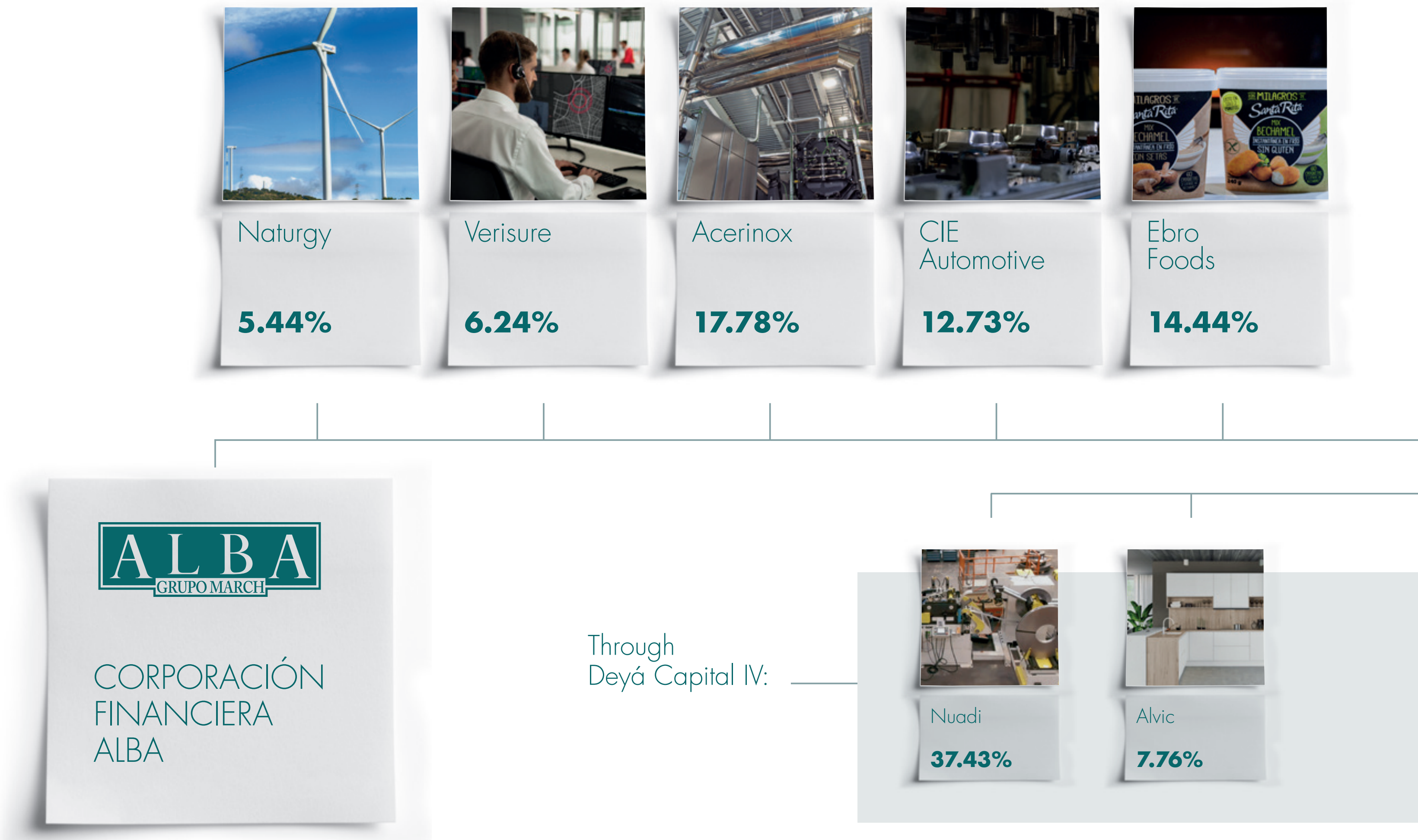
In the last ten years, Alba's NAV per share increased by 85.0%, a performance similar to that of the Eurostoxx 50 (+85.6%), but much higher than that of the Ibex 35 (+1.7%), both already mentioned. It should be noted that, in this period, Alba distributed dividends to its shareholders totalling €10.00 gross per share. Taking these dividends into account, Alba's NAV per share would have increased by 104.8% over the past ten years.



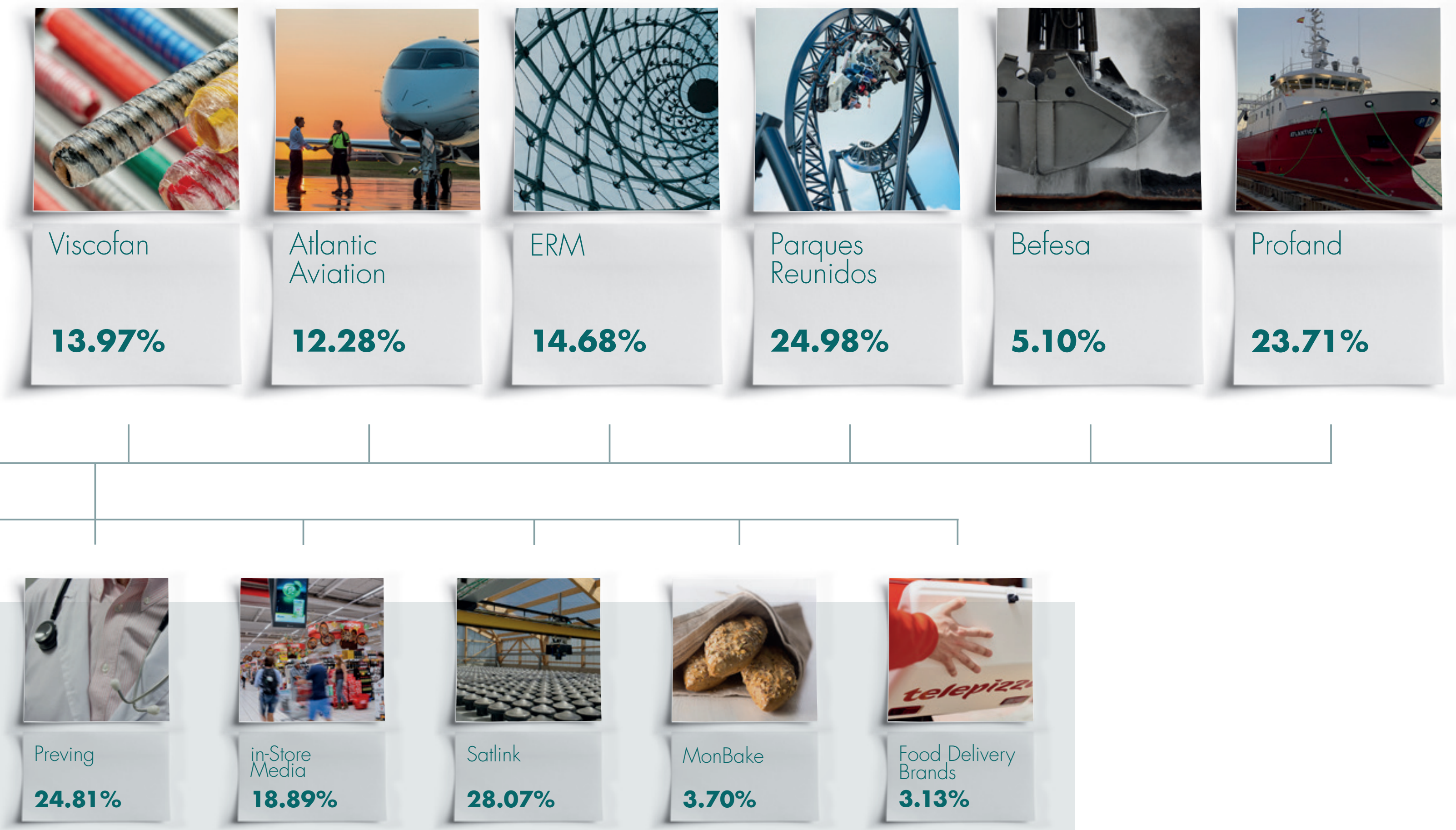
MOST SIGNIFICANT DATA

INVESTMENT PORTFOLIO

Structure of the main Investee Companies of Alba at 31 December 2021*:



* Direct and indirect stakes in the operating Companies.


Viscofan
13.97%
Atlantic Aviation
12.28%
ERM
14.68%
Parques Reunidos
24.98%
Befesa
5.10%
Profand
23.71%
Preving
24.81%
in-Store Media
18.89%
Satlink
28.07%
MonBake
3.70%
Food Delivery Brands
3.13%

MOST SIGNIFICANT DATA

Value of the portfolio at 31 December 2021:

	Market value on the Stock Exchange[1]		
Listed companies[2]	Percentage of ownership	Millions of euros	Euros per share
Naturgy	5.44	1,106.9	28.630
Acerinox	17.78	547.6	11.385
CIE Automotive	12.73	426.7	27.360
Ebro Foods	14.44	375.1	16.880
Viscofan	13.97	369.5	56.900
Befesa	5.10	137.6	67.400
Others		226.4	
Total stock market value		**3,189.9**	
Total book value		2,289.6	
Unrealised capital gain		**900.3**	
Unlisted companies[3]		**1,646.5**	
Real estate properties[3]		**352.0**	

(1) Closing prices as of 31 December 2021.
(2) Shareholdings consolidated by the equity method, except for Befesa and "Others", which includes financial stakes in listed companies, which are accounted at fair value (among others, the stakes in Indra Sistemas and Global Dominion).
(3) External valuation or acquisition cost on the most recent investments.

The evolution of the investment portfolio in recent years is detailed below:

	Percentage of ownership (%)			
	31-12-2021	**2021 Variation**	31-12-2020	31-12-2019
Listed companies				
Naturgy	5.44	-	5.44	5.36
Acerinox	17.78	(1.57)	19.35	19.35
CIE Automotive	12.73	-	12.73	10.15
Ebro Foods	14.44	0.44	14.00	14.00
Viscofan	13.97	0.94	13.03	13.03
Befesa	5.10	2.78	2.32	-
Global Dominion	5.27	0.27	5.00	5.00
Indra	3.21	(7.31)	10.52	10.52
Euskaltel	-	(11.00)	11.00	11.00
Bolsas y Mercados Españoles	-	-	-	12.06
Unlisted companies				
Verisure(1)	6.24	(0.01)	6.25	6.14
Atlantic Aviation	12.28	12.28	-	-
ERM	14.68	14.68	-	-
Parques Reunidos	24.98	-	24.98	24.98
Profand	23.71	23.71	-	-
Nuadi	37.43	-	37.43	37.43
Alvic	7.76	-	7.76	8.89
Preving	24.81	-	24.81	24.81
in-Store Media	18.89	-	18.89	18.89
Satlink	28.07	-	28.07	28.07
MonBake	3.70	-	3.70	3.70
Food Delivery Brands	3.13	-	3.13	3.13
Alvinesa	-	(16.83)	16.83	16.83
TRRG Holding	-	-	-	7.50

(1) Stakes net of minority shareholders in Alba Investments, S.à r.l.

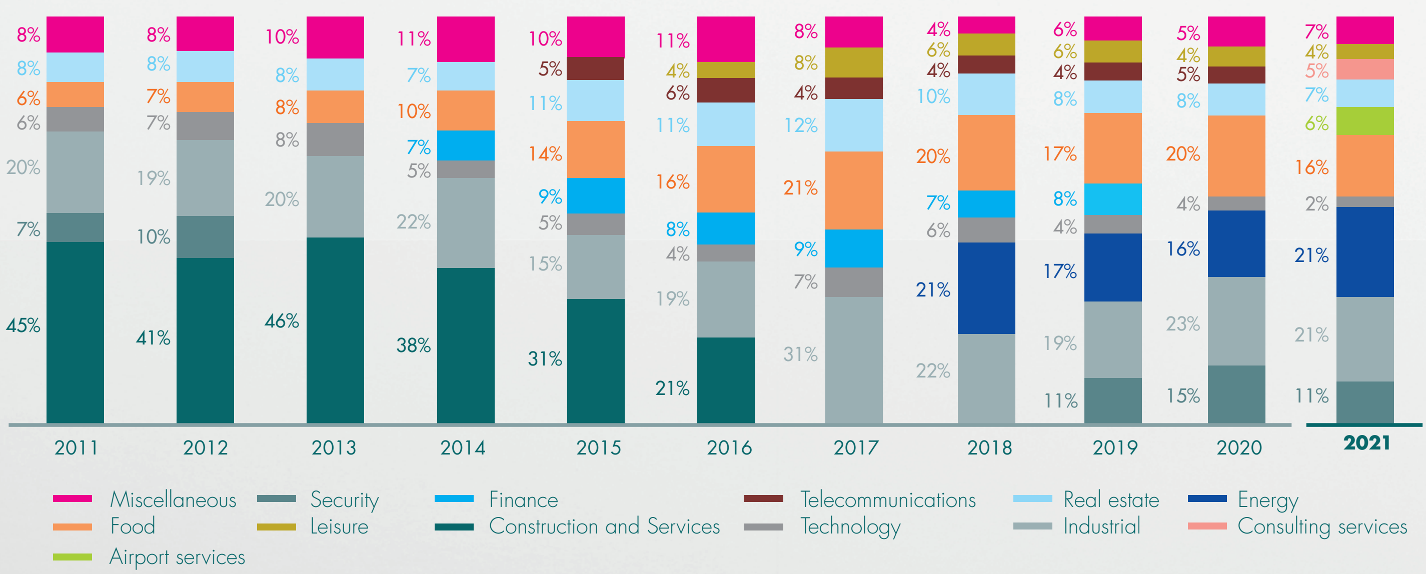
MOST SIGNIFICANT DATA

Apart from the already mentioned purchases and sales of shares, it should be noted that the increase in the stake in Global Dominion in 2021 was due to the amortisation of own shares carried out by this Company.

SECTOR DIVERSIFICATION

Adding together the market value of the holdings in listed and unlisted companies and real estate properties gives the following sectoral distribution of Alba's investments (in percentage terms):

SECTORAL BREAKDOWN OF ALBA'S PORTFOLIO (AT 31 DECEMBER)



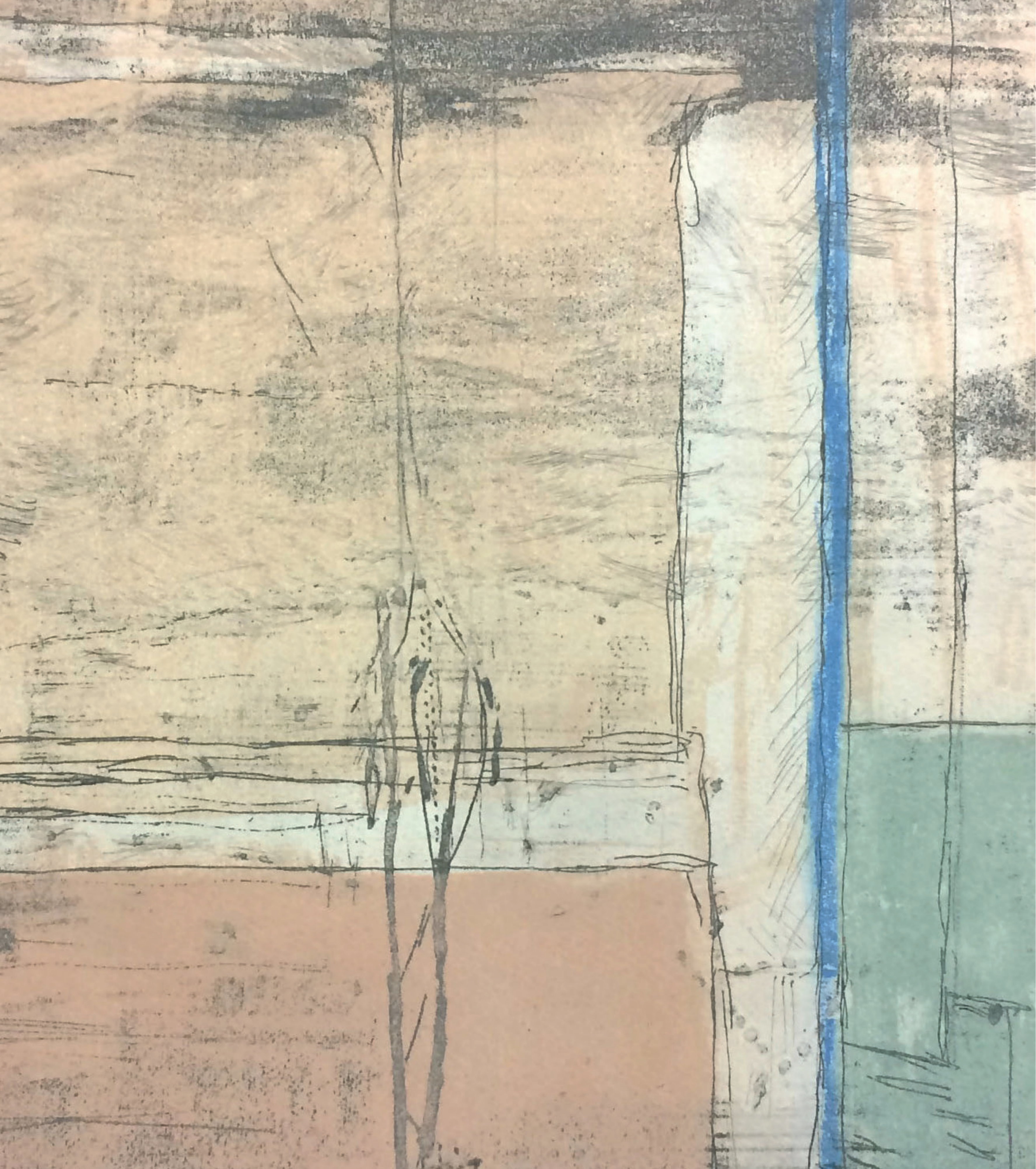
The composition of Alba's portfolio has changed substantially in recent years, significantly increasing its diversification by sector.

From 2011 to 2021, Alba invested in new sectors such as Energy (Naturgy), Leisure (Parques Reunidos), Airport Services (Atlantic Aviation) and Consulting Services (ERM), and significantly increased the weight of the Industrial sector (Acerinox, CIE Automotive and Befesa) and the Food sector (Ebro Foods, Viscofan and Profand). In contrast, during this period it fully divested from the Construction and Services sector (ACS, in 2017), the Financial sector (Bolsas y Mercados Españoles, in 2020) and the Telecommunications sector (Euskaltel, in 2021) and has significantly reduced its presence in the Technology sector (Indra, in 2021). Within the Security sector, the shareholding in Prosegur was sold in 2013 and since 2019 it has again been present with the investment in Verisure. The "Miscellaneous" category mainly includes stakes in unlisted companies through the Deyá Capital IV development capital vehicles, varying its weight based on different investments and divestitures made, as well as the financial shareholdings in other listed companies.

CONSOLIDATED ECONOMIC AND FINANCIAL INFORMATION

- The consolidated financial information has been drawn up in accordance with International Financial Reporting Standards ("IFRS-EU").
- The investee companies invested in through private equity capital vehicles – Satlink, Miralda Activos, S.L.U. ("Nuadi") and Marsala Activos, S.L.U. ("Preving") – were fully consolidated, due to Alba's majority shareholding in managing company Artá Capital S.G.E.I.C., S.A.U. ("Artá").
- All the Assets and Liabilities of Satlink have been reclassified into the Non-current Assets and Liabilities held for sale items, after the sale agreement reached in early 2022.

The final part of this report includes the Consolidated Financial Statements, audited by KPMG Auditores, S.L., with more detailed information.



CONSOLIDATED ECONOMIC AND FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEETS BEFORE PROFIT DISTRIBUTION

ASSETS

In millions of euros	On 31 of December 2021	On 31 of December 2020	On 31 of December 2019
Real estate investments	334.8	287.1	324.5
Tangible fixed assets	31.5	29.7	24.8
Goodwill	79.6	78.6	122.7
Other intangible assets	119.9	151.7	104.4
Investments in associate companies	2,476.5	2,844.9	3,253.1
Inv. at fair value with changes in Profit and Loss	973.3	171.0	150.4
Other financial assets	43.5	63.6	71.3
Non-current assets	**4,059.1**	**3,626.6**	**4,051.2**
Non-current assets held for sale	134.8	9.0	312.7
Cash and cash equivalents	709.5	676.0	192.0
Other current assets	104.7	104.6	136.1
Current assets	**949.0**	**789.6**	**640.8**
Total Assets	**5,008.1**	**4,416.2**	**4,692.0**

EQUITY AND LIABILITIES

In millions of euros	On 31 of December 2021	On 31 of December 2020	On 31 of December 2019
Share capital	58.2	58.2	58.2
Retained earnings and others	4,011.0	3,811.4	4,124.5
Interim dividend	(29.1)	(29.1)	(29.1)
Minority shareholders	164.5	183.0	194.6
Total equity	**4,204.6**	**4,023.5**	**4,348.2**
Financial debt	247.2	202.2	202.0
Provisions and other debt	14.0	9.3	21.3
Other liabilities	61.9	69.7	54.8
Non-current liabilities	**323.1**	**281.2**	**278.1**
Financial debt	347.4	49.6	16.7
Other debts	133.0	61.9	49.0
Current liabilities	**480.4**	**111.5**	**65.7**
Total Equity and Liabilities	**5,008.1**	**4,416.2**	**4,692.0**

BALANCE SHEET

The evolution in 2021 of the main items on Corporación Financiera Alba's balance sheet was as follows:

The *Real estate investments* account, which includes the properties intended for rent, increased by €47.7 million in 2021, to €334.8 million, mainly due to the purchase of a building in Madrid for €54.5 million and for various improvements made in the real estate properties portfolio. This increase was partially reduced by the sale of a property and several garage spaces in Madrid (€11.2 million) and by a slight decrease in the estimated fair value of the rest of the real estate assets portfolio. The appraisal of real estate properties is carried out half-yearly by an independent expert, and the increase or decrease in value is recognised in the income statement under *Changes in the fair value of real estate investment.*

Tangible fixed assets increased from €29.7 million to €31.5 million, mainly due to the companies consolidated by global integration and despite the reclassification of Satlink assets to *Non-current assets held for sale*.

The variations in the *Goodwill* and *Other intangible assets* headings are mainly due to the already mentioned reclassification of Satlink and to increases, although not significant, produced by the acquisitions made by Preving and Nuadi.

Investments in associate companies fell by €368.4 million in 2021. This drop is explained, fundamentally, by the divestiture in Euskaltel (-€188.4 million), the removal of Indra Sistemas from the scope of consolidation (-€229.8 million, selling a majority and reclassifying the remaining stake as *Non-current assets held for sale*), the reduction in the Acerinox stake (-€43.6 million), the accrued dividends and reimbursement of shareholder contributions (-€241.4 million) and the changes in its consolidated net equity (-€60.8 million). On the other hand, the results of the investee companies (€245.0 million), the investment in Profand (€101.0 million), the increase in the stake in Ebro Foods and Viscofan (€36.4 million) and, to a lesser extent, the additional investment in Parques Reunidos (€13.2 million) which have partially offset the negative elements mentioned.

Investments at fair value with changes in Profit and Loss increased significantly from €171.0 million to €973.3 million in 2021, mainly due to acquisitions of stakes in Atlantic Aviation (€312.2 million) and ERM (€249.4 million), the stake increase in Befesa (€70.0 million) and the increase in the fair value of financial investments (€68.4 million), which offset the reduction produced by the sale of the Alvinesa stake (-€36.6 million). In this regard, it should be remembered that, in 2021, this account included all the shareholdings in unlisted companies (except for those in Verisure, Parques Reunidos and Profand, which are included as *Investments in associate companies,* and those in Satlink, Nuadi and Preving, which are consolidated by global integration) and the shareholdings in other long-term listed companies (Befesa and Global Dominion).

Other financial assets were reduced by €20.1 million mainly due to the collection of other financial assets (€15.0 million) and loans to third parties (€4.4 million).

The *Non-current assets held for sale* item increased by €125.8 million in 2021, by classifying all Satlink assets as held for sale, after the aforementioned sale agreement, and by the transfer to this heading of the unsold stake in Indra Sistemas. On the other hand, it was reduced by €9.0 million due to the sale of a real estate property in early 2021.

The *Cash and cash equivalents* balance increased in 2021 from €676.0 million to €709.5 million, despite the investments made, mainly due to the dividends collected, the aforementioned divestitures and the increased use of indebtedness for investment in short-term financial assets in order to have a more efficient use of cash. At 31 December 2021, Alba's net cash calculated as cash position minus short-term and long-term financial liabilities, excluding the full consolidation of Satlink, Nuadi and Preving, was €181.5 million, compared with €522.8 million of net cash at the end of the previous financial year.

For its part, *Other current assets* item remained stable at €104.7 million despite the reclassification of the assets of Satlink to "assets held for sale".

Retained earnings and others increased by €199.6 million, due to the fact that the *Income for the year* (€302.7 million) and the reclassification of the negative reserves of associate companies to profits in the sales of Acerinox and Indra Sistemas (€12.6 million) more than offset the negative variations in the reserves of the investee companies (€60.8 million) and the distribution of dividends paid by Corporación Financiera Alba in the year.

The *Interim dividend* item amounted to €29.1 million at the end of 2021 and reflects the Ordinary Interim Dividend of €0.50 gross per share paid in October out of the 2021 profit.

The *Minority shareholders* item decreased from €183.0 million to €164.5 million in the financial year, mainly as a result of the payment of dividends and reimbursements of contributions from Group Companies with minority shareholders.

As a result, *Total equity*, including *Minority shareholders*, increased by 4.5% in the year to €4,204.6 million.

The *Non-current liabilities* item included financial debts maturing in more than one year for €247.2 million, which increased by €45.0 million during the year, and deferred tax liabilities for €61.9 million, which decreased by €7.8 million due to the transfer of Satlink's liabilities to the *Non-current liabilities held for sale* item.

Current liabilities, including both bank loans with maturities of less than one year and other short-term debts, increased from €111.5 million at the end of 2020 to €480.4 million at the end of 2021, due to the increase in leverage and the reclassification of the liabilities of Satlink, both previously explained in this report.

CONSOLIDATED PROFIT AND LOSS STATEMENT[1]

In millions of euros	**2021**	2020	2019
Share of profit of associate companies	245.0	(162.2)	84.5
Revenue and other income	235.9	185.9	99.6
Change in fair value of real estate investment	(0.8)	(2.8)	2.8
Financial income	17.6	25.5	6.6
Impairment of assets and change in fair value of financial instruments	66.1	17.6	68.9
Results from asset sales	1.0	24.1	24.9
Total	**564.8**	**88.1**	**287.3**
Procurement	(66.0)	(45.1)	(23.7)
Operating expenses	(138.0)	(112.5)	(71.0)
Financial expenses	(5.4)	(7.2)	(2.6)
Depreciation	(29.2)	(26.0)	(11.0)
Corporate income tax	(13.1)	(3.2)	(0.7)
Minority shareholders	(10.4)	3.5	0.9
Total	**(262.1)**	**(190.5)**	**(108.1)**
Net profit/(loss)	**302.7**	**(102.4)**	**179.2**
Net profit/(loss) per share (euros)	**5.20**	**(1.76)**	**3.08**

(1) This income statement is presented grouped according to management criteria, which explains the differences between certain chapters and the data included in the financial statements.

CONSOLIDATED ECONOMIC AND FINANCIAL INFORMATION

PROFIT AND LOSS STATEMENT

Alba's *Net profit* amounted to €302.7 million in 2021, compared to a loss of €102.4 million in the previous year, and therefore, the net income per share was €5.20 in the year versus a loss per share of €1.76 in 2020.

The result recorded in the *Share of profit of associate companies* heading rose to €245.0 million, compared to a negative result of €162.2 million in 2020. This improvement is due to the general recovery of the results of the associate companies against the losses suffered by them in the previous year due to the impact of the COVID-19 crisis.

Revenue and other income increased by €50.0 million, to €235.9 million in the year, mainly due to the high growth in revenue experienced by the consolidated investee companies following their global integration (Satlink, Preving and Nuadi). Additionally, this item includes the revenues of Alba's real estate investments, which were reduced by 24.8%, to €12.1 million, due to the reduction of the rentable floor space in the financial year arising from the sales of real estate properties previously mentioned and from the lower average occupancy rate. Thus, at the end of 2021, the total leasable area amounted to approximately 45,617 square metres, with an occupancy level of 77.9%, compared with 80.6% at the end of 2020.

According to the assessment made by an independent expert, the estimated value of the real estate assets decreased by €0.8 million in 2021, with this amount being recorded under the *Change in the fair value of real estate investments* item. At 31 December 2021, the fair value of property investments was €334.8 million.

Financial income was €17.6 million in 2021 compared to €25.5 million the previous financial year, due to lower interest and dividends received.

The *Impairment of assets and change in fair value of financial instruments* heading showed a positive result of €66.1 million in the year, derived from the increase in valuation of *Financial investments at fair value with changes in Profit and Loss* (+€68.4 million) and other financial assets included in the *Other current assets* item (+€14.3 million), more-than offset the impairments made to the stake held in Indra Sistemas (€16.6 million) due to the reclassification of the unsold stake in this Company to the *Non-current assets held for sale* item.

Results from asset sales includes an income of €1.0 million in 2021, as the capital gains obtained in the year from the sale of the shares in Euskaltel and Alvinesa were higher than the accounting losses suffered in the partial divestitures in Indra Sistemas and Acerinox. The previous year this item included gains earned in the sale of the stake in Bolsas y Mercados Españoles.

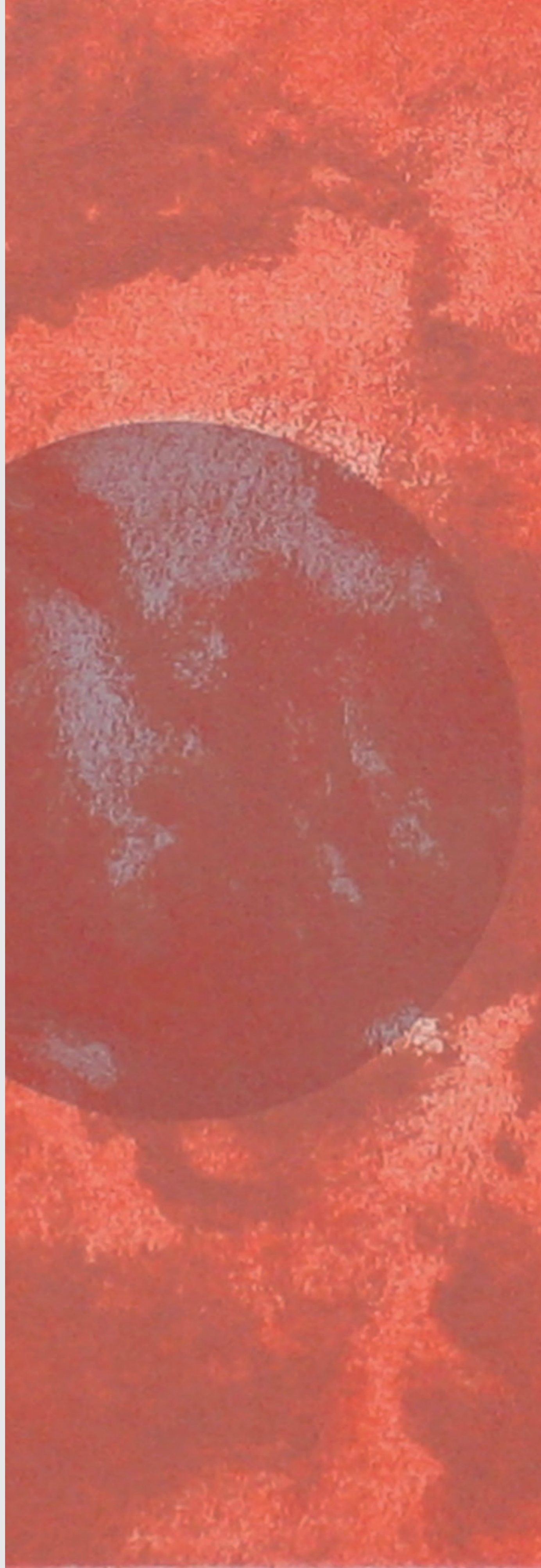
Procurement and *Operating expenses* amounted, in 2021, to €66.0 million and €138.0 million, respectively, 46.3% and 22.7% more than in the previous year due to the increase in activity and the increase in operating costs experienced by the consolidated investee companies following their global integration.

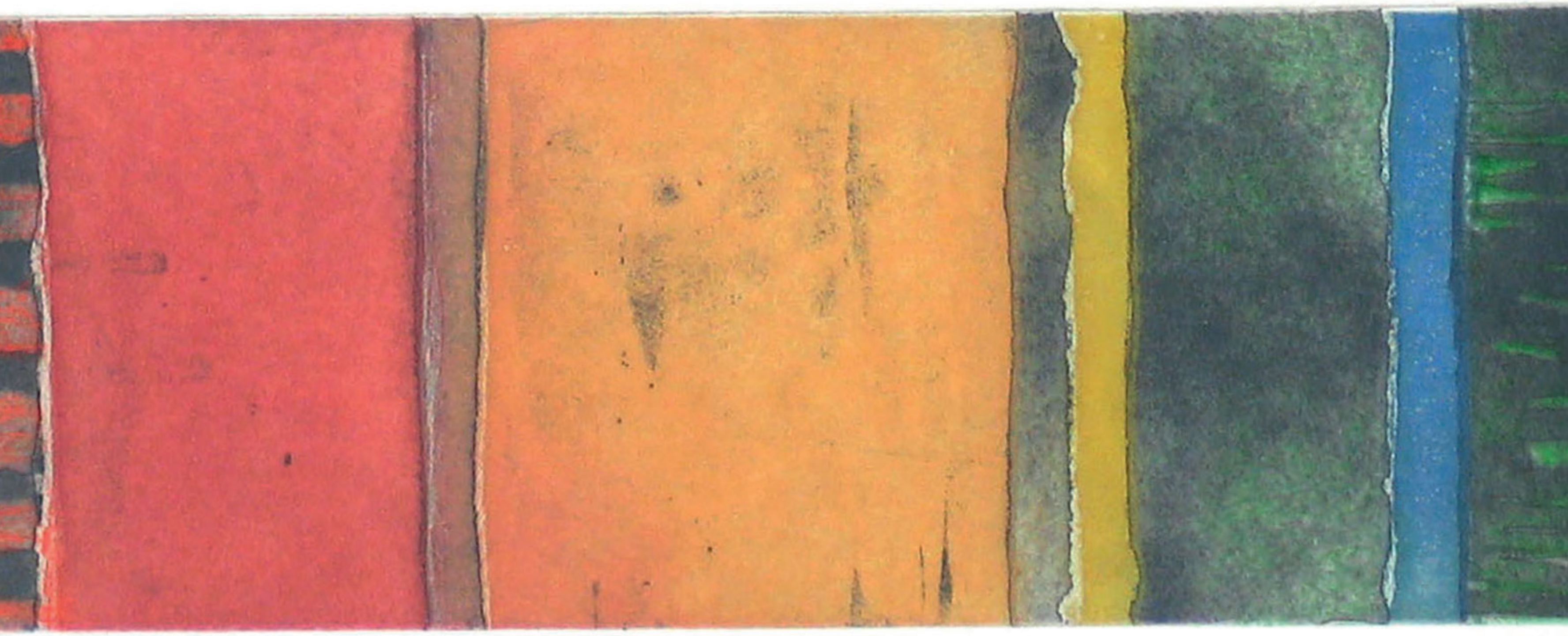
The *Financial expenses* were reduced by €1.8 million euros in the year, down to €5.4 million, due to the lower interest paid.

The higher results obtained by our consolidated investee companies due to their global integration explain the variation in the *Minority shareholders* item of the consolidated income statement for the year.

Corporate income tax includes an expense of €13.1 million in 2021 compared to €3.2 million in 2020.

INFORMATION ON INVESTEE COMPANIES





"Translation"

LISTED COMPANIES

INFORMATION ON LISTED COMPANIES

NATURGY

www.naturgy.com

DESCRIPTION OF THE COMPANY

Naturgy is an integrated multinational energy Company with a presence in the gas and electricity sector. It operates in over 20 countries, with a strong presence in Spain and Latin America. It is the third largest electricity Company in Spain and the largest Liquefied Natural Gas ("LNG") operator in the Atlantic Basin.

Naturgy is present in both regulated and liberalised businesses and performs gas and electricity distribution activities, infrastructure, supply and transport of gas and power generation, both conventional and renewable.

On 11 February 2022, Naturgy announced the *Geminis Project* to spin-off the Company into two large listed groups with clearly differentiated business profiles: *MarketsCo* will aggregate all liberalised businesses (conventional power generation, renewable energy development, energy commercialisation and related services, energy markets management and new business development), and *NetworksCo* will consist of businesses dedicated to the management of regulated energy distribution and transportation infrastructures. The Company expects to complete this spin-off by the end of the year.

COMMENT ON THE COMPANY'S ACTIVITIES IN 2021

The results for 2021 were marked by the recovery in energy demand and the significant rise in prices of raw materials, in particular natural gas, with a direct effect on operational performance, and offsetting the depreciation of local currencies in the main Latin American countries against the euro.

Net sales reached €22,140 million in 2021, 44.3% more than the previous year, mainly as a result of the increase in energy prices and the increased demand during the period, with a substantial positive impact on the Energy Management business.

INFORMATION ON LISTED COMPANIES

MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2021**	2020	2019
Sales	22,140	15,345	20,761
EBITDA	3,529	3,449	4,252
EBIT	2,101	466	2,634
Net profit/(loss)	1,214	(347)	1,401
Total assets	38,249	39,545	41,138
Net financial debt	12,831	13,612	15,268
Equity	8,873	11,265	13,976
Employees (31-Dec.)	7,366	9,335	11,847
Share price (closing 31-dec.) (in euros per share)	28.63	18.96	22.40
Market capitalisation (closing 31-dec.)	27,760	18,384	22,044
Gross dividend yield (on last price)	4.6%	7.2%	6.0%

Note: the results of financial year 2019 have been restated to reflect the sale of the Chilean subsidiary of electricity networks, Compañía General de Electricidad S.A. ("CGE"). As a result and for comparability purposes, CGE has been classified as discontinued operations in consolidated accounts for both 2019 and 2020.

The reported EBITDA stood at €3,529 million, 2.3% higher than in 2020. Ordinary EBITDA, which excludes non-recurring effects (mainly restructuring costs), amounted to €3,983 million, 7.2% higher than in the previous year.

SALES BY REGION

- Spain **51.6%**
- Latin America **26.6%**
- Rest of Europe **14.8%**
- Other **7.0%**

ORDINARY EBITDA BY DIVISION

- Management of Energy and Networks **87.8%**
- Renewables and New Businesses **8.4%**
- Commercialisation **3.8%**

Note: breakdown of ordinary EBITDA that excludes the effect of non-recurrent costs.

Naturgy obtained a net profit of €1,214 million in 2021, compared to a net loss of €347 million in the previous year, mainly derived from the impairment that was made in 2020 to the book value of thermal generation assets in Spain. Excluding non-recurring items, ordinary net profit grew by 41.2% to €1,231 million, thanks to the improvement in activity and lower financial expenses after the reduction of the levels of debt.

The Company's net financial debt decreased in 2021 to €12,831 million, which represents a ratio of 3.6 times the reported EBITDA, compared to 3.9 times at 31 December 2020.

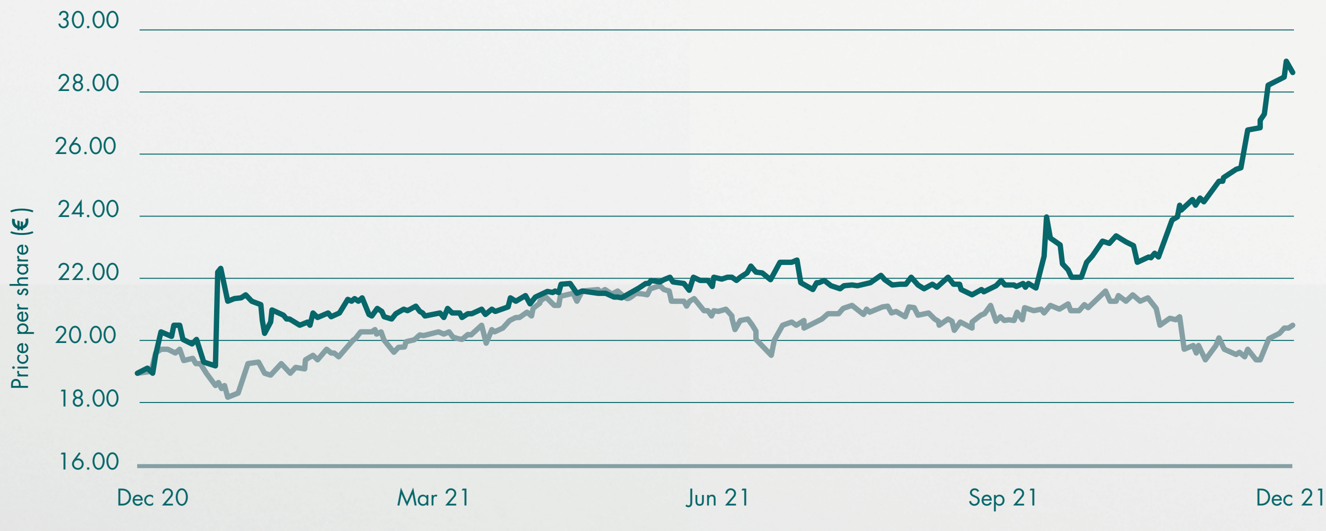
INFORMATION ON LISTED COMPANIES

ALBA SHAREHOLDING

Alba is one of the Company's main shareholders, with a total stake of 5.44% of its share capital at 31 December 2021.

STOCK MARKET PERFORMANCE OF NATURGY IN 2021

In 2021, the Company's share price increased by 51.0%, to €28.63 per share, much higher than that of Ibex-35 (+7.9%), in part due to the partial takeover bid launched by IFM for the Company. At 31 December 2021, the market capitalisation of Naturgy had risen to €27,760 million.



Source: Bloomberg.

ACERINOX

www.acerinox.com

DESCRIPTION OF THE COMPANY

Acerinox is one of the world's leading stainless steel manufacturing companies, with a steel mill production capacity of 3.5 million tonnes per year, and a global leader in the production of special alloys through VDM Metals ("VDM").

The Company has four flat product factories (Spain, United States, South Africa and Malaysia), three long product factories (two in Spain and one in the United States), seven special alloy factories (five in Germany and two in the United States) and sells its products in more than 80 countries in the five continents.

INFORMATION ON LISTED COMPANIES

COMMENT ON THE COMPANY'S ACTIVITIES IN 2021

Acerinox achieved the best results in its history in 2021 (including the positive contribution from the VDM acquisition that has been consolidated since March 2020), based on both market growth and the management performance carried out in recent years, in terms of cost control and efficiency improvement measures implemented.

MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2021**	2020	2019
Sales	6,706	4,668	4,754
EBITDA	989	384	364
EBIT	810	163	23
Net profit/(loss)	572	49	(60)
Total assets	5,984	4,733	4,397
Net financial debt	578	772	495
Equity	2,215	1,615	1,929
Employees (31-Dec.)	8,206	8,195	6,605
Share price (closing 31-dec.) (in euros per share)	11.39	9.03	10.05
Market capitalisation (closing 31-dec.)	3,080	2,444	2,718
Gross dividend yield (on last price)	4.4%	5.5%	5.0%

Note: VDM results are consolidated since 1 March 2020.

Sales of Acerinox increased by 43.6% in 2021 to €6,706 million, thanks to growth in all its divisions. By activity, **Stainless Steel** sales grew by 45.5% year-on-year, reaching €5,900 million, supported by increases in demand (apparent consumption increased in the year by approximately 20% in the US and c.17% in Europe) and in sale prices. Revenue from the **Special Alloys** segment increased by 31.3% as VDM began consolidating as of 1 March 2020. Including VDM's full-year 2020 results, sales would have increased 7.7% year-on-year to €806 million, thanks to the recovery in demand in the sector.

SALES BY GEOGRAPHIC AREA

- America **49.0%**
- Rest of Europe **30.0%**
- Asia **8.1%**
- Spain **7.5%**
- Africa **5.2%**
- Oceania **0.2%**

SALES BY BUSINESS

- Stainless Steel **88.0%**
- Special Alloys **12.0%**

INFORMATION ON LISTED COMPANIES

By market, the position of North American Stainless ("NAS") in the United States stands out, where it is the market leader and has what is possibly the most efficient and profitable factory in the world. The United States was, in turn, the largest Acerinox market in terms of sales in 2021 (41.5% of the sales of the Group).

EBITDA increased to 157.8% in 2021, to €989 million, with a margin over sales of 14.7%, compared to 8.2% in 2020. This increase in EBITDA and margin is explained by the growth in sales and the efficiencies achieved which more than offset the strong increase in operating expenses, among which the significant growth in energy and transportation costs stand out.

For its part, the Company presented a net profit in 2021 of €572 million, compared to €49 million in the previous year.

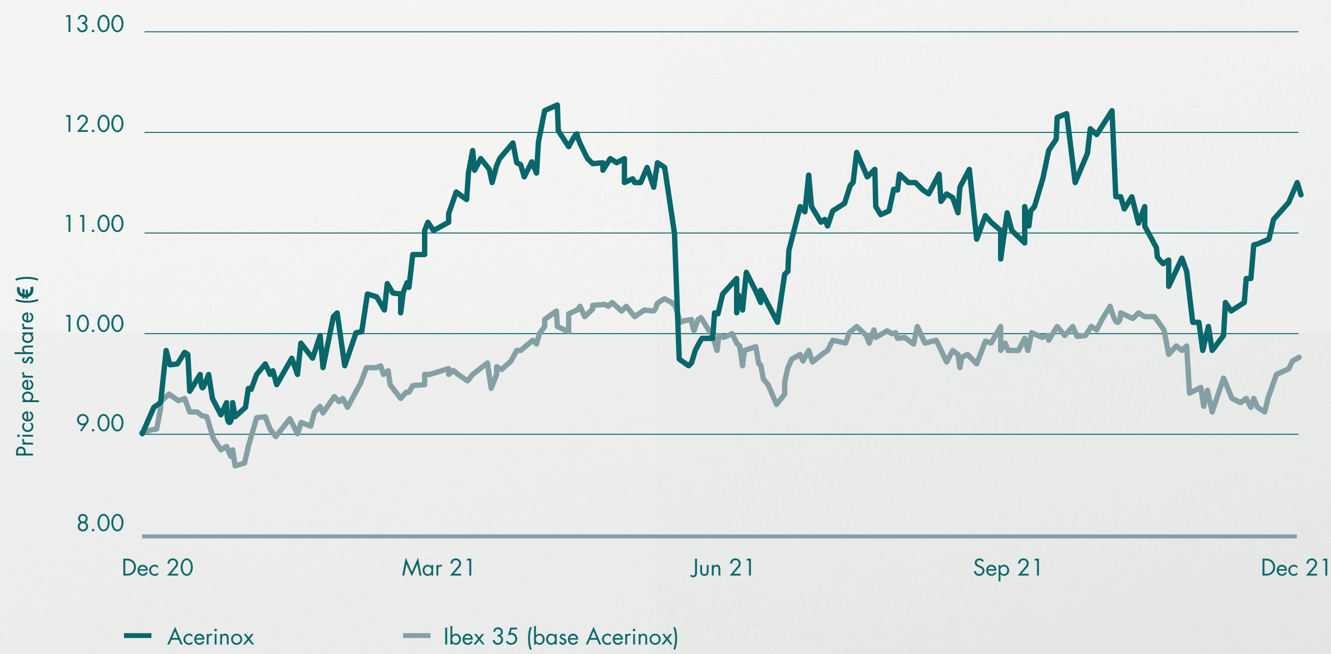
At 31 December 2021, Acerinox had an equity to the amount of €2,215 million and net indebtedness of €578 million (0.6 times EBITDA), compared to a net debt of €772 million the previous year.

ALBA SHAREHOLDING

At 31 December 2021, Alba was the leading shareholder in Acerinox, with a stake in its share capital of 17.78%. During the year, the stake was slightly reduced by 1.57%.

STOCK MARKET PERFORMANCE OF ACERINOX IN 2021

The Acerinox share price ended 2021 at €11.39 per share, which represented an increase of 26.0% in the year, a performance much higher than that of the Ibex 35 (+7.9%). Its market capitalisation amounted to €3,080 million at the end of the year.



Source: Bloomberg.

INFORMATION ON LISTED COMPANIES

CIE AUTOMOTIVE

CIE Automotive

www.cieautomotive.com

DESCRIPTION OF THE COMPANY

CIE Automotive is a global supplier to the automotive industry: as a TIER 2 supplier, it focuses on the design, production and distribution of components and sub-assemblies for the global automotive market.

The Company has 114 production centres and 10 R&D centres in 16 countries, in America (Mexico, USA and Brazil), Europe (Spain, Portugal, France, Germany, Italy, Czech Republic, Romania, Lithuania, Russia and Slovakia), Asia (India and China) and Africa (Morocco).

CIE Automotive has more than 7,000 references, through a wide range of technologies to adapt to the needs of its clients, such as aluminium injection, metal stamping and tube forming, iron casting, machining, plastic, forging and roof systems.

COMMENT ON THE COMPANY'S ACTIVITIES IN 2021

In June 2021, CIE Automotive organised its first "Capital Markets Day" and presented its new Strategic Plan 2021-2025, in which it set its objective for 2025 to achieve an EBITDA of €1,000 million and a net income of €500 million, working on the electrification and comfort of vehicles, the implementation of Industry 4.0 and in the internationalization, without losing its focus on generating cash.

The 2021 financial year was impacted by the supply chain crisis caused by the sharp rise in demand following the 2020 lockdowns, rising raw material costs – including rising energy prices – rising transportation costs and, with special impact on the automotive sector, the shortage of semiconductors needed for the manufacturing of cars.

MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2021**	2020	2019
Sales	3,269	2,882	3,461
EBITDA	575	431	594
EBIT	403	283	427
Net income	268	185	287
Total assets	5,398	4,984	5,067
Net financial debt	1,395	1,595	1,522
Equity	1,368	995	1,235
Employees (31-Dec.)	24,472	25,197	28,136
Share price (closing 31-dec.) (in euros per share)	27.36	22.06	21.08
Market capitalisation (closing 31-dec.)	3,353	2,703	2,719
Gross dividend yield (on last price)	1.8%	3.4%	2.9%

INFORMATION ON LISTED COMPANIES

While it is still a difficult year for the automotive sector, there was a slight recovery in 2021 after a challenging 2020: global production of vehicles was 77 million units, 3.4% higher than in 2020, although still 13.5% lower than in 2019. However, CIE Automotive's sales performed much better than the market, with an increase in 2021 of 13.4% to €3,269 million. Removing the effect of the exchange rate, sales would have increased by 20.1% compared to the previous year, in line with 2019.

By geographic areas, CIE Automotive delivered growth well above market growth levels in all regions in which it operates, with the only exception of China.

SALES BY GEOGRAPHIC AREA

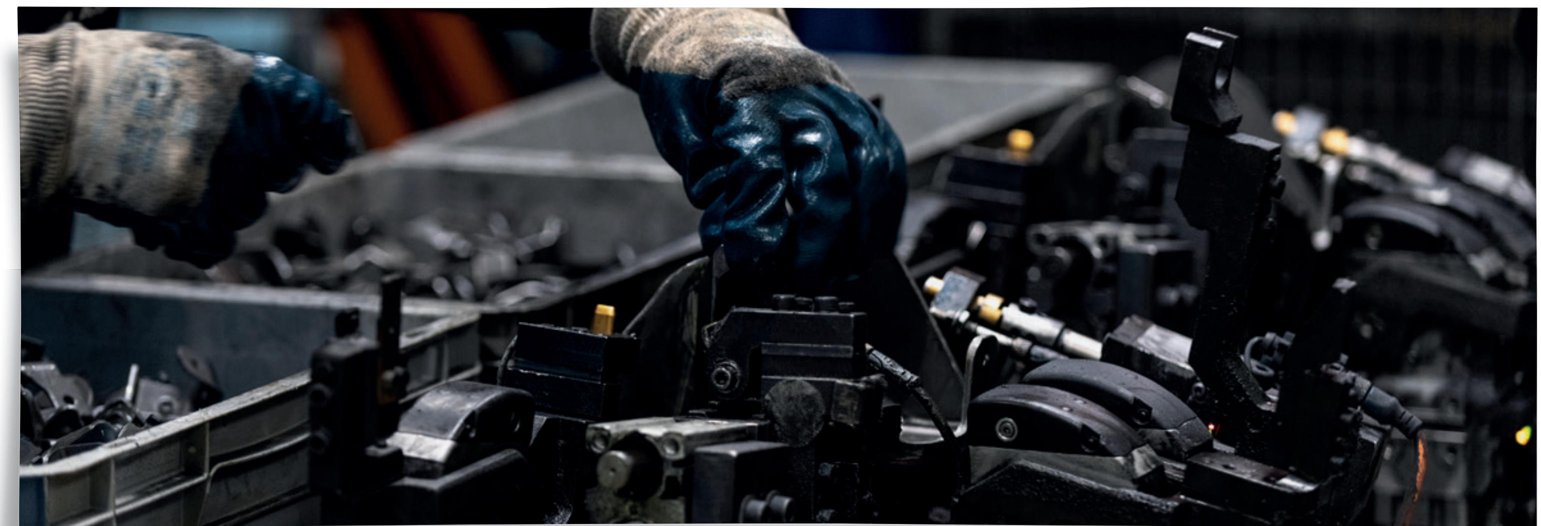
- North America **26.7%**
- Europe **25.5%**
- India **14.2%**
- China **13.5%**
- Mahindra Europe **13.5%**
- Brazil **6.6%**

EBITDA BY GEOGRAPHIC AREA

- North America **33.9%**
- Europe **23.4%**
- India **11.3%**
- China **13.8%**
- Mahindra Europe **9.7%**
- Brazil **7.9%**

For their part, EBITDA and EBIT increased by 33.3% and 42.4% respectively, up to €575 million and €403 million, giving a margin of 17.6% and 12.3%. These margins are at 2019 levels, despite the sharp increase in operating and logistics costs mentioned above. Net income increased by 44.4% year-on-year to €268 million.

The Company's net financial debt was reduced by €200 million, to €1,395 million, due to the high level of cash generation during the year, reaching an operating cash generation greater than 65% of EBITDA. Consequently, the net debt to EBITDA ratio decreased to 2.4 times at the end of 2021.



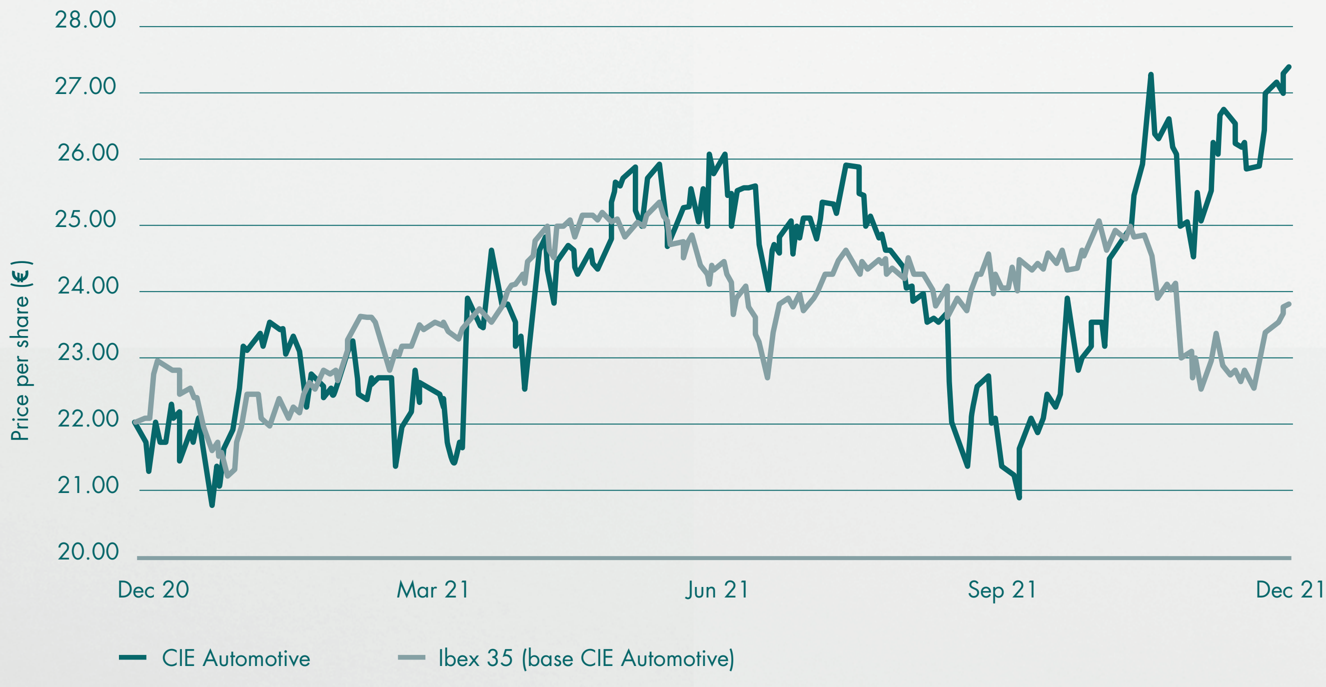
INFORMATION ON LISTED COMPANIES

ALBA SHAREHOLDING

At 31 December 2021, Alba was the Company's second largest shareholder, holding 12.73% of its share capital.

STOCK MARKET PERFORMANCE OF CIE AUTOMOTIVE IN 2021

During 2021, CIE Automotive's share price increased by 24.0% to €27.36 per share, far outperforming the Ibex 35, which went up by 7.9%. At 31 December, CIE Automotive's market capitalisation was €3,353 million.



Source: Bloomberg.

EBRO FOODS

Ebro

www.ebrofoods.es

DESCRIPTION OF THE COMPANY

Ebro Foods is a multinational food company, a world leader in the rice sector and one of the world's main producers of premium dry pasta and fresh pasta. It has an extensive network of subsidiaries and brands, has a commercial or industrial presence in more than 80 countries in Europe, North America, Asia and Africa.

The main markets of Ebro Foods, as of December 2021, were US and France, while Spain represented 8.4% of sales in 2021.

In recent years, the Company has maintained a policy of complementing its investment effort in organic growth with selective acquisitions that have enabled it to access new markets and/or strengthen its presence in certain products and markets, while it has divested itself of non-strategic businesses or those with less development potential.

In line with this strategy, in the first half of 2021 Ebro Foods sold off the dry pasta businesses in the United States and Canada (announced in 2020) for $233 million, and at the end of December it completed the sale of the dry pasta business in France (Panzani) for the amount of

€550 million. In turn, in February 2022 it has been announced the binding agreement to purchase the assets that make up the business of InHarvest (US company with a significant presence in premium rice, quinoa and grain specialties) for $49 million.

COMMENT ON THE COMPANY'S ACTIVITIES IN 2021

Despite the fact that the 2020 fiscal year was a very positive year for Ebro Foods due to the hoarding effect and the higher levels of consumption at home as a result of the pandemic, like-for-like sales were practically stable in 2021 (-0.7%) compared to the previous year, at €2,877 million. This good performance was due to the positive evolution of value-added products and price increases applied to customers in the last quarter of the year to partially alleviate the strong cost increases suffered.

EBITDA and EBIT decreased by 2.9% and 4.8%, respectively, to €354 million and €240 million, due to the increase in raw material prices and logistics costs.

MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2021**	2020[1]	2019[1]
Sales	2,877	2,898	2,510
EBITDA	354	364	307
EBIT	240	252	207
Net income	239	192	142
Total assets	3,939	4,036	4,381
Net financial debt[2]	505	951	1,000
Equity	2,133	1,958	2,292
Employees (31-Dec.)	6,515	7,515	7,435
Share price (closing 31-dec.) (in euros per share)	16.88	18.94	19.29
Market capitalisation (closing 31-dec.)	2,597	2,914	2,968
Gross dividend yield (on last price)[3]	6.8%	13.3%	3.0%

Note 1: 2020 and 2019 results have been restated to reflect the sales of the US and Canadian dry pasta businesses.
Note 2: Net financial debt includes IFRS 16 adjustments and put options with minority shareholders. Net debt adjusted to take account of the sale of Panzani.
Note 3: the gross dividend return for 2021 and 2020 includes the extraordinary dividend paid in December 2021 and 2020 (€0.57 and €1.94, respectively).

By business lines, both Rice and Pasta experienced a similar performance, with slight decreases in sales and EBITDA due to the loss of extraordinary household consumption during 2020 and due to the strong increase in raw material prices and other logistics costs in the year. Sales and EBITDA of the **Rice** division decreased by 2.0% and 2.7%, to €1,811 million and €232 million, respectively, and sales and EBITDA of the **Pasta** division decreased by 1.0% and 2.8%, to €1,122 million and €137 million, respectively.

SALES BY ACTIVITY

- Rice **61.7%**
- Pasta **38.3%**

SALES BY GEOGRAPHICAL AREA

- Rest EU **40.5%**
- America **30.8%**
- Other **20.3%**
- Spain **8.4%**

Note: breakdown of sales by activity before intra-group adjustments.

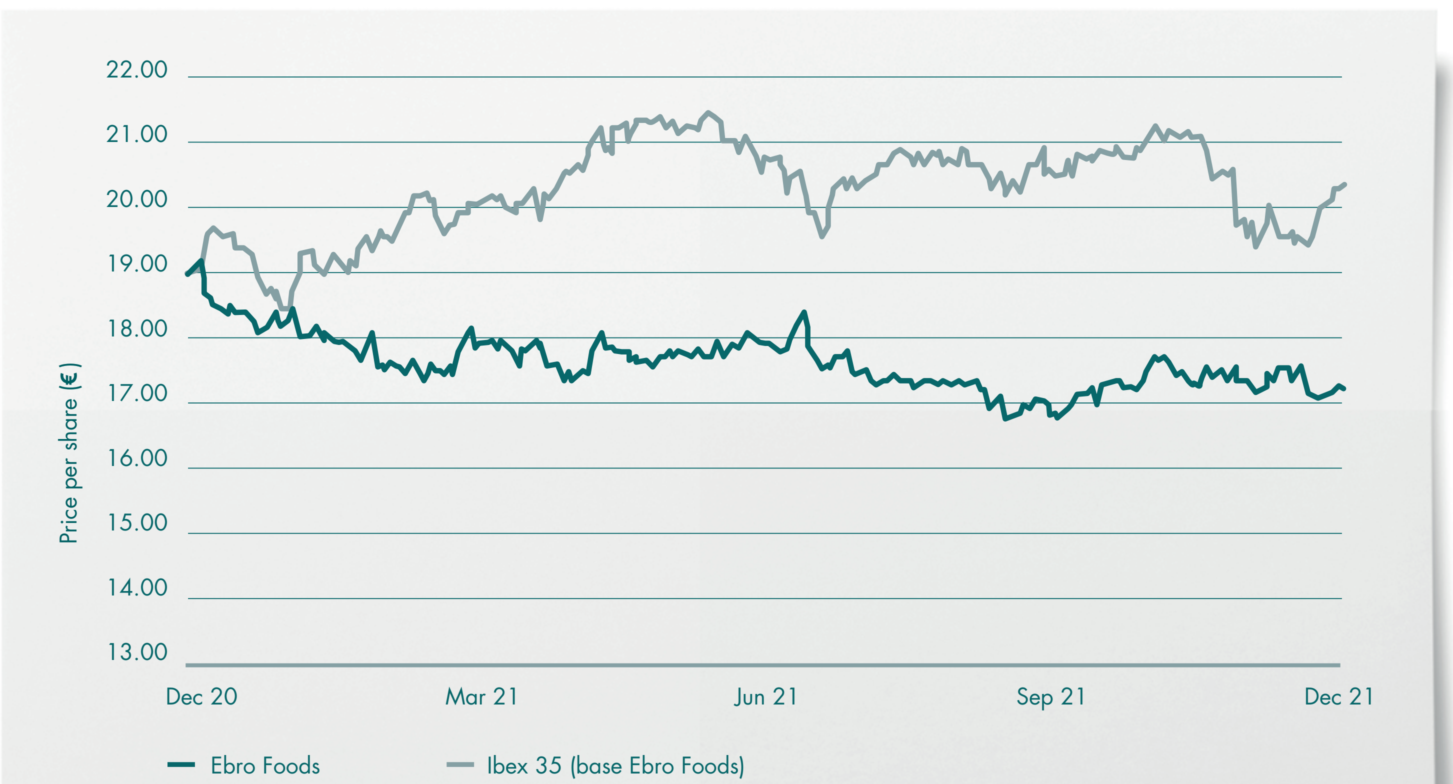
The net debt of the Company was reduced by 46.9% in 2021, down to €505 million, mainly due to the payments received from the North America and Panzani dry pasta divestitures, which represented revenues of €753 million, which more-than offset the increase in working capital (€175 million) due to the higher inventories, the investments made (€120 million) and dividends distributed in the year (€175 million between ordinary and extraordinary dividends). Accounting for EBITDA adjusted due to the divestitures carried out, the net debt to EBITDA ratio for the year was reduced to 1.7x, allowing Ebro Foods to continue its selective acquisition strategy while maintaining an appropriate dividend policy.

ALBA SHAREHOLDING

In 2021, Alba increased its stake in the share capital of Ebro Foods by 0.44% to 14.44%, being one of its main shareholders.

STOCK MARKET PERFORMANCE OF EBRO FOODS IN 2021

During 2021, the share price of Ebro Foods fell by 10.9%, to €16.88 per share, underperforming the Ibex 35 (+7.9%). At 31 December, the market capitalisation of Ebro Foods was €2,597 million.



Source: Bloomberg.

VISCOFAN

Viscofan
The casing company

www.viscofan.com

DESCRIPTION OF THE COMPANY

Viscofan is the global leader in artificial casings for meat products, being the only world producer to manufacture all categories of casings: cellulose, collagen, fibrous and plastic.

The Company's revenue is broadly diversified, with some 2,200 customers in 110 countries worldwide.

Viscofan has an extensive network of casing production centres in Europe (Spain, Germany, Belgium, Czech Republic and Serbia), North America (USA, Canada and Mexico), Latin America (Brazil and Uruguay), Asia (China), and Oceania (Australia and New Zealand).

COMMENT ON THE COMPANY'S ACTIVITIES IN 2021

In 2021, Viscofan successfully concluded its "MORE TO BE" Strategic Plan 2016-2021. The objective of this plan was to become the global leader in packaging, positioning itself as the first or second Company in its main markets by taking a triple approach based on Service, Technology and Cost. In the period of this Plan, Viscofan has managed to increase its market share from 30% in 2015 to 38% in 2021, and this fiscal year it achieved the best results in its history in terms of sales, EBITDA and net income.

With the publication of results for fiscal year 2021, the Company presented its new Strategic Plan 2022-2025 "Beyond25",in which it has set its objective to achieve revenue of €1,300 million by 2025 with an EBITDA margin of 26%, by strengthening the leadership in the traditional business and growth in new businesses. To do so, the three strategic pillars of the previous plan (Service, Cost and Technology) will be maintained, and a fourth cross-divisional pillar will be added: Sustainability.

MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2021**	2020	2019
Sales	969	912	850
EBITDA	247	234	201
EBIT	174	163	130
Net income	133	123	106
Total assets	1,169	1,040	1,085
Net financial debt	38	82	89
Equity	823	736	784
Employees (31-Dec.)	5,182	5,128	4,713
Share price (closing 31-dec.) (in euros per share)	56.90	58.05	47.10
Market capitalisation (closing 31-dec.)	2,646	2,699	2,190
Gross dividend yield (on last price)	3.0%	4.1%	3.4%

INFORMATION ON LISTED COMPANIES

Viscofan's sales grew by 6.3% in 2021, to €969 million, thanks to the higher volumes of packaging, the improvement in the mix of prices and the higher volume of sales from cogeneration, despite the weakness of the main currencies against the euro. Excluding the impact of currency fluctuations, sales would have increased by 8.0% compared to 2020.

By activity, the sales of **Casings** showed a growth of 5.7% compared to the previous year, reaching €925 million due to the factors already mentioned. Revenue from the **Cogeneration** segment increased by 19.6% from 2020 to €44 million, due to the increase in electricity prices in the Spanish market.

SALES BY ACTIVITY

SALES BY GEOGRAPHICAL AREA

For its part, EBITDA rose by 5.2% in 2021, to €247 million, with a margin over sales of 25.4% (compared to 25.7% in 2020). The growth in revenue, commercial discipline, operational leverage and efficiencies in production achieved have more than offset the increase in consumption expenses (+3.9% due to inflation of production costs) and the strong increase in other operating expenses (+14.8% compared to 2020, with significant increases in energy supply costs and transportation expenses).

Net income increased to €133 million, which is 8.6% more than in 2020, despite the increase in the effective tax rate.

Net bank debt, excluding IFRS 16 and other net financial liabilities, was reduced down to €2 million in December 2021, compared to €38 million at the end of the previous year. The reported net financial debt, including IFRS 16, was €38 million at the end of the period.

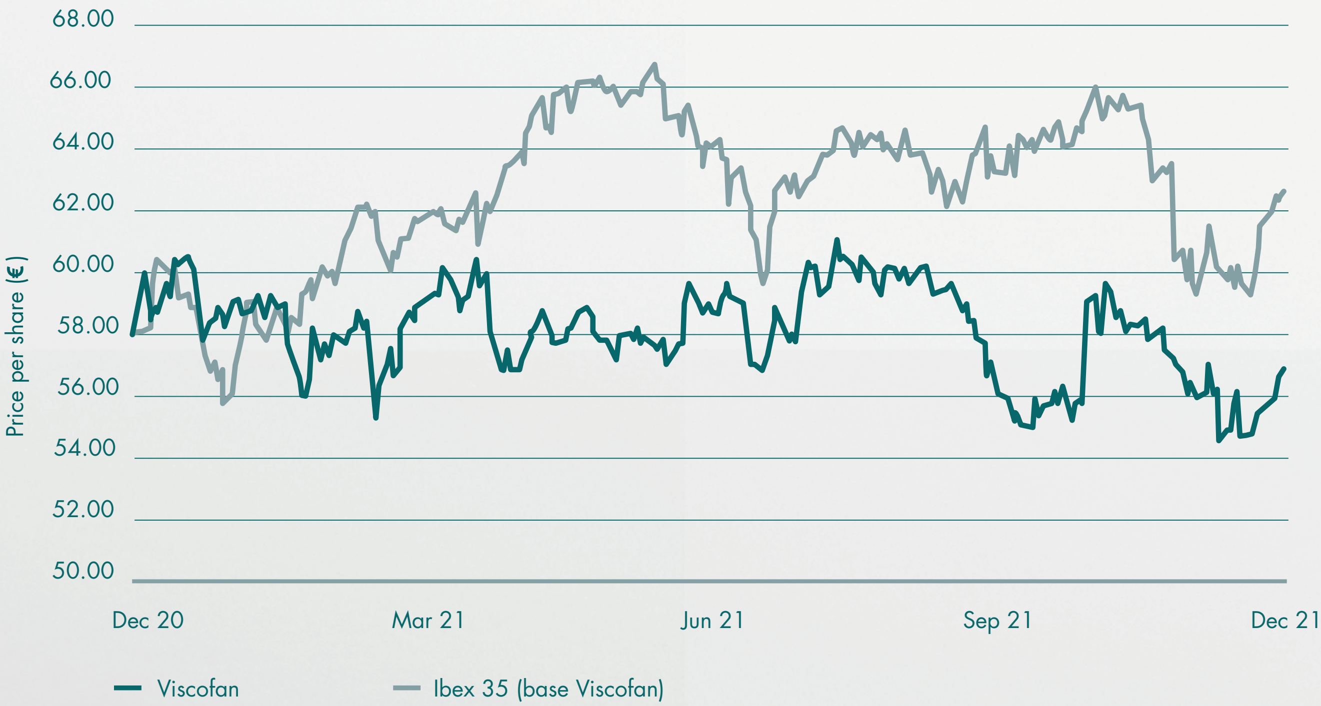
INFORMATION ON LISTED COMPANIES

ALBA SHAREHOLDING

During the year Alba increased its shareholding in the share capital of Viscofan by 0.94%, reaching a stake of 13.97% at 31 December 2021, and remaining as the top shareholder of the Company.

STOCK MARKET PERFORMANCE OF VISCOFAN IN 2021

Viscofan's share price fell by 2.0% in 2021, to €56.90 per share, which reflects a market capitalisation of €2,646 million at the end of the year.



Source: Bloomberg.

BEFESA

BEFESA

www.befesa.com

DESCRIPTION OF THE COMPANY

Befesa, a Luxembourg-based Company listed in Germany, is a leader in providing hazardous waste recycling services for the steel sector (world leader in steel dust recycling) and the aluminium sector (salt slag and secondary aluminium recycling).

The Company has 23 recycling plants – 17 steel and 6 aluminium plants – in Europe (Spain, France, Germany, Sweden and Turkey), the United States and Asia (China and South Korea), with a recycling capacity of 2.5 million tonnes per year.

In recent years, Befesa has carried out a strategy of international expansion through a combination of organic entry into new countries and acquisitions. Within this strategy, it should be noted that in 2021 it completed the construction of the first two steel dust recycling plants in China, with a capacity of 220,000 tonnes per year, and entered the US through the acquisition of American Zinc Recycling ("AZR"), the leading operator of the American steel dust recycling market with a capacity of 620,000 tonnes per year.

INFORMATION ON LISTED COMPANIES

COMMENT ON THE COMPANY'S ACTIVITIES IN 2021

Befesa achieved the best results in its history in 2021. The Company's sales increased by 36.0% in 2021, to €822 million, supported by a 12.3% growth in volumes (both organic and by the incorporation of four months of AZR) and by a strong increase in zinc and aluminium prices. Importantly, to reduce exposure to commodity price fluctuations, the Company conducts an active zinc price hedging policy. For this reason, during 2021, Befesa took advantage of the price increases for this mineral to extend its hedges until the end of 2024.

For its part, EBITDA and net income increased by 53.5% and 109.5%, respectively, to €190 million and €100 million, supported by the aforementioned factors and despite the increase in operating costs and extraordinary expenses, mostly related to the acquisition of AZR.

MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2021**	2020	2019
Revenue	822	604	645
EBITDA	190	123	160
EBIT	127	68	124
Net income	100	48	83
Total assets	1,796	1,100	1,116
Net financial debt	471	394	417
Equity	632	328	360
Employees (31-Dec.)	1,550	1,137	1,147
Share price (closing 31-dec.) (in euros per share)	67.40	51.70	38.00
Market capitalisation (closing 31-dec.)	2,696	1,761	1,295
Gross dividend yield (on last price)	1.7%	1.4%	3.5%

By business lines, the sales and adjusted EBITDA of the **Steel Dust** division increased by 31.8% and 51.8% in 2021, to €456 million and €148 million, respectively, due to the increase in recycled volume (+28.9% mainly due to the incorporation of AZR) and the increase in the price of zinc (+28.6%) and despite the fact that the hedging prices (approximately 73% of the volume sold) were below the quoted price of the mineral.

The **Secondary Aluminium** division, in turn, experienced sales and EBITDA growth of 47.3% and 134.2%, respectively to €330 million and €28 million, driven by the increase in volume of sales (+6.6%, raising the utilisation of the capacity of plants from 85% in 2020 to 91% in 2021) and by the increase in the price of aluminium (+48.3%).

Finally, the **Salt Slags** division achieved sales and EBITDA growth of 15.5% and 22.5%, respectively, to €77 million and €21 million, owing to the strong increase in the price of aluminium already mentioned, which more than offset the drop in recycled volume (-11.2%) due to the final closure of the plant in the UK at the end of 2020.

SALES BY SEGMENT

- Steel Dust **52.8%**
- Secundary Aluminium **38.2%**
- Salt Slags **9.0%**

EBITDA BY SEGMENT

- Steel Dust **75.2%**
- Secundary Aluminium **14.4%**
- Salt Slags **10.4%**

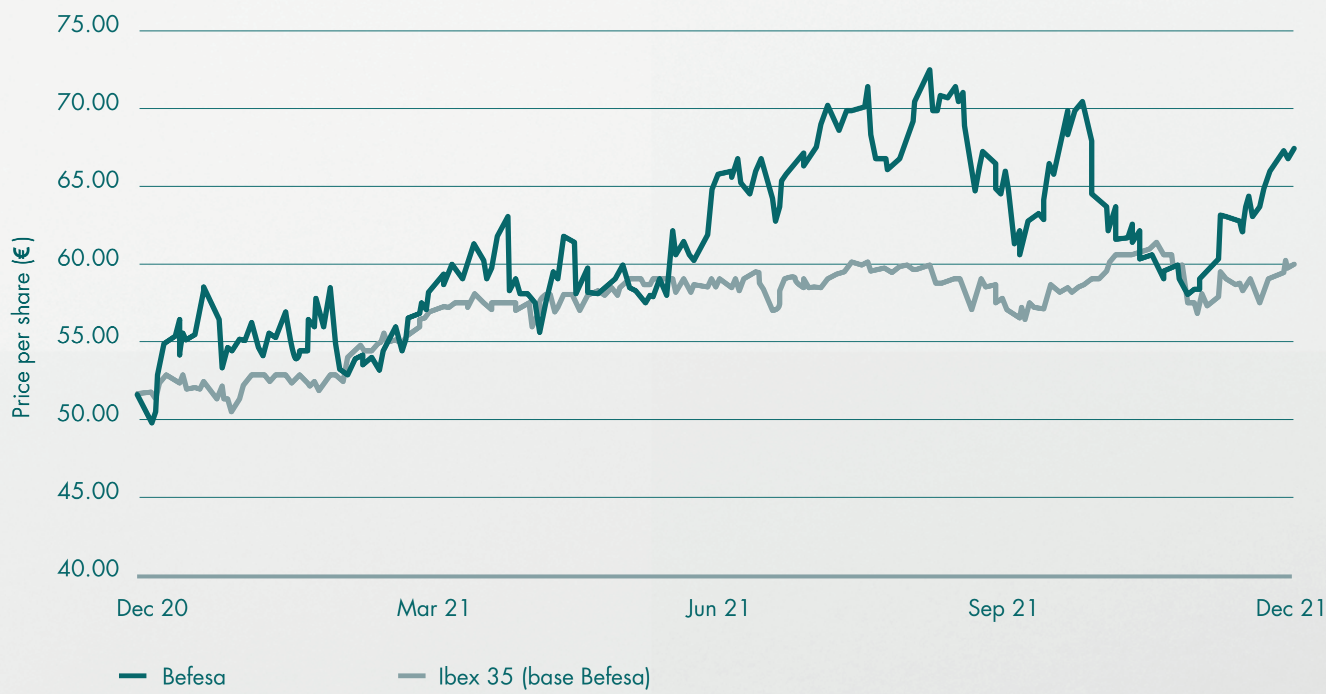
The Company's net financial debt increased by 19.6% in 2021, to €471 million, mainly due to the acquisition of AZR. The transaction was financed through a capital increase and an extension of existing financing. Despite the acquisition, the net debt to adjusted EBITDA ratio for the year declined to 2.2x, from 3.1x in December 2020.

ALBA SHAREHOLDING

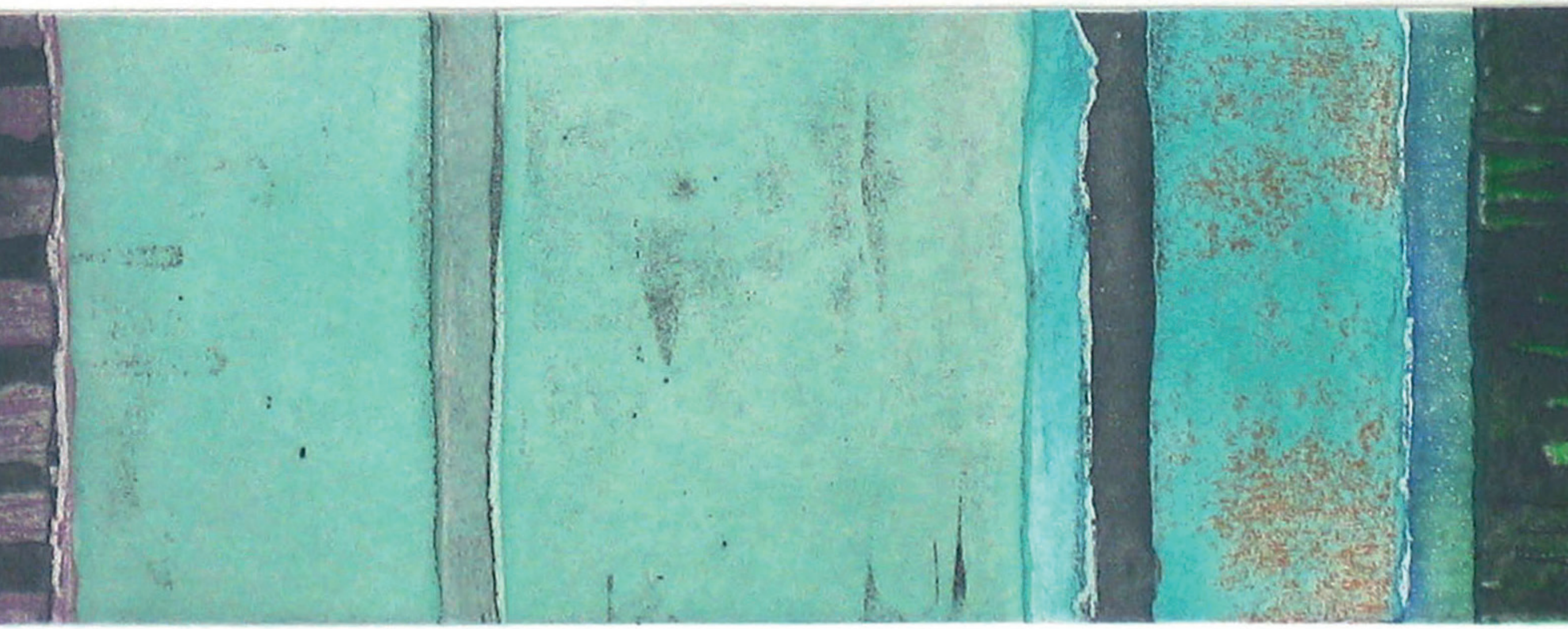
In 2021, Alba increased its stake in Befesa's share capital by 2.78% by means of the capital increase made to finance the aforementioned acquisition, to a 5.10% stake at the end of the year.

STOCK MARKET PERFORMANCE OF BEFESA IN 2021

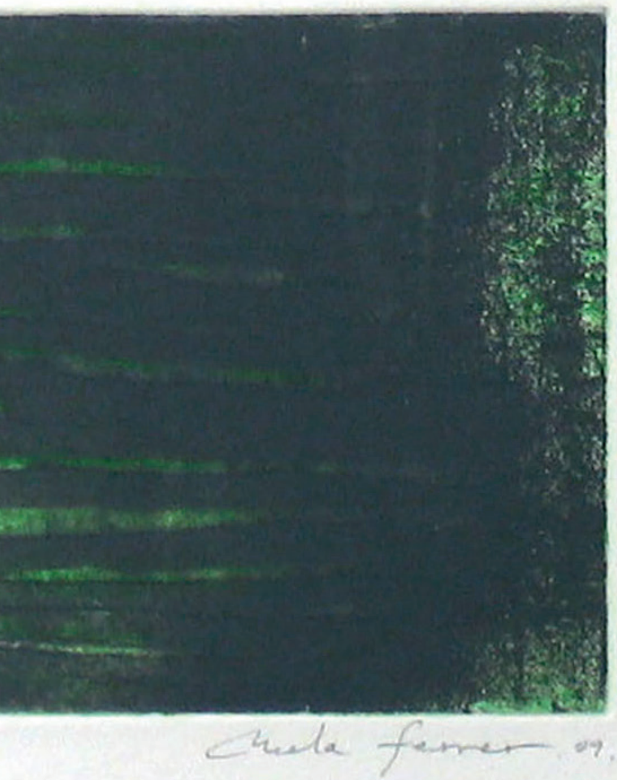
During 2021, Befesa's share price increased by 30.4% to €67.40 per share, far outperforming the DAX 40, which went up by 15.7%. At 31 December, the market capitalisation of Befesa was €2,696 million.



Source: Bloomberg.



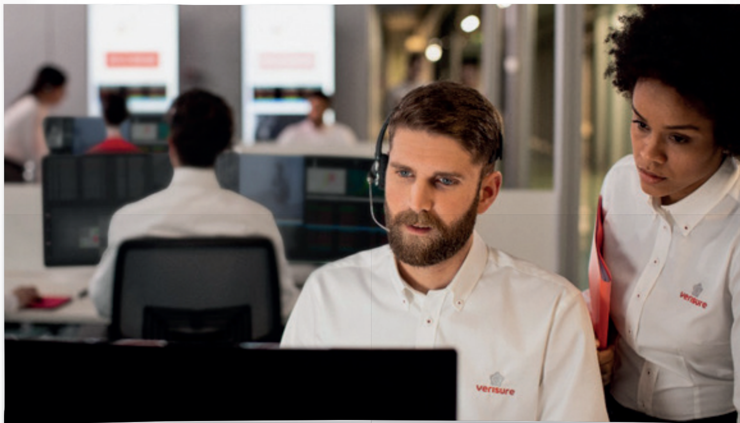
translation II



UNLISTED COMPANIES

INFORMATION ON UNLISTED COMPANIES

VERISURE



www.verisure.com

DESCRIPTION OF THE COMPANY

Verisure is the leading provider of monitored alarm solutions for homes and small businesses in Europe and Latin America. By the end of 2021, Verisure provided services to more than 4.3 million families and small businesses through the "Securitas Direct" and "Verisure" brands. In addition, it offers its customers integrated smart home services such as access control and temperature control, among others, and security services for the elderly.

Verisure has a broad international presence with operations in 12 countries in Europe and 4 countries in Latin America. It is the operator with the largest number of customers in almost all of the countries in which it operates and it has the lowest customer cancellation rate in the industry.

The Company has a vertically integrated differentiated business model that has enabled it to become the benchmark operator in the industry. With more than 20,000 employees, Verisure has complete control of the value chain, from innovative product design and development to alarm monitoring (24/7) and customer service, to the marketing, installation and maintenance of each system. This is proven by the satisfaction rate of its customers, one of the highest in the sector.

At December 2021, Verisure reported revenue of €2,509 million, 17.3% higher than the previous year, mainly due to an increased numbers of customers. The recurring EBITDA for the year amounted to €1,048 million, up 14.0% from 2020.

At 31 December 2021, Alba had an indirect stake of 6.24% in Verisure's share capital, after taking account of the minority shareholders in Alba Investments, S.à r.l.

INFORMATION ON UNLISTED COMPANIES

ATLANTIC AVIATION

ATLANTIC

www.atlanticaviation.com

DESCRIPTION OF THE COMPANY

Atlantic Aviation is the second largest airport service operator for private and corporate aviation in the US and is present in the country's busiest corporate airports.

The Company currently has a presence in 78 US airports through long-term contracts with a weighted average life of 20 years. Atlantic Aviation provides a wide range of services: refuelling, renting hangars, de-icing, aircraft management, passenger and crew services among others.

In 2021, the Company has continued its strategy in national growth and expansion. Since Alba's investment in September 2021, Atlantic Aviation has completed the purchase of Lynx – an operator with presence in nine US airports – and reached a merger agreement with Ross Aviation, an operator with presence in 21 US airports, a deal that is expected to be closed in the first half of 2022.

At 31 December 2021, Alba had an indirect stake of 12.28% in the share capital of Atlantic Aviation.

ERM

ERM®

www.erm.com

DESCRIPTION OF THE COMPANY

ERM is the global leader in environmental, health and safety and sustainability consulting services, operating in diverse industries, including metals and mining, energy, financial services, technology, chemistry, pharmaceuticals and fossil fuels.

Based in London, it has 160 offices in 43 countries, as well as a team of more than 5,500 professionals serving more than 3,500 customers worldwide.

The Company offers a wide range of services, including: advisory services in the strategy of implementing corporate sustainability and Climate Change plans, management of environmental liabilities and mitigation of project risks, management and compliance with regulations on EHSQ (Environment, Health, Safety and Quality), implementation of safety and risk monitoring programmes, advisory services on due diligence in M&A operations and implementation of digital programmes.

At 31 December 2021, Alba had an indirect stake of 14.68% in the share capital of ERM.

INFORMATION ON UNLISTED COMPANIES

PARQUES REUNIDOS

www.parquesreunidos.com

DESCRIPTION OF THE COMPANY

Parque Reunidos is one of the largest leisure parks operators in the world. It currently manages more than 50 theme parks in 11 different countries, including theme parks, water parks and animal parks.

The Company is primarily present in Europe and the US and also has limited activities in the Middle East and Australia.

Parques Reunidos is, in terms of visits, the second largest operator in Europe and the eighth largest in the world. It is also the world's leading water park operator.

Alba became a shareholder in the Company at its listing on the Stock Exchange in April 2016 and continues to be a significant shareholder following the takeover bid led by EQT, which resulted in the delisting of Parque Reunidos's shares in December 2019.

At 31 December 2021, Alba had an indirect stake of 24.98% in the share capital of Parque Reunidos.

PROFAND

www.profand.com

DESCRIPTION OF THE COMPANY

Profand, based in Vigo, is one of the main operators in the fishing industry in Spain and a global leader in the fishing and commercialization of cephalopods, as well as in the sale of fish in modified atmosphere packaging trays. Additionally, the Group has a significant presence in both fishing and commercialization of other species, such as salmon and shrimp.

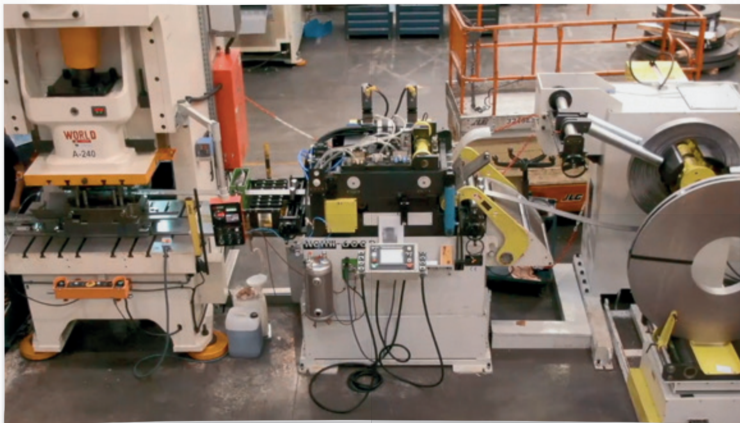
The Group is vertically integrated, enabling the control over: the origin, through a fleet of 24 ships and local agreements, with access to the main fishing grounds worldwide; the processing, with 12 production plants; and the distribution of the final product, with sales in more than 60 countries. The Company has a significant presence in Spain, US and Argentina, among other countries.

The Company has recorded a strong growth trajectory supported by a strategy of consolidation carried out over the past few years, which is expected to continue in the future. In line with this strategy, in February 2022 the Group has announced the acquisition of a majority stake in Kefalonia, the fourth operator of sea bass and sea bream fish farms in Greece.

At 31 December 2021, Alba had a stake of 23.71% in the share capital of Profand. Until Alba's the entry as a shareholder in October 2021, Profand had its founding partner as its sole shareholder.

INFORMATION ON UNLISTED COMPANIES

NUADI



www.nuadi.com

DESCRIPTION OF THE COMPANY

Nuadi is the largest independent manufacturer of braking system components (TIER 3), specifically metal brackets and anti-noise sheets for the aftermarket in Europe.

Founded in 1958, Nuadi was the European subsidiary of the Canadian company Nucap Industries for more than ten years.

In April 2021, Nuadi completed the acquisition of 80% of Sadeca, Europe's leading manufacturer of wear sensors and other brake components for the spare parts market, with factories in Barcelona and Morocco strategically complementing Nuadi's industrial presence. This acquisition adds a very complementary portfolio of references and enables diversification of sales at the customer and product levels.

The Company has nearly 400 employees at its main Pamplona factory and subsidiaries.

At 31 December 2021, Alba held a 37.43% stake, through Deyá Capital IV, in Grupo Nuadi, which is accounted for as fully consolidated.

ALVIC

Feel the innovation

www.grupoalvic.com

DESCRIPTION OF THE COMPANY

Alvic is a manufacturer of panels and added-value components for the kitchen furniture industry. It has a diversified portfolio of products including furniture panels, furniture components and finished furniture. Its main selling channels are the sale to kitchen furniture manufacturers, department stores and its own distribution network, mainly aimed at installers.

Alvic is the leading manufacturer in Spain and has a considerable international presence, with commercial activity in 98 countries. It has more than 930 employees, three production plants in Spain, one in US and 33 self-owned distribution points, national and international.

At 31 December 2021, Alba held a 7.76% stake, through Deyá Capital IV, in Alvic.

INFORMATION ON UNLISTED COMPANIES

PREVING

www.preving.com

DESCRIPTION OF THE COMPANY

Preving Group is one of the leaders in the occupational risk prevention market in Spain, with a customer base of more than 70,000 companies, which have over 500,000 employees.

The Company has a complete portfolio of products and services that enable its clients to comply with national regulations on occupational risk prevention and, at the same time, improve the health and safety of their employees.

The Preving Group has a staff of over 1,300 employees and is present throughout the country with a network of over 65 operating centres, 300 occupational health centres and 30 mobile health-monitoring units.

At 31 December 2021, Alba held a 24.81% stake, through Deyá Capital IV, in Grupo Preving, which is accounted for as fully consolidated.

By the end of March 2022, Preving has reached an agreement for the acquisition of Cualtis. This transformational acquisition for Preving has allowed it to double in size, strengthen its competitive position and generate significant synergies due to the high level of complementarity with Cualtis in terms of geographic area and customer base. Following this acquisition, subject to the approval from the Competition Regulator (*Comisión Nacional de los Mercados y la Competencia*, "CNMC"), Alba's stake, through Deyá Capital IV, in Grupo Preving will become 21.52%.

IN-STORE MEDIA

in-Store Media

www.in-storemedia.com

DESCRIPTION OF THE COMPANY

In-Store Media, founded in 1998, is currently one of the world's leading Companies in the operation of point-of-sale advertising media, through exclusive agreements with retailers and the provision of services to advertisers.

The Company works with more than 60 retailers and manages campaigns for more than 1,600 brands.

In-Store Media has a strong international presence, with approximately 60% of its business generated outside Spain (Mexico, France, Portugal, Poland, Chile, Argentina, Uruguay and Philippines), being a leader in technology, innovation and turnover in all the aforementioned markets.

At 31 December 2021, Alba's stake in in-Store Media, through Deyá Capital IV, was 18.89%.

INFORMATION ON UNLISTED COMPANIES

SATLINK

www.satlink.es

DESCRIPTION OF THE COMPANY

A leader in the satellite telecommunications sector, Satlink is an engineering company that develops mainly technological solutions in favour of sustainable fishing and better fisheries management.

Satlink also offers a wide range of satellite products and solutions for the maritime industry including, among others, telecommunications, tracking systems, electronic reporting and video surveillance from land to improve the traceability of fishing and sea transport.

Thanks to its capacity for innovation, Satlink has successfully captured growth in its sector, generating nearly 80% of its activity in international markets.

At 31 December 2021, Alba held a 28.07% stake, through Deyá Capital IV, in Satlink, which is accounted for as fully consolidated.

In early 2022, Alba, through Artá Capital and its investment vehicle Deyá Capital IV, completed the sale of Satlink to Ergon Capital, a pan-European private equity fund. Alba has decided to reinvest, through Deyá Capital IV, a portion of the funds obtained in the sale to maintain a 7.20% stake in the Company.

MONBAKE

www.monbake.com

DESCRIPTION OF THE COMPANY

Founded in 2018, the MonBake Group was created by the simultaneous acquisition of Berlys and Bellsolá, two of the most significant manufacturers of fresh and frozen bread, cakes and pastries for the Spanish market, giving rise to one of the industry's leading Companies and strengthening its leadership position in Spain.

MonBake, which has more than 700 complementary product references marketed across the different sales channels, is focused on the traditional channel, thus taking advantage of its strong commercial capillarity in Spain. It has access directly to more than 25,000 customers, thanks to the fact that it has the largest network in the industry with almost 30 delegations across Spain.

The Company has modern production facilities distributed across nine factories, with a high level of automation, as well as a highly developed Cold Logistics Network with three logistics hubs, over 20 regional logistics centres and more than 200 distributors.

At 31 December 2021, Alba held a 3.70% stake, through Deyá Capital IV, in MonBake.

INFORMATION ON UNLISTED COMPANIES

FOOD DELIVERY BRANDS

FOOD DELIVERY BRANDS

www.fooddeliverybrands.com

DESCRIPTION OF THE COMPANY

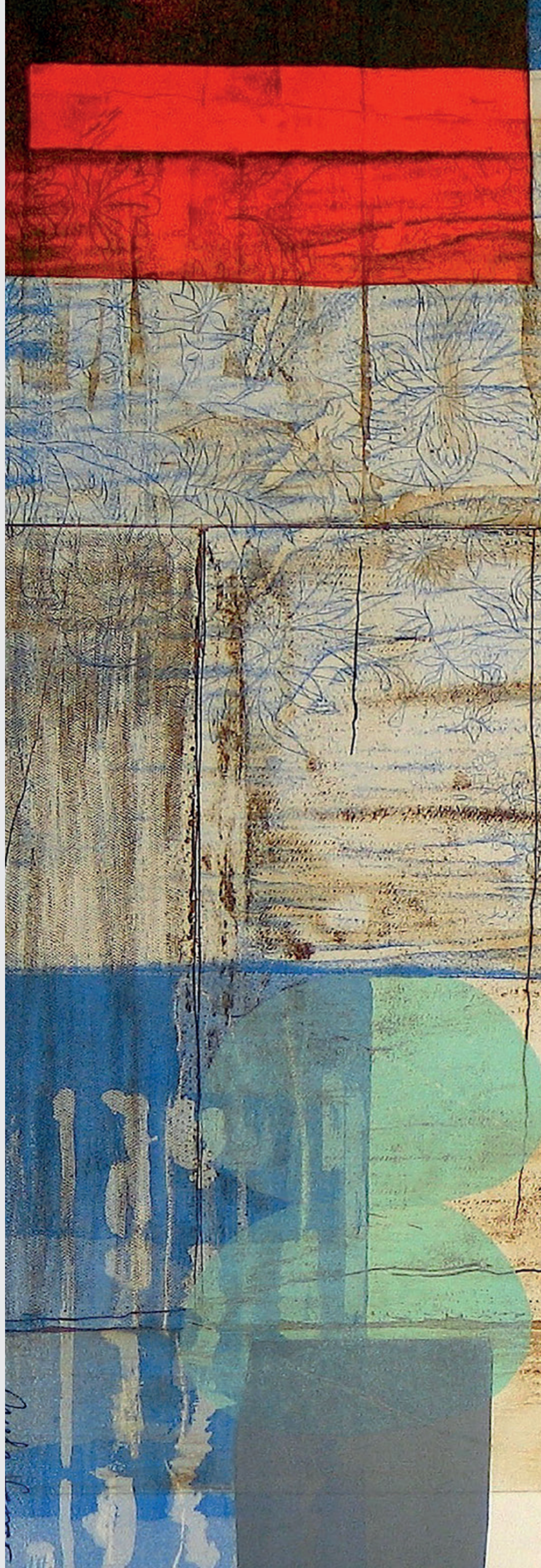
Food Delivery Brands is the main multi-brand operator of pizzerias worldwide, with a presence mainly in Iberia and Latin America. It has more than 2,600 establishments, comprising both own stores and franchises.

It is the master franchisee of Pizza Hut and Telepizza in Iberia and Latin America. Other brands managed by the group are Jeno's (Colombia) and Apache (Ireland).

The group is vertically integrated with five factories, between Iberia and Latin America, for the production of frozen dough and has a workforce of almost 4,000 employees.

At 31 December 2021, Alba held a 3.13% stake, through Deyá Capital IV, in Food Delivery Brands.

REAL ESTATE ACTIVITY



REAL ESTATE ACTIVITY

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^2 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^2 and the parking spaces by 148.

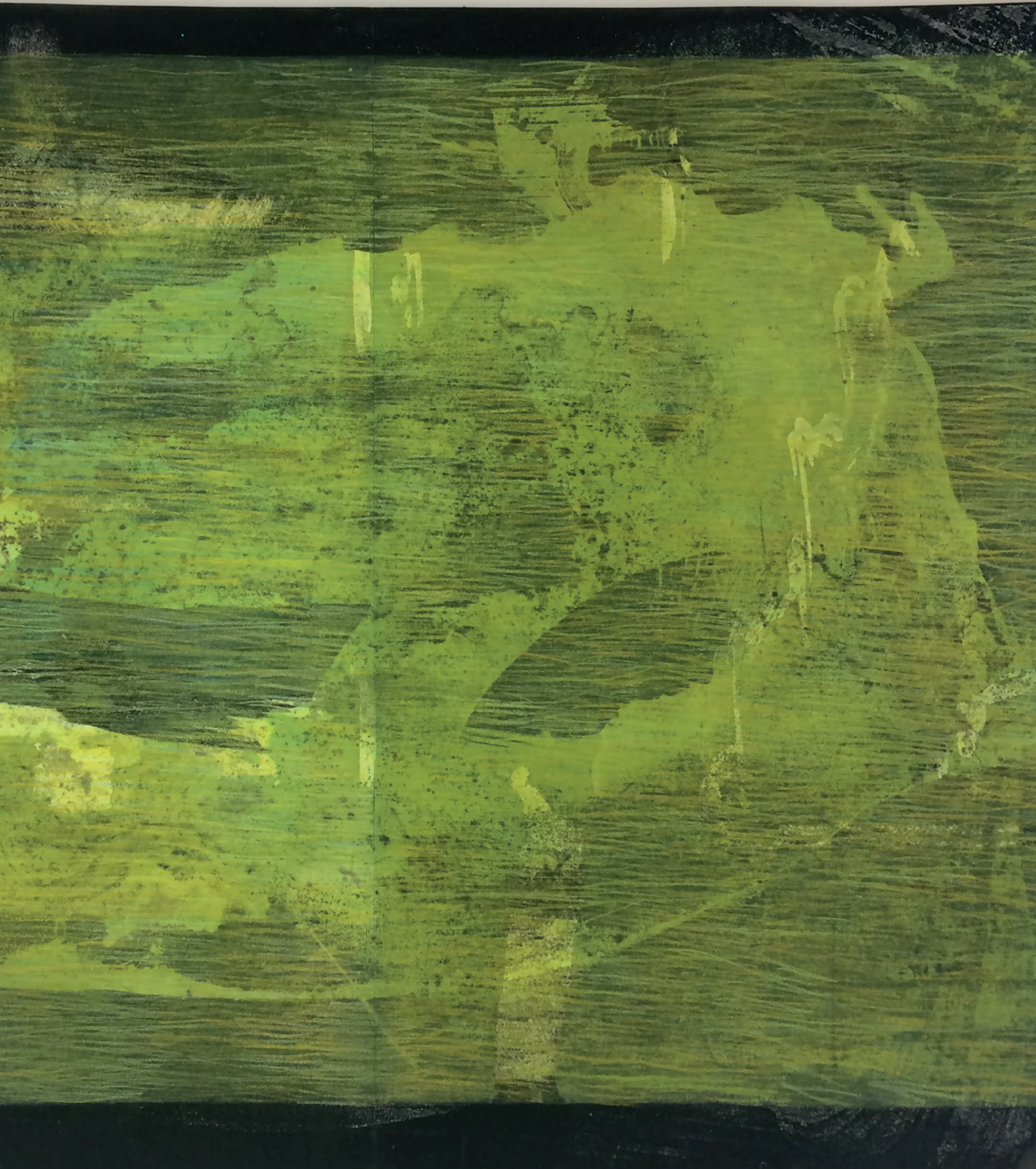
The value of the real estate properties is updated every six months by an independent expert, who valued them on 31 December 2021 at €334.8 million.

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.

AUDITOR'S REPORT



AUDITOR'S REPORT

KPMG

Auditor's Report on Corporación Financiera Alba, S.A. and subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of Corporación Financiera Alba, S.A. for the year ended 31 December 2021)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG

KPMG Auditores, S.L.
Paseo de la Castellana 259 C
28046 Madrid

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of Corporación Financiera Alba, S.A.

REPORT ON THE ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of Corporación Financiera Alba, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated balance sheet at 31 December 2021, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

2

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable amount of investments in Group companies and associates
See notes 4 e) and 10 to the consolidated annual accounts

Key audit matter	*How the matter was addressed in our audit*
The Group holds investments in associates amounting to Euros 2,476 million at 31 December 2021, which are accounted for using the equity method. There is a risk that the carrying amount associated with the net investment in the associate may exceed the recoverable amount, in particular in those entities whose listed price is lower than the carrying amount on the Group's consolidated balance sheet. At each reporting date the Group assesses the possible existence of impairment of the aforementioned investments and, where applicable, it estimates their recoverable amount and determines the need to recognise the corresponding impairment of investments. The recoverable amount of the investment is determined taking into consideration its value in use, by applying valuation techniques that require management's judgement and the use of assumptions and estimates. Due to the uncertainty and judgement associated with these estimates, as well as the significance of the carrying amount of the investments in associates, we have considered their measurement to be a key audit matter.	Our audit procedures included the following: - We assessed the design and implementation of the key controls relating to the processes of identifying possible evidence of impairment and estimating the recoverable amount of investments in associates. - We assessed the criteria used by management in this respect. To this end, we contrasted the information on the share prices of the investments in associates used for this assessment. - We evaluated the reasonableness of the methodology and assumptions used when estimating the recoverable amount, with the involvement of our valuation specialists. - We contrasted the information contained in the pricing model with estimates and prospects of future growth of the industry to which the associates belong, based on external sources of information. - We evaluated the sensitivity of the estimated recoverable amount to changes in the relevant assumptions and judgements, such as the future cash flows, the discount rate and the expected future growth rate, for the purpose of assessing its impact on the valuation. - Lastly, we assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

KPMG

3

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Other Information: Consolidated Directors' Report

Other information solely comprises the 2021 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2021, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

KPMG

4

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.

- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

5

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

We also provide the Parent's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital files of Corporación Financiera Alba, S.A. and its subsidiaries for 2021 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Parent, which will form part of the annual financial report.

The Directors of Corporación Financiera Alba, S.A. are responsible for the presentation of the 2021 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by means of a reference thereto in the consolidated directors' report.

Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

KPMG

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional Report to the Audit Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 29 April 2022.

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 18 June 2020 for a period of three years, from the year commenced 1 January 2020.

Previously, we had been appointed for a period of three years, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2017.

KPMG Auditores, S.L.
On the Spanish Official Register of Auditors ("ROAC") with No. S0702

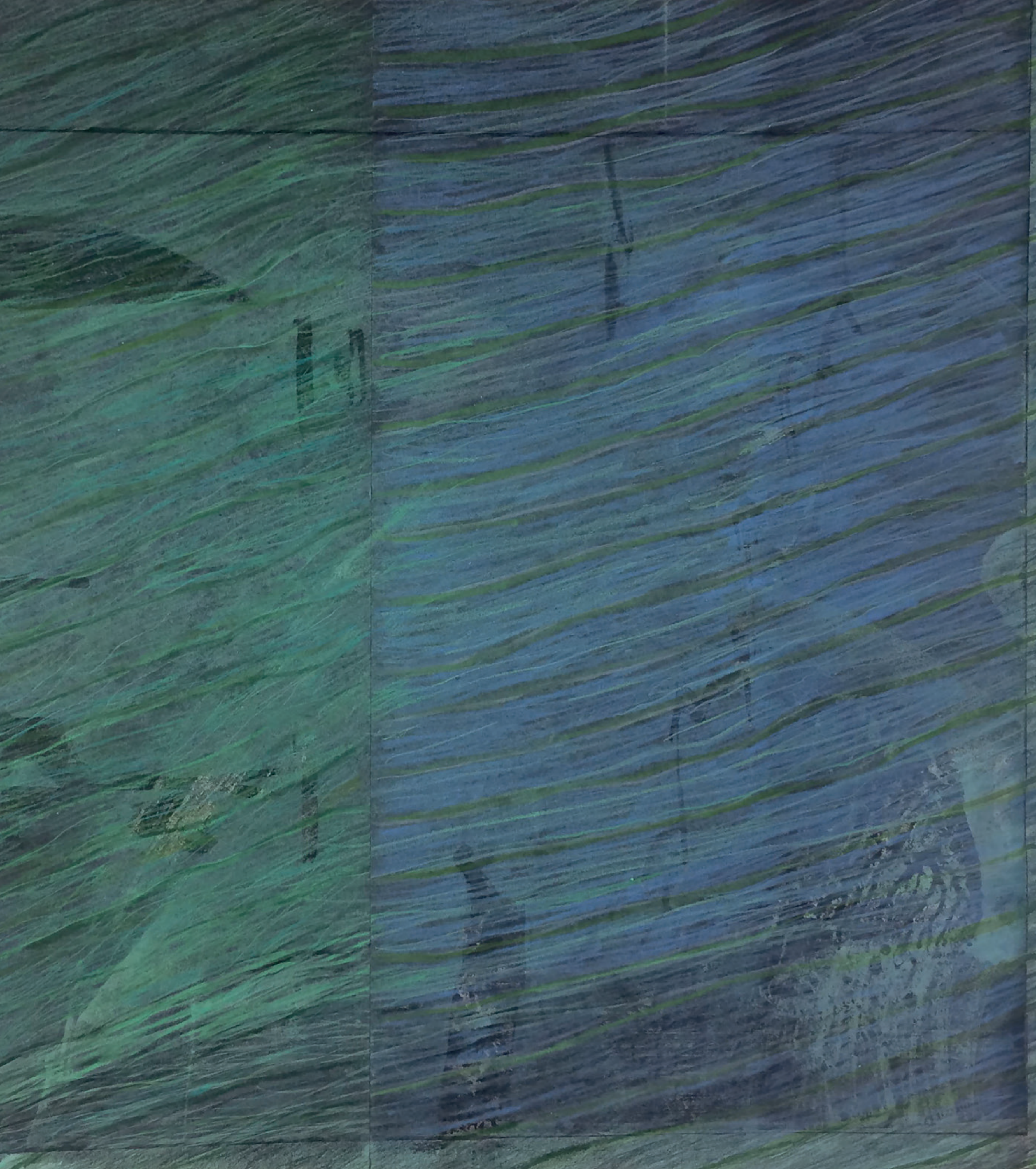
(Signed on original in Spanish)

Borja Guinea López
On the Spanish Official Register of Auditors ("ROAC") with No. 16210

29 April 2022

CONSOLIDATED ANNUAL ACCOUNTS

OF CORPORACIÓN FINANCIERA ALBA, S.A. AND SUBSIDIARIES FOR THE 2021 FINANCIAL YEAR



CONSOLIDATED ANNUAL ACCOUNTS

FREE TRANSLATION FROM THE ORIGINAL IN SPANISH. IN THE EVENT OF DISCREPANCY, THE SPANISH-LANGUAGE VERSION PREVAILS

CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2021 AND 2020

ASSETS

In millions of euros	Notes	**31-12-21**	31-12-20
Investment property	6	334.8	287.1
Property, plant and equipment	7	31.5	29.7
Goodwill	8	79.6	78.6
Other intangible assets	9	119.9	151.7
Investments in associates	10	2,476.5	2,844.9
Investments at fair value through profit or loss	11	973.3	171.0
Other financial assets	12	41.0	60.8
Deferred tax assets	22	2.5	2.8
Non-current assets		**4,059.1**	**3,626.6**
Non-current assets held for sale	30	134.8	9.0
Inventories		23.2	17.3
Trade and other receivables	13	81.5	87.3
Other financial assets	14	532.8	379.7
Cash and cash equivalents	14	176.7	296.3
Current assets		**949.0**	**789.6**
Total Assets		**5,008.1**	**4,416.2**

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2021.

EQUITY AND LIABILITIES

In millions of euros	Notes	**31-12-21**	31-12-20
Share capital	15	58.2	58.2
Retained earnings and other reserves		4,011.0	3,811.4
Interim dividend	3	(29.1)	(29.1)
Equity		**4,040.1**	**3,840.5**
Non-controlling interests	15	164.5	183.0
Total equity		**4,204.6**	**4,023.5**
Loans and borrowings	19	247.2	202.2
Other financial liabilities	12	13.4	8.2
Provisions	17	0.6	1.1
Deferred tax liabilities	22	61.9	69.7
Non-current liabilities		**323.1**	**281.2**
Non-current liabilities held for sale	30	57.5	-
Suppliers and other payables	18	75.5	61.9
Loans and borrowings	19	347.4	49.6
Current liabilities		**480.4**	**111.5**
Total Equity and Liabilities		**5,008.1**	**4,416.2**

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2021.

CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

In millions of euros	Notes	**2021**	2020
Share of profit/(loss) for the year of associates	10	245.0	(162.2)
Revenue	24	235.4	185.3
Other income		0.5	0.6
Supplies		(66.0)	(45.1)
Changes in fair value of investment property	6	(0.8)	(2.8)
Proceeds from disposal and income from assets	6, 10 and 11	1.0	24.1
Impairment	30	(16.6)	-
Personnel expenses	25.a	(92.2)	(72.7)
Other operating expenses	24	(45.8)	(39.8)
Depreciation and amortisation	7 and 9	(29.2)	(26.0)
Operating profit/(loss)		**231.3**	**(138.6)**
Finance income	25.b	17.6	25.5
Finance costs and exchange differences		(5.4)	(7.2)
Change in fair value of financial instruments	11 and 25.c	82.7	17.6
Net finance income		**94.9**	**35.9**
Profit/(loss) before tax from continuing operations		**326.2**	**(102.7)**
Income tax expense	22	(13.1)	(3.2)
Profit/(loss) from continuing operations		**313.1**	**(105.9)**
Consolidated profit/(loss) for the year		**313.1**	**(105.9)**
Profit/(loss) attributable to non-controlling interests		10.4	(3.5)
Consolidated profit/(loss) attributable to the Group		**302.7**	**(102.4)**
Earnings/(loss) per share (Euros/share)	15	5.20	(1.76)

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2021.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

In millions of euros	Notes	**2021**	2020
Consolidated profit/(loss) for the year		313.1	(105.9)
Income and expense recognised directly in equity			
Items that will not be reclassified to profit or loss	10	-	(14.5)
Share in other comprehensive income from investments in associates		-	(14.5)
Items that will be reclassified to profit or loss		(48.2)	(135.3)
Share in other comprehensive income from investments in associates	10	(60.8)	(135.3)
Amounts transferred to the income statement		12.6	-
Total income and expense recognised directly in equity		(48.2)	(149.8)
Total comprehensive income		264.9	(255.7)
Attributable to the parent		254.5	(252.2)
Attributable to non-controlling interests		10.4	(3.5)

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2021.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

In millions of euros	Share capital	Retained earnings and other reserves
Balance at 1 January 2020	**58.2**	**4,124.5**
Changes in consolidated equity of associates (note 10)	-	(149.8)
Profit/(loss) for the year	-	(102.4)
Total income and expense for the year	**-**	**(252.2)**
Interim dividend for the prior year (note 3)	-	(29.1)
Dividends paid in the year (note 3)	-	(29.1)
Other changes	-	(2.7)
Balance at 31 December 2020	**58.2**	**3,811.4**
Changes in consolidated equity of associates (note 10)	-	(60.8)
Amounts transferred to the income statement	-	12.6
Profit/(loss) for the year	-	302.7
Total income and expense for the year	**-**	**254.5**
Interim dividend for the prior year (note 3)	-	(29.1)
Dividends paid in the year (note 3)	-	(29.1)
Other changes	-	3.3
Balance at 31 December 2021	**58.2**	**4,011.0**

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2021.

Interim dividend	Equity	Non-controlling interests	Total equity
(29.1)	**4,153.6**	**194.6**	**4,348.2**
-	(149.8)	-	(149.8)
-	(102.4)	(3.5)	(105.9)
-	**(252.2)**	**(3.5)**	**(255.7)**
29.1	-	-	-
(29.1)	(58.2)	(10.9)	(69.1)
-	(2.7)	2.8	0.1
(29.1)	**3,840.5**	**183.0**	**4,023.5**
-	(60.8)	-	(60.8)
-	12.6	-	12.6
-	302.7	10.4	313.1
-	**254.5**	**10.4**	**264.9**
29.1	-	-	-
(29.1)	(58.2)	(6.8)	(65.0)
-	3.3	(22.1)	(18.8)
(29.1)	**4.,040.1**	**164.5**	**4,204.6**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

In millions of euros	Notes	**2021**	2020
Operating activities			
Profit/(loss) for the year before tax		326.2	(102.7)
Adjustments for:			
Depreciation and amortisation		29.2	26.0
Changes in fair value of investment property	6	0.8	2.8
Share of profit/(loss) of associates	10	(245.0)	162.2
Income from assets	6, 10 and 11	(1.0)	(24.1)
Impairment	10 and 12	16.6	-
Change in fair value of financial instruments and other	11 and 25.c	(82.7)	(17.6)
Finance income	25.b	(17.6)	(25.5)
Finance costs		5.4	7.2
Other cash flows from/(used in) operating activities			
Dividends received		112.3	142.1
Working capital		30.2	(17.4)
Income tax payments on account		(3.1)	24.7
Interest received		17.6	25.5
Interest paid		(5.4)	(7.2)
Net cash flows from operating activities		**183.5**	**196.0**

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2021.

In millions of euros	Notes	**2021**	2020
Investing activities			
Acquisition of interests in associates and other investments	10 and 11	(150.7)	(45.0)
Sale of interests in associates and other investments	11 and 14	493.4	332.6
Acquisition of investment property	6	(59.7)	(3.6)
Sale of investment property	6	20.5	32.5
Acquisition of other investments	14	(946.9)	(265.5)
Receipts from other financial assets		74.5	15.2
Acquisition of property, plant and equipment	7	(11.9)	(7.7)
Net cash flows from/(used in) investing activity		(580.8)	58.5
Financing activities			
Dividends paid	3	(65.1)	(69.1)
Drawdowns on loans and borrowings	16	342.8	33.1
Net cash flows from/(used in) financing activities		277.7	(36.0)
Net increase/(decrease) in cash		(119.6)	218.5
Cash and cash equivalents at 1 January		296.3	77.8
Cash and cash equivalents at 31 December	14	176.7	296.3

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2021.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACTIVITIES

Corporación Financiera Alba, S.A. ("Alba") is a company domiciled in Madrid (Spain) that owns significant interests in several companies operating in different sectors of the economy. Details of these companies are provided below. Their basic activities include the operation of buildings under lease agreements, holding interests in various listed and unlisted companies and investments through private equity activity.

Given Alba's activities, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that could be material with respect to its equity, financial position or results. Consequently, these consolidated annual accounts do not disclose any specific information relating to environmental issues.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

2.1. Accounting principles

Alba's consolidated annual accounts for the year ended 31 December 2021 were authorised for issue by the Board of Directors in the meeting held on 28 March 2022. They have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union in conformity with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, as well as subsequent amendments, to provide a true and fair view of Alba's consolidated equity and consolidated financial position at 31 December 2021, the consolidated results of its operations and changes in consolidated equity and consolidated cash flows of the Group for the year then ended.

The figures disclosed in the consolidated annual accounts are expressed in millions of Euros except where otherwise stated.

These consolidated annual accounts have been prepared on a historical cost basis, except for the following (IAS 1-117 and 1-118):

- investment property is measured at fair value;
- financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income;
- non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs of disposal.

The measurement criteria and principles applied are described in note 4 of these notes to the consolidated annual accounts. All mandatory accounting principles and measurement criteria with a significant effect on the consolidated annual accounts have been applied.

The Parent's directors consider that the consolidated annual accounts for 2021, authorised for issue on 28 March 2022, will be approved with no changes by the shareholders at their annual general meeting.

These consolidated annual accounts include comparative figures for the prior year.

a) Standards and interpretations approved by the European Union that are applicable for the first time this year

These consolidated annual accounts have been prepared using the same accounting principles as those applied in the consolidated annual accounts for the year ended 31 December 2020, except for the standards and amendments adopted by the European Union set out below, which are mandatory from 1 January 2021 onwards:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (published in August 2020) – as regards the disclosures on an entity's transition to alternative benchmark rates.

- Amendments to IFRS 4 Extension of the Temporary Exemption from Applying IFRS 9 – as regards delaying the application of IFRS 9 until 2023 and the temporary accounting consequences arising from the different dates for the entry into force of IFRS 9.

- Amendments to IFRS 16 Leases – as regards extending the period for applying the practical expedient under IFRS 16 for COVID-19 related rent concessions.

None of the above-mentioned standards and amendments that came into effect in 2021 have had a significant impact on the Group's consolidated financial statements.

b) Standards and interpretations approved by the European Union applied for the first time in 2020

- Amendments to IAS 1 and IAS 8 – Amendments to align the definition of "material" with that contained in the conceptual framework.

- Amendments to IFRS 9, IAS 39 and IFRS 7 – Amendments relating to the Interest Rate Benchmark Reform currently being undertaken.

- Amendments to IFRS 3 – Clarification of the definition of a business.

- Amendments to IFRS 16 (applicable from 1 June onwards) – Amendments through COVID-19 related rent concessions. The amendments provide a practical expedient for lessees, whereby they are not required to remeasure rental contracts in the event of rent concessions or negotiated payment deferrals that occur as a consequence of COVID-19.

None of the above-mentioned standards and amendments that came into effect in 2020 had a significant impact on the Group's consolidated financial statements.

c) Standards and interpretations issued but not yet effective

At 31 December 2021, the most significant standards and interpretations published by the IASB but not yet in force, either because they have not yet been adopted by the European Union or because their effective date is subsequent to the date of the consolidated annual accounts, are as follows:

c.1) Adopted by the EU:

- Amendments to IFRS 3 Reference to the Conceptual Framework – intended to align the definitions of assets and liabilities in a business combination with the definitions in the conceptual framework. Certain clarifications have also been introduced with respect to the recognition of contingent liabilities and contingent assets.

- Amendments to IAS 16 Proceeds before Intended Use – the amendments would prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use.

- Amendments to IAS 37 Onerous Contracts – the amendments explain that the direct costs of fulfilling a contract include incremental costs and an allocation of other costs related to fulfilling the contract.

c.2) Not adopted by the EU:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current – clarifications regarding the presentation of liabilities as current or non-current.

- Amendments to IAS 1 Disclosure of Accounting Policies – amendments to enable correct identification of the required material accounting policy disclosures.

- Amendments to IAS 8 Definition of Accounting Estimates – amendments and clarifications as to what should be considered a change in accounting estimate.

- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – clarifications as to how an entity must recognise deferred tax arising on certain transactions.

The Group's directors do not expect significant future impacts from the application of the standards and amendments summarised above.

2.2. Use of judgement and estimates in the preparation of consolidated annual accounts

The preparation of certain information included in these consolidated annual accounts has required the use of judgements and estimates based on assumptions that affect the application of accounting criteria and policies and the reported amounts of assets and liabilities, income and expenses and obligations. The most significant estimates used in preparing these consolidated annual accounts are as follows:

- The estimate of the recoverable amount of interests in associates with indications of impairment.
- The assumptions used to calculate the fair value of certain unlisted financial assets and investment property.
- The determination of the fair values in business combinations and the assessment of possible impairment losses on certain assets.

The estimates and assumptions used are periodically reviewed. Any change in accounting estimates following such a review or due to future events is recognised in the consolidated Income Statement for that and successive periods, in accordance with IAS 8.

2.3. Subsidiaries

Subsidiaries are fully consolidated. The Group obtains control when it is exposed, or has rights, to variable returns from its involvement with a subsidiary and it has the ability to affect those returns through its power over the subsidiary. Specifically, the Group controls a subsidiary if and only if, the Group has:

- Power over the subsidiary (existing rights that give it the current ability to direct the relevant activities of the subsidiary).

- Exposure or rights to variable returns from its involvement with the subsidiary.

- The ability to use its power over the subsidiary to affect the amount of the returns.

It is generally assumed that a majority of voting rights amounts to control. In cases where the Group manages private equity entities or holds investments therein, internal procedures and criteria that take into consideration IFRS 10 are applied to determine whether control exists and, therefore, whether or not the entity should be fully consolidated. These methods take into consideration, among other aspects, the scope of its decision-making authority, the rights held by other parties, the remuneration to which it is entitled in accordance with the remuneration agreement(s) or the decision maker's exposure to variability of returns from other interests that it holds in the investee. These entities include private equity entities that are either managed by or are investees of the Group and their investments.

The assets and liabilities of subsidiaries are measured initially at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the fair values of the identifiable net assets acquired (i.e. a bargain purchase) the difference is recognised in profit or loss on the acquisition date.

Third-party interests in the Group's equity and profit or loss for the year are recognised as non-controlling interests within total equity in the consolidated Balance Sheet and as profit or loss attributable to non-controlling interests in the consolidated Income Statement.

In accordance with International Financial Reporting Standards, Group companies and business combinations are fully consolidated and all their assets, liabilities, income, expenses and cash flows are included in the consolidated annual accounts after making the adjustments and eliminations relating to intra-group transactions.

Details at 31 December 2021 and 2020 are as follows:

Subsidiary	Activity	Year	Percentage ownership	Carrying amount before consolidation	Equity	Profit/(Loss) for the year
Alba Patrimonio Inmobiliario, S.A.U. C/ Castelló, 77, 5ª planta 28006-Madrid	Investment property	2021 2020	100.00 100.00	194.9 180.9	229.1 201.8	13.8 15.5
Alba Europe S.à.r.l. Rue Eugène Ruppert 6 L-2453 Luxemburgo	Investment in transferable securities	2021 2020	100.00 100.00	1,156.3 1,242.3	1,226.9 1,195.1	117.9 (47.2)
Alba Investments, S.à.r.l. Rue Eugène Ruppert 6 L-2453 Luxemburgo	Investment in transferable securities	2021 2020	82.09 82.09	358.0 458.4	546.9 669.4	(0.1) 110.2
Artá Capital, SGEIC, S.A.U. Pza. Marqués de Salamanca, 10 28006-Madrid	Private equity entities management company	2021 2020	77.14 77.41	1.8 1.7	2.3 0.9	2.8 3.8
Artá Partners, S.A. C/ Castelló, 77, 5ª planta 28006-Madrid	Investment in transferable securities	2021 2020	77.14 77.41	1.6 1.6	2.1 2.1	1.6 3.5
Deyá Capital, SCR, S.A.U. C/ Castelló, 77, 5ª planta 28006-Madrid	Private equity	2021 2020	 100.00	Disolved in 2021 0.7	 19.5	 2.8
Deyá Capital IV, SCR, S.A.U. C/ Castelló, 77, 5ª planta 28006-Madrid	Private equity	2021 2020	100.00 100.00	69.3 92.7	104.3 90.3	37.5 (2.2)
Subgrupo Nuadi (Nuadi Components)(1) Polígono industrial Arazuri-Orcoyen Arazuri-Navarra	Industrial supplies	2021 2020	37.43 37.43	18.3 18.3	37.8 29.9	0.8 (0.2)
Subgrupo Preving (Marsala)(2) C/Joaquín Sánchez Valverde, 1-3-5 06006-Badajoz	Occupational health and safety solutions	2021 2020	24.81 24.81	16.9 16.9	58.0 49.3	2.5 4.0
Subgrupo Satlink(3) Avda. de la Industria, 53 Nave 7 Alcobendas-Madrid	Technological solutions for the fishing sector	2021 2020	28.07 28.07	12.1 12.1	11.3 12.4	2.1 3.1
Alba KKR Core International, S.C.A. 2, rue Edward Steichen L-2540 Luxembourg	Private equity	2021 2020	100.00 -	561.7 -	561.7 -	- -
Alba KKR Core International Blocker, S.à.r.l. 2, rue Edward Steichen L-2540 Luxembourg	Private equity	2021 2020	100.00 -	323.6 -	323.6 -	- -

(1) This subgroup is formed by Nuadi Components, S.L., Nuadi Europe, S.L. and Shanghai Nuadi China, Co. Ltd.
(2) This subgroup is formed by Preving Investments Group, S.L., Preving Investment, S.L.U., Preving Consultores, S.L.U. and its Group, Formalia Salud, S.L.U. and its Group, Gabinete de Medicia Preventiva y Salud Laboral, S.L.U., Adeplus Consultores, S.L.U., Excelencia y Garantía para la Salud en el Trabajo, S.L.U. and Ozonovid 2020, S.L.U.
(3) This subgroup is formed by Grupo Satlink, S.L., Satlink, S.L., Satlink, LTD, Linksat Solutions, S.A., Digital Observer Services, S.L., Satlink WCPO Limited and Satlink WCPO Solomon.
(1) (2) (3) This are associates in Alba through Deyá Capital IV, SCR, S.A.U. Additionally, a 31.93% of Satlink subgroup, a 42.57% of Nuadi subgroup and a 28.13% of Preving subgroup are included in other investment vehicles managed by Arta Capital, SGEIC, S.A.U., who is in a dominant position, is in charge of determining the investments made, there are no restrictions in terms of management and they have exposure to variable performance, due to all of the above, Alba has considered that has control over these subgroups.

In 2021 and 2020 KPMG Auditores, S.L. was the auditor of all of the companies mentioned except for Alba Europe, S.à r.l. and Alba Investments, S.à r.l., which were audited by Audit Consell Services, S.à r.l., Alba KKR Core International, S.C.A., Alba KKR Core International Blocker, S.à r.l. and the Preving subgroup, which were audited by Deloitte, S.L., and the Nuadi subgroup, whose auditor was Ernst&Young, S.L.

2.4. Associates

Entities over which Alba exercises significant influence even though its interest therein is less than 20% are considered associates. To determine whether significant influence exists, among other situations the Parent considers representation on the Board of Directors, involvement in establishing policies and the permanence of the interest.

Details for 2021 and 2020 are as follows:

Associate / Auditor	Registered office	Activity	Percentage ownership At 31-12-21	Percentage ownership At 31-12-20	Percentage ownership Change	Representation on Board of directors at 31/12/2021
Acerinox, S.A. Auditor: PWC	Santiago de Compostela, 100 (Madrid)	Manufacture and sale of stainless steel	17.78	19.35	(1.57)	3
Aegis Lux 2, S.à.r.l. (Verisure) Auditor: PWC	15, Boulevard F.W. Raiffeisen L-2411 Luxemburgo	Connected alarms	7.59	7.72	(0.13)	1
CIE Automotive, S.A. Auditor: PWC	Alameda Mazarredo, 69 (Bilbao)	Automotive industry	12.73	12.73	-	1
Ebro Foods, S.A. Auditor: E&Y	Paseo de la Castellana, 20 (Madrid)	Food	14.44	14.00	0.44	2
Euskaltel, S.A. Auditor: KPMG	Parque Tecnológico, Edificio 809 (Derio-Vizcaya)	Telecommunications	-	11.00	(11.00)	-
Indra Sistemas, S.A.[1] Auditor: Deloitte	Avda. de Bruselas, 35 (Alcobendas - Madrid)	New technologies	3.21	10.52	(7.31)	-
Piolin II, S.à.r.l. (Parques Reunidos) Auditor: KPMG	26A, Boulevard Royal L-2449 Luxemburgo	Recreational and entertainment activities	25.09	25.09	-	1
Profand Fishing Holding, S.L. Auditor: Deloitte	Avda. García Barbón, 62 Bloque 1, Vigo	Sea food commercialization	23.71	-	23.71	2
Rioja Luxembourg, S.à.r.l. (Naturgy) Auditor: E&Y	20, avenue Monterey L-2163 Luxemburgo	Business related to gas, electricity and other sources of energy	25.73	25.73	-	-
Viscofan, S.A. Auditor: PWC	Polígono Industrial Berroa (Tajonar-Navarra)	Manufacture of artificial casings for cured meats	13.97	13.03	0.94	1

(1) Registered as "Non-current assets held for sale" in 2021.

In 2021 the investments in Ebro Foods, S.A., and Viscofan, S.A., were increased, while the investments in Acerinox, S.A., and Indra Sistemas, S.A., were reduced. Moreover, an interest of 23.71% was acquired in Profand Fishing Holding, S.L. In addition, the entire stake held in Euskaltel, S.A. was sold, in the context of a takeover bid launched by the MásMóvil Group.

In 2020 the investment in the Verisure Group was reorganised by means of Alba contributing its interest in Shield Luxco 1.5 to Aegis Lux 2 while retaining, through the latter, its indirect interest in Verisure. The increase in the investment in CIE Automotive, S.A. was due to acquisitions during the year and a capital reduction through the redemption of own shares of the Company.

3. DISTRIBUTION OF PROFIT

The distribution of Corporación Financiera Alba, S.A.'s profit for 2021 to be submitted by the Board of Directors for approval by the Shareholders at their General Meeting, and the distribution of profit for 2020 approved by the shareholders at their general meeting, are as follows (in millions of Euros):

Basis of allocation	**2021**	2020
Profit for the year	28.7	208.1
Reserves	29.5	-
Total	58.2	208.1

Distribution	**2021**	2020
Reserves	-	149.9
Dividends	58.2	58.2
Total	58.2	208.1

The dividends paid by the Parent in 2021 and 2020 were as follows:

	Number of shares with rights	Euros/Share	Millions of Euros
2021			
Interim dividend for 2021	58,240,000	0.50	29.1
Final dividend for 2020	58,240,000	0.50	29.1
2020			
Interim dividend for 2020	58,240,000	0.50	29.1
Final dividend for 2019	58,240,000	0.50	29.1

A final dividend from 2021 profit of Euros 0.50 per outstanding share at the date of payment will be proposed for approval by the Shareholders at their General Meeting.

The liquidity statement required under article 277 of the Spanish Companies Act in relation to the interim dividend is presented by the Board of Directors in the notes to the Parent's individual annual accounts.

4. SIGNIFICANT ACCOUNTING PRINCIPLES

The main accounting policies used in preparing the accompanying consolidated annual accounts were as follows:

a) Business combinations and non-controlling interests (minority interests) (note 5)

Business combinations

Alba applies the acquisition method for business combinations. The acquisition date is the date on which Alba obtains control of the acquiree.

The consideration transferred in a business combination is calculated as the sum of the acquisition date fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any consideration contingent on future events or compliance with certain conditions in exchange for control of the acquiree.

The consideration transferred excludes any payment that does not form part of the exchange for the acquired business. Acquisition costs are recognised as an expense when incurred.

The Group recognises the assets acquired and liabilities assumed at their acquisition-date fair value. Non-controlling interests in the acquiree are recognised at the amount of the proportionate interest in the fair value of the net assets acquired. This criterion is only applicable for non-controlling interests which grant present access to economic benefits and entitlement to a proportionate share of the acquiree's net assets in the event of liquidation. Otherwise, non-controlling interests are measured at fair value or value based on market conditions. Liabilities assumed include any contingent liabilities that represent present obligations arising from past events for which the fair value can be reliably measured. The Group also recognises indemnification assets transferred by the seller at the same time and following the same measurement criteria as the item that is subject to indemnification from the acquiree, taking into consideration, where applicable, the insolvency risk and any contractual limitations on the indemnified amount.

With the exception of lease and insurance contracts, the assets acquired and liabilities assumed are classified and designated for subsequent measurement based on contractual agreements, economic terms, accounting and operating policies and any other conditions existing at the acquisition date.

Any excess of the consideration given, plus the value assigned to non-controlling interests, over the value of net assets acquired and liabilities assumed is recognised as goodwill. Any shortfall, after evaluating the consideration given, the value assigned to non-controlling interests and the identification and measurement of net assets acquired, is recognised in profit or loss.

If it has only been possible to determine a business combination provisionally at the end of the reporting period, the identifiable net assets are initially recognised at their provisional amounts and adjustments made during the measurement period are recognised as if they had been known at that date. Comparative figures for the previous year are restated where applicable. In any event, adjustments to provisional amounts only reflect information obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognised at that date.

The potential benefit of the acquiree's income tax loss carryforwards and other deferred tax assets, which are not recognised as they did not qualify for recognition at the acquisition date, is accounted for as income tax income provided that it does not arise from a measurement period adjustment.

The contingent consideration is classified in accordance with the underlying contractual terms as a financial asset or financial liability, equity instrument or provision. Subsequent changes in the fair value of a financial asset or financial liability are recognised in consolidated profit or loss or other comprehensive income, provided that they do not arise from a measurement period adjustment. Contingent consideration classified as equity is not remeasured, and subsequent settlement is accounted for in equity.

Contingent consideration classified as a provision is subsequently recognised in accordance with the relevant measurement standard.

The cost of the business combination includes contingent consideration, if this is probable at the acquisition date and can be reliably estimated. Subsequent accounting or later changes to contingent consideration are recognised as a prospective adjustment to the cost of the business combination.

Non-controlling interests (minority interests)

Non-controlling interests in subsidiaries are recognised at the acquisition date in the amount of the proportionate share of the fair value of the identifiable net assets. Non-controlling interests in subsidiaries acquired prior to the date of first-time consolidation were recognised in the amount of the proportionate share of the equity of those subsidiaries at that date.

The consolidated profit for the year and changes in equity of the subsidiaries attributable to Alba and to non-controlling interests after consolidation adjustments and eliminations is determined in accordance with the percentage ownership at year end, without considering the possible exercise or conversion of potential voting rights and after discounting the effect of dividends, agreed or not, on cumulative preference shares classified in equity accounts. However, Group and non-controlling interests are calculated taking into account the possible exercise of potential voting rights and other derivative financial instruments which, in substance, currently allow access to the economic benefits associated with the interests held, such as entitlement to a share in future dividends and changes in the value of subsidiaries.

Profit or loss and each component of other Comprehensive Income are allocated to equity attributable to shareholders of the parent and to non-controlling interests in proportion to their investment, even if this results in a balance receivable from non-controlling interests. Agreements entered into between the Group and non-controlling interests are recognised as a separate transaction.

b) Investment property (note 6)

Investment property, buildings used for rental purposes, is initially recognised at cost, including transaction costs. These assets are subsequently measured at fair value, determined by independent experts in accordance with the following definition: "The price at which the building could be sold under private contract between a willing seller and an arm's length buyer on the date of valuation, it being assumed that the property is publicly exposed to the market, that market conditions permit orderly disposal and that a normal period, having regard to the nature of the property, is available for the negotiation of the sale". Changes in fair value are recognised in the income statement for the period in which they arise. These investments are not depreciated.

b.1) Leases

Determination of whether a contract is, or contains, a lease is based on the economic substance of the agreement at the inception date thereof. The contract is analysed to determine whether its fulfilment depends on the use of an asset or specific assets or the agreement implies the right of use of an asset or assets, even though this right is not explicitly specified in the contract.

Leases in which the Group maintains substantially all the risks and rewards incidental to ownership are classified as operating leases. Contingent rents are recognised as income in the year in which they are obtained.

c) Property, plant and equipment (note 7)

In application of IFRS 1 – First-time adoption of International Financial Reporting Standards, buildings for own use were recognised on 1 January 2004 at fair value, determined by independent experts as defined in the previous note, considering this amount to be the cost of acquisition. This increase in value was credited to equity in the consolidated Balance Sheet.

The remaining property, plant and equipment are valued at cost of acquisition; interest and exchange differences are not included. Costs of expansion, modernisation or improvements which increase the productivity, capacity or efficiency or extend the useful lives of assets are capitalised as an increase in the cost of those assets.

Depreciation is provided on a straight-line basis, distributing the carrying amount of the assets over their estimated useful lives, in accordance with the following percentages:

	Percentage of annual depreciation
Buildings and constructions	2
Technical installations	8
Furniture and fixtures	10
Information technology equipment	25

If the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and its carrying amount is immediately written down to its recoverable amount.

d) Intangible assets

d.1) Goodwill

Goodwill is determined using the same criteria as for business combinations (see note 5).

Goodwill is not amortised but is tested for impairment annually or more frequently where events or circumstances indicate that an asset may be impaired. Goodwill on business combinations is allocated to the cash-generating units ("CGUs") or groups of CGUs which are expected to benefit from the synergies of the business combination and the criteria described in note 8 are applied. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The recoverable amount of the assets is the higher of their fair value less costs of disposal and their value in use.

If the recoverable amount is less than the carrying amount of the asset, the difference is recognised under impairment losses in the consolidated income statement.

d.2) Customer portfolio

The relationships with customers that Alba recognises under customer portfolios are separable and based on a contractual relationship, thus meeting the requirements set out in prevailing legislation for consideration as intangible assets separate from goodwill. In general, these are customer service contracts that have been recognised in the allocation of fair values in business combinations.

The fair value allocated to customer contract portfolios acquired from third parties is the acquisition price.

The income approach was used to determine the fair value of intangible assets allocated in business combinations in the form of customer relationships; discounting the cash flows generated by these relationships at the date of acquisition of the subsidiary. Cash flows are estimated based on the sales, operating investments and EBITDA margins projected in the Company's business plans.

Customer portfolios are amortised on a straight-line basis over their estimated useful lives. The useful life is estimated based on indicators such as average length of relationship with customers or the average annual customer churn rate. The useful lives allocated to these intangible assets are reviewed at the end of each reporting period. The useful life of customer portfolios is between 10 and 15 years.

Customer portfolios are allocated to CGUs in accordance with their respective business segment and the country of operation.

d.3) Other intangible assets

These are intangible assets that were recognised in business combinations.

They are amortised on a straight-line basis over their estimated useful life, which is between 3 and 60 years.

Other intangible assets are allocated to CGUs in accordance with their respective business segment and the country of operation.

If an event or change in circumstances indicates that the carrying amount of assets subject to amortisation may not be recoverable, Alba determines whether impairment losses have been incurred. An impairment loss is recognised as the difference between the carrying amount of the asset and its recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs of disposal, and value in use. For impairment testing purposes, assets are grouped at the lowest level for which separate identifiable cash flows can be identified (CGU). Impaired non-financial assets other than goodwill are reviewed at the end of each reporting period to assess whether the loss has been reversed.

e) Investments in associates (note 10)

Investments in associates are accounted by using the equity method from the date significant influence commences until the date significant influence ceases. However, if on the acquisition date all or part of the investment qualifies for recognition as non-current assets or disposal groups held for sale, it is recognised at fair value less costs of disposal.

Investments in associates are initially recognised at cost of acquisition, including any cost directly attributable to the acquisition and any consideration receivable or payable contingent on future events or on compliance with certain conditions.

The excess of the cost of the investment over the Group's share of the fair values of the identifiable net assets is recognised as goodwill, which is included in the carrying amount of the investment.

The Group's share of the profit or loss of associates is recognised as an increase or decrease in the value of the investments, with a credit or debit to share of the profit or loss for the year of associates. The Group's share of other comprehensive income of associates from the date of acquisition is recognised as an increase or decrease in the value of the investments in associates with a balancing entry in other comprehensive income based on the nature of the investment. The distribution of dividends is recognised as a decrease in the value of the investment. The Group's share of profit or loss, including impairment losses recognised by the associates, is calculated based on income and expenses arising from application of the acquisition method.

The Group's share of the profit or loss of an associate and of changes in equity is calculated without considering the possible exercise or conversion of potential voting rights.

Impairment is calculated by comparing the carrying amount of the net investment in the associate with its recoverable amount. The recoverable amount is the higher of value in use and fair value less costs of disposal. Accordingly, value in use is calculated based on the Group's share in the present value of estimated cash flows from ordinary operations and the income generated on final disposal of the associate.

Impairment losses are not allocated to goodwill or other assets implicit in the investment in associates derived from application of the acquisition method. In subsequent years, reversals of impairment of investments are recognised in profit or loss to the extent of any increase in the recoverable amount. Impairment losses are presented separately from the Group's share of profit or loss of associates.

f) Investments at fair value through profit or loss (note 11)

Investments held with the intention of not selling them in the short term and those held through private equity companies are included in this line item.

They are recognised at fair value through profit or loss.

The fair value of investments in unlisted companies was determined using either the analysis of multiples of comparable companies or the discounted cash flow method, whichever was the most suitable method for each investment.

g) Non-current assets held for sale (notes 6, 10 and 30)

Alba classifies non-current assets or disposal groups as non-current assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets or disposal groups are classified as held for sale, provided that they are available for sale in their present condition subject to terms that are usual and customary for sales of such assets and that the transaction is highly probable.

Alba does not depreciate non-current assets or disposal groups classified as held for sale, rather it measures them at the lower of the carrying amount and fair value less the costs of disposal.

Impairment losses on initial classification and subsequent remeasurement of assets classified as held for sale are recognised under profit or loss from continuing operations in the consolidated income statement, unless it is a discontinued operation. Impairment losses are allocated first to reduce the carrying amount of goodwill and then to reduce pro rata the carrying amounts of other assets in the unit.

Alba recognises gains arising from increases in the fair value less costs of disposal in profit or loss to the extent of the cumulative impairment previously recognised due to measurement at fair value less costs of disposal or to impairment of non-current assets.

h) Calculation of fair value (notes 6, 11 and 20)

Alba measures financial instruments and non-financial assets such as investment property at their fair value at the reporting date of the financial statements. Details of the fair value of financial assets measured at amortised cost are provided in note 20. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be a market that is accessible for Alba.

The fair value of an asset or a liability is calculated using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Alba uses valuation techniques appropriate to the circumstances and for which sufficient information is available to calculate the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All the assets and liabilities for which calculations or disclosures of their fair value are made in the financial statements are categorised within the fair value hierarchy described below, based on the lowest level input necessary for the calculation of the fair value measurement in its entirety:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input used that is significant for the calculation is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input used that is significant for the calculation is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, at the end of each year Alba reviews their categorisation (based on the lowest level input that is significant for the calculation of fair value as a whole) to determine whether there have been any transfers between the different levels of the hierarchy.

Alba determines the policies and procedures for recurring fair value calculations, such as property investments and unlisted financial assets.

For the valuation of significant assets and liabilities, such as investment property, financial assets and contingent consideration, internal and external valuers are used.

For the purposes of the required disclosures of fair value, the Group has determined the different classes of assets and liabilities based on their nature, characteristics, risks and fair value hierarchy as explained previously.

i) Loans and receivables (notes 12 and 13)

The Group initially measures the financial assets included in this category (Other financial assets and Trade and other receivables) at fair value, which is the transaction price. In transactions with a due date within one year for which there is no contractual interest rate, dividends receivable and receivables on called-up equity instruments expected to be collected in the short term are measured at their nominal amount, as the effect of not discounting the cash flows is immaterial.

Subsequently, these financial assets are measured at amortised cost and the interest accrued is recognised in the Income Statement using the effective interest method. At least once a year, and whenever there is objective evidence that a loan or receivable is impaired, Alba carries out impairment testing. Based on this analysis, Alba recognises the corresponding impairment losses where applicable.

The impairment loss on these financial assets is calculated as the difference between their carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate.

Impairment and reversals thereof are recognised as an expense or income, respectively, in the income statement. The loss can only be reversed up to the limit of the carrying amount of the receivable that would have been recorded at the reversal date had the impairment loss not been recognised.

j) Cash and cash equivalents (note 14)

This line item of the Balance Sheet includes cash on hand, demand deposits and other current highly liquid investments that are readily convertible to cash and subject to an insignificant risk of changes in value.

k) Financial liabilities (note 19)

Financial liabilities generally include loans and borrowings that are initially recognised at the cash amount received, less transaction costs. In subsequent periods they are carried at amortised cost using the effective interest method.

l) Own shares (note 15)

Own shares are recognised as a reduction in equity. No gain or loss is recognised for the purchase, sale, issue, redemption or cancellation of Alba's own equity instruments.

m) Provisions (note 17)

Provisions are recognised for present obligations arising from a past event when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect of the time value of money is significant, the provision is discounted using a pre-tax rate. When discounted, increases in the provision due to the passage of time are recognised as a finance cost.

n) Income tax (note 22)

The income tax expense is calculated as the sum of current tax, calculated by applying the relevant tax rate to the taxable income or tax loss for the period, less any existing deductions and credits, plus any changes in recognised deferred tax assets and liabilities during the period. The income tax expense is recognised in the income statement except when it relates to transactions recognised directly in equity, in which case the associated tax is also recognised in equity, or as part of a business combination with a charge or credit to goodwill.

o) Alternative pension plan schemes

Alba has three plans – two defined benefit plans and one defined contribution plan – which are externalised to insurance companies and require that contributions be made to a separately managed fund.

The Group recognises the contributions payable to a defined contribution plan in exchange for a service when an employee has rendered service to the Group. The amount of the contributions accrued are recognised as personnel expenses. If the contribution already paid exceeds the accrued expense, the Group only recognises the corresponding asset to the extent that the prepayments will lead to a reduction in future payments or a cash refund.

When contributions to a defined contribution plan are not expected to be paid in full within the 12 months after the end of the year in which the employees render the related service, they are discounted using the market yield on high quality corporate bonds.

The projected unit credit method was used to measure the obligation derived from pension commitments. With this method the benefits are financed as and when they are generated, based on the employee's years of service at the Company, so that the commitment is fully funded by the end of the employee's working life when they reach retirement age.

Past service cost is recognised in the consolidated income statement at the earlier of the following dates:

- when the plan amendment or curtailment occurs; and
- when the Group recognises related restructuring costs or termination benefits.

The discount rate of obligations and of assets intended to settle the commitments was determined considering the return on high quality corporate bonds with a similar maturity to the commitments measured, using German public debt as a benchmark.

The main assumptions used in 2021 and 2020 to measure defined benefit obligations were as follows:

	2021	2020
Mortality tables	PERM 2020_Col_1st. rank	PERM 2020_Col_1st. rank
Technical interest agreed in the policies	2.00% – 3.70%	2.00% – 3.70%
CPI growth	2.00%	1.00%
Salary increases	2.50%	2.50%
Changes in Social Security base	2.00%	1.50%
Discount rate of obligations and of assets intended to settle the commitments	0.95%	0.50%
Retirement age	65	65

The changes in defined benefit plan obligations and the fair value of the assets associated with the benefit in 2021 and 2020 are as follows:

	1/1	Cost of commitments recognised in the income statement: Cost of services	Interest income/ (expense), net	Subtotal included in profit/ (loss)	Obligations met (paid)	Actuarial gains/ (losses)	31/12
2021							
Obligations under defined benefit plans	(19.6)	(1.4)	(0.1)	(1.5)	-	2.3	(18.8)
Fair value of assets associated with the benefit	19.6	0.1	0.4	0.5	-	(1.3)	18.8
(Obligations)/rights under defined benefit plans, net	-						-
2020							
Obligations under defined benefit plans	(26.2)	(1.6)	(0.3)	(1.9)	10.1	(1.6)	(19.6)
Fair value of assets associated with the benefit	26.2	1.1	0.5	1.6	(10.1)	1.9	19.6
(Obligations)/rights under defined benefit plans, net	-						-

The contribution expected to be made in 2022 in relation to defined benefit plans is Euros 0.7 million.

Sensitivity analysis:

	Discount rate		Future salary increases	
Sensitivity level	+0.50%	(0.50%)	+0.50%	(0.50%)
2021				
Impact on the (obligations)/rights under defined benefit plans, net	(6.75%)	8.08%	4.71%	(4.89%)
2020				
Impact on the (obligations)/rights under defined benefit plans, net	(6.69%)	8.05%	3.94%	(3.72%)

The contributions related to both plans are recognised in the accompanying income statement and disclosed in note 25.a.

p) Share-based payment transactions

At 31 December 2021 and 2020 Alba has no share option schemes.

q) Recognition of income and expenses

Income and expenses are allocated on an accruals basis, irrespective of the timing of collections and payments and always taking into account the economic substance of the transaction.

Revenue from sales of goods is recognised when all the significant risks and rewards of ownership have been transferred to the buyer, and the Company retains neither continuing managerial involvement nor effective control over the goods sold.

Revenue from services rendered is recognised by considering the period of time over which the Group must provide the agreed services, provided that the outcome of the transaction can be estimated reliably.

r) Right-of-use assets and lease liabilities

Assets are recognised under right-of-use assets and are classified based on the nature of the underlying asset. At the commencement date they are measured at the amortised cost of the contract, and subsequently they are measured at cost less any accumulated depreciation and impairment. These assets are depreciated on a straight-line basis over the term of the contract.

The lease liability reflects the fixed instalments agreed and the initial or future payments that are considered highly probable (direct costs related to start-up or penalties, among others), excluding from this calculation variable rent tied to the future measurement of a parameter. The liability is measured at amortised cost using the interest rate implicit in the lease agreement or, if this rate cannot be easily determined, the incremental interest rate payable by the Group for such an agreement.

The liability is discounted using the effective interest method and decreased by the payments made.

The Group remeasures the lease liability by discounting the lease payments at a revised discount rate, if there has been a change in the lease term or a change in the assessment of an option to purchase the underlying asset.

The Group accounts for a lease modification as a separate lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets; and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

5. BUSINESS COMBINATIONS

Goodwill generated in 2021

Preving subgroup:

In 2021, through the Preving subgroup, the Group obtained control of Serviprein Servicio de Prevención, S.L.U. and Prevensal Ingenieros, S.L.U. for a total amount of Euros 9.3 million.

Details of the consideration given, the fair value of the net assets acquired and goodwill are as follows:

Purchase price	9.3
Fair value of net assets	2.2
Goodwill	**7.1**

The amounts recognised at the acquisition date of the assets, liabilities and contingent liabilities, by significant class, are as follows:

	Carrying amount	Adjustments to fair value	Fair value
Intangible assets	0.2	-	0.2
Other property, plant and equipment	0.5	-	0.5
Cash	1.9	-	1.9
Receivables and other assets	1.4	-	1.4
Total assets	**4.0**	**-**	**4.0**
Other liabilities	1.8	-	1.8
Total liabilities	**1.8**	**-**	**1.8**
Total Net Assets	**2.2**	**-**	**2.2**

The acquiree generated revenue of Euros 7.0 million and a consolidated loss of Euros -0.1 million for Alba from the acquisition date to the reporting date.

Had the acquisition taken place on 1 January 2021, the Group's revenue and consolidated loss for the year ended 31 December 2021 would have totalled Euros 8.6 million and Euros -0.5 million, respectively.

The estimate of the fair value of this business combination was calculated internally by Company management, considering that there are no differences between the carrying amount and the fair value of the assets acquired and liabilities assumed. The recognition of this business combination in the consolidated annual accounts at 31 December 2021 has been considered provisional, and any adjustments are to be made within one year from the date of acquisition.

Nuadi subgroup:

In 2021, through the Nuadi subgroup, the Group obtained control of Sadeca Systems, S.L.U. for Euros 10.3 million.

Details of the consideration given, the fair value of the net assets acquired and goodwill are as follows:

Purchase price	10.3
Fair value of net assets	9.3
Goodwill	**1.0**

The amounts recognised at the acquisition date of the assets, liabilities and contingent liabilities, by significant class, are as follows:

	Carrying amount	Adjustments to fair value	Fair value
Intangible assets	0.1	7.1	7.2
Other property, plant and equipment	2.8	-	2.8
Cash	1.0	-	1.0
Receivables and other assets	12.7	2.1	14.8
Total assets	**16.6**	**9.2**	**25.8**
Financial liabilities	8.1	-	8.1
Other liabilities	4.7	3.7	8.4
Total liabilities	**12.9**	**3.7**	**16.5**
Total Net Assets	**3.7**	**5.5**	**9.3**

The intangible assets acquired comprise a customer portfolio amounting to Euros 7.1 million, with a useful life of 15 years.

The acquiree generated a revenue of Euros 15.0 million and a consolidated profit of Euros 0.8 million for Alba from the acquisition date to the reporting date.

Had the acquisition taken place on 1 January 2021, the Group's revenue and consolidated profit for the year ended 31 December 2021 would have totalled Euros 22.8 million and Euros 1.2 million, respectively.

The fair value of this business combination was estimated by PKF Attest and the carrying amount recognised in the consolidated annual accounts at 31 December 2021 is considered definitive.

PKF Attest used the Multi-period Excess Earnings Method ("MEEM") to calculate the fair value of intangible assets, which is based on the idea that the returns obtained by the Company can be attributed to specific groups of assets. Thus, the results that can be allocated to a specific intangible asset will be obtained as the difference between total profit/loss and the charges or rents that would have to be paid. This method was used for the valuation of the customer portfolio, applying a discount rate of 11.42% and a tax rate of 25%.

Goodwill generated in 2020

Preving subgroup:

On 27 July 2020, through the Preving subgroup, the Group acquired control of the Previcaman Group (composed of Previcaman, S.L.U., and Gabinete Previcam, S.L.U.) and Infobit, S.L.U. for a total amount of Euros 4.7 million, which included a variable price component of Euros 0.9 million, as specified in the sale purchase agreement.

The acquiree generated a revenue of Euros 4.8 million and a consolidated loss of Euros (0.8) million for Alba from the acquisition date to the reporting date.

Had the acquisition taken place on 1 January 2020, the Group's revenue and consolidated loss for the year ended 31 December 2020 would have amounted to Euros 10 million and Euros 2 million, respectively.

Details of the consideration given, the fair value of the net assets acquired and goodwill are as follows:

Purchase price	4.8
Fair value of net assets	0.1
Goodwill	**4.7**

The amounts recognised at the acquisition date of the assets, liabilities and contingent liabilities, by significant class, are as follows:

The estimate of the fair value of this business combination was calculated internally by Company management, considering that there are no differences between the carrying amount and the fair value of the assets acquired and liabilities assumed. The recognition of this business combination in the consolidated annual accounts at 31 December 2020 was considered provisional, and any adjustments were to be made within one year from the date of acquisition. In 2021 Company management did not modify the fair value of the assets acquired, on considering such values definitive.

	Carrying amount	Adjustments to fair value	Fair value
Intangible assets	0.1	-	0.1
Other property, plant and equipment	0.4	-	0.4
Cash	1.7	-	1.7
Receivables and other assets	2.4	-	2.4
Total assets	**4.6**	**-**	**4.6**
Financial liabilities	3.1	-	3.1
Other liabilities	1.4	-	1.4
Total liabilities	**4.5**	**-**	**4.5**
Total Net Assets	**0.1**	**-**	**0.1**

6. INVESTMENT PROPERTY

This line item comprises buildings intended for lease. In 2021 and 2020 the valuation was performed by Savills Consultores Inmobiliarios, S.A., specialists in valuations of this type of investment, in accordance with the Property Appraisal and Valuation Standards and Observations Guide published by the UK's Royal Institution of Chartered Surveyors, and it is based on the discounted cash flow method and comparable evidence.

The methodology used to calculate the market value consists of preparing 10 years' worth of income and expense projections for each asset, which will subsequently be updated at the reporting date using a market discount rate. The residual amount at the end of year 10 is calculated applying a rate of return ("exit yield" or "cap rate") to the net income projections for year 11. The market values thus obtained are analysed by calculating and analysing the yield capitalisation implicit in these values. The projections are aimed at reflecting the best estimate of future income and expenses of the real estate assets. Both the rate of return and the discount rate are defined in accordance with the domestic market and considering the conditions prevailing in the institutional market.

The valuation method used considers each property on an individual basis, without contemplating any adjustments in respect of the asset belonging to a large portfolio of properties. For each property a rent capitalisation rate considered to be a market rate has been assumed, which was subsequently adjusted based on the following parameters:

- The duration of the lease contract and the solvency of the tenant.
- The location of the premises within the municipality (centre, metropolitan area or periphery).
- The immediate surroundings of the property.
- The state of conservation of the property (external and internal).
- The distribution of the property's surface area between below ground and above ground.
- The facade looks onto one or more streets (corner, chamfer).
- The rental situation compared to market rent.

The geographical distribution of the valuation is as follows:

	2021	2020
Madrid	334.8	287.1

Movement in this item is as follows:

Balance at 1-1-20	324.5
Increases	3.6
Decreases	(29.2)
Transfer to non-current assets held for sale	(9.0)
Change in fair value	(2.8)
Balance at 31-12-20	287.1
Balance at 1-1-21	287.1
Increases	59.7
Decreases	(11.2)
Change in fair value	(0.8)
Balance at 31-12-21	334.8

In 2021, the decreases are due to the sale of an office building and several parking spaces at their carrying amount, while the increases reflect the purchase of a building for Euros 54.5 million and other improvements to buildings.

In 2020, the decreases were due to the sale of the buildings in Barcelona and several floors of office space and parking spaces in Madrid at a gain of Euros 3.3 million, while the increases reflected improvements to the buildings. At 31 December 2020 the Company transferred one building to non-current assets held for sale, as it met all the conditions for classification in this line item (see note 30).

The most significant information regarding the lettable area at 31 December is as follows:

	2021	2020
Above ground surface area (m^2)	45,617	61,937
Rented area (m^2)	35,549	49,933
Occupancy rate (%)	77.9%	80.6%

A sensitivity analysis of the main variables taken into account when valuing all of Alba's investment property is provided below. The following table shows the potential variation in fair value of all the investment property in the event of a 10% decrease/increase in rent of all the buildings and in the event of a 25 b.p. decrease/increase in the rate of return ("exit yield"):

Year	(10%) rent	Exit yield +25% PPB	Exit yield (25%) PPB	+10% rent
2021	(11.9%)	(4.3%)	4.8%	11.9%
2020	(9.4%)	(3.7%)	4.1%	9.4%

The expenses related to the vacant area are not significant enough for disclosure.

Details of lease income are provided in note 24. At 31 December 2021 and 2020 lease income relating to the non-cancellable period, calculated up to expiry of the lease, is as follows:

	2021	2020
Up to 1 year	4.5	10.0
Between 1 and 5 years	6.9	13.6
More than 5 years	3.0	0.3
Total	**14.4**	**23.9**

Insurance policies are arranged to cover the risk of damage to these assets.

7. PROPERTY, PLANT AND EQUIPMENT

Movement in this balance sheet item is as follows:

	Buildings	Other property, plant and equipment	Total
Cost			
Balance at 1-1-20	28.9	15.2	44.1
Increases	0.5	7.2	7.7
Business combinations	-	6.3	6.3
Balance at 31-12-20	29.4	28.7	58.1
Accumulated depreciation			
Balance at 1-1-20	(14.8)	(4.2)	(19.0)
Increases	(1.7)	(7.4)	(9.1)
Balance at 31-12-20	(16.5)	(11.6)	(28.1)
Provisions			
Balance at 1-1-20	(0.3)	-	(0.3)
Balance at 31-12-20	(0.3)	-	(0.3)
Balance at 31-12-20	12.6	17.1	29.7

	Buildings	Other property, plant and equipment	Total
Cost			
Balance at 1-1-21	29.4	28.7	58.1
Increases	-	11.9	11.9
Transfer of CGU Satlink to "Non-current assets held for sale"	-	(6.6)	(6.6)
Business combinations	-	3.3	3.3
Balance at 31-12-21	29.4	37.3	66.7
Accumulated depreciation			
Balance at 1-1-21	(16.5)	(11.6)	(28.1)
Increases	(2.0)	(7.0)	(9.0)
Transfer of CGU Satlink to "Non-current assets held for sale"	-	2.2	2.2
Balance at 31-12-21	(18.5)	(16.4)	(34.9)
Provisions			
Balance at 1-1-21	(0.3)	-	(0.3)
Balance at 31-12-21	(0.3)	-	(0.3)
Balance at 31-12-21	10.6	20.9	31.5

Insurance policies are arranged to cover the risk of damage to the various items of property, plant and equipment.

8. GOODWILL (NOTE 5)

Movement in Goodwill is as follows:

Balance at 1-1-20	**122.7**
Allocation in Nuadi PPA	(50.2)
Entry of CGU Preving Group	6.0
Entry of CGU Satlink	0.1
Balance at 31-12-20	**78.6**
Entry of CGU Preving Group	7.1
Entry of CGU Nuadi Group	1.0
Transfer of CGU Satlink to "Non-current assets held for sale"	(7.1)
Balance at 31-12-21	**79.6**

Goodwill has been allocated to the cash-generating units ("CGUs") of the Group. In the case of Preving and Nuadi in 2021, and Preving and Satlink in 2020, this item reflects the acquisitions made, which are not significant.

Goodwill is allocated to CGUs for impairment testing purposes. Goodwill is allocated to the CGUs that are expected to benefit from the business combination from which the goodwill arose.

The assets included when determining the carrying amount of each cash-generating unit are property, plant and equipment, goodwill, other intangible assets and working capital.

No impairment losses were recognised on goodwill in 2021 and 2020.

The Group tests goodwill for impairment at the end of each reporting period, or earlier if there are indications of impairment, in accordance with the accounting policy described in note 4.d.1.

The recoverable amount of a CGU is determined based on calculations of its fair value on the basis of the valuation report drawn up by the independent external valuer Duff & Phelps in 2021 and 2020. The method used to determine the recoverable amount is based on discounted future cash flows.

Financial projections (sales, EBITDA, investments, etc.) are based on the budgets and business plans of the companies themselves (which are the same as the CGUs) approved by their respective boards of directors. These projections are not published and are presented to the Group at board meetings. In any case, the reasonableness of the projections prepared by the companies is contrasted with different market comparables and the Group's own opinion based on its past experience. Financial projections are made for a five-year period.

Key valuation variables: discount rate (WACC) and perpetual growth rate (g):

- The WACC is calculated using the Capital Asset Pricing Model (CAPM) generally accepted by the financial community, and on the basis of market variables obtained through Bloomberg, such as the rate of return on the 10-year bond or levered beta with respect to the benchmark stock market index. In addition, various internal estimates are used, such as: the spread for the Company's non-current debt in respect of the 10-year bond, the tax rate (same as for the cash flows used in the terminal value calculation) or the target capital structure.

- The perpetual growth rate is calculated based on each company and the market in which they operate.

9. OTHER INTANGIBLE ASSETS (NOTE 5)

Movement in intangible assets is as follows:

Balance at 1-1-20	**104.4**
Additions	2.3
Due to business combinations	61.9
Depreciation and amortisation	(16.9)
Balance at 31-12-20	**151.7**
Additions	7.1
Due to business combinations	7.4
Transfer of CGU Satlink to "Non-current assets held for sale"	(27.1)
Depreciation and amortisation	(19.2)
Balance at 31-12-21	**119.9**

Details of Intangible assets in 2021 and 2020 are as follows:

In millions of euros	**2021**	2020	Estimated useful life (years)
Industrial designs	5.1	9.3	10
Computer software	6.8	7.0	3
Trademarks	6.4	9.1	10
Customer portfolio	101.5	118.4	10/15
Leaseholds	-	4.5	-
Other	0.1	3.4	-
Total	**119.9**	**151.7**	

There are no other intangible assets subject to restrictions on title or pledged as security for particular transactions.

The Group has no fully amortised intangible assets.

Other intangible assets are tested for impairment as described in note 4.d. No impairment losses were recognised or reversed in 2021 and 2020.

Details of movements in right-of-use assets during the years ended 31 December 2021 and 2020 are as follows:

Cost	
Balance at 1-1-20	**4.3**
Additions	1.7
Balance at 31-12-20	**6.0**
Transfers	(6.0)
Balance at 31-12-21	**-**

Depreciation	
Balance at 1-1-20	**(0.2)**
Additions	(1.3)
Balance at 31-12-20	**(1.5)**
Transfers	1.5
Balance at 31-12-21	**-**

Leaseholds mainly relate to building rentals, although certain leaseholds are associated with vehicle rentals. The right of use has been defined based on the term of the lease in force for each asset.

Details of movements in lease liabilities during the year ended 31 December 2021 are as follows:

Balance at 1-1-20	**3.2**
Additions	0.2
Balance at 31-12-20	**3.4**
Transfers	(3.1)
Balance at 31-12-21	**0.3**

The analysis of the contractual maturity of lease liabilities is as follows:

Up to 1 year	1.2
1 to 2 years	0.9
2 to 3 years	0.6
More than 3 years	0.5

The average incremental discount rate used to calculate the present value of the rights of use and the lease liabilities recognised at the date of first-time application of IFRS 16 was 1.5%.

10. INVESTMENTS IN ASSOCIATES

The relevant information on companies included in this item is as follows:

	Assets		Liabilities				
	Current	Non-current	Current	Non-current	Revenue	Consolidated profit/(loss) attributable to the Parent	Other comprehensive income
Acerinox, S.A.							
2021	3,916.8	2,067.4	1,967.6	1,801.8	6,705.7	571.9	129.3
2020	2,663.6	2,069.5	1,291.2	1,827.0	4,668.5	49.1	(218.1)
Aegis Lux 2, S.à.r.l.							
2021	567.1	15,824.9	1,086.3	8,445.4	2,508.8	(194.9)	-
2020	540.9	15,890.1	1,009.2	6,689.9	2,098.6	(6.7)	-
CIE Automotive, S.A.							
2021	1,644.6	3,753.5	1,849.0	2,181.5	3,269.1	267.5	169.5
2020	1,441.7	3,541.8	1,784.0	2,204.6	2,882.5	185.2	(231.8)
Ebro Foods, S.A.							
2021	1,733.3	2,205.3	746.3	1,059.1	2,427.1	238.6	106.0
2020	1,458.2	2,577.5	1,182.7	895.2	2,430.3	192.4	(105.1)
Piolin II. S.à.r.l.							
2021	166.4	2,309.5	267.0	1,819.7	585.3	55.5	-
2020	243.5	2,372.7	401.5	1,908.4	249.4	(575.4)	(27.6)
Profand Fishing Holding, S.L.							
2021	0.6	75.4	1.9	257.3	794.8	27.2	(4.6)
2020	0.6	80.2	1.0	276.8	663.7	19.3	(3.0)
Rioja Luxembourg S.à.r.l.							
2021	53.0	2,482.0	3.0	1,644.0	-	171.0	(427.0)
2020	52.0	2,952.0	24.0	1,693.0	-	(172.0)	(164.0)
Viscofan, S.A.							
2021	606.5	562.3	219.1	126.9	969.2	133.0	32.2
2020	516.6	523.8	185.6	118.6	912.2	122.5	(62.3)

Notification of shareholdings:

Notifications were issued concerning the acquisition, modification and disposal of interests in the share capital of the companies, in accordance with prevailing legislation.

	Purchases (%)		Sales (%)	
	2021	2020	**2021**	2020
Aegis Lux 2, S.à.r.l. (*)	-	7.72	-	-
CIE Automotive, S.A.	-	1.94	-	-
Ebro Foods, S.A.	0.44	-	-	-
Profand Fishing Holding, S.L.	23.71	-	-	-
Viscofan, S.A.	0.93	-	-	-
Acerinox, S.A.	-	-	1.57	-
Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.	-	-	-	12.06
Euskaltel, S.A.	-	-	11.00	-
Indra Sistemas, S.A. (**)	-	-	7.32	-

(*) In 2020 the interest in Shield Luxco 1.5, S.à r.l. was contributed to Aegis Lux 2, S.à r.l.
(**) In 2021 this interest was transferred to "Non-current assets held for sale" (see note 30).

Variations in investments in associates in 2021 are as follows:

Company	Consolidated value at 1-1-21	Profit/(loss) of associates	Dividends accruedand reimbursement of share premium
Acerinox, S.A.	523.1	103.6	(25.2)
Aegis Lux 2, S.à.r..l. (Verisure)	497.8	(14.7)	-
CIE Automotive, S.A.	323.2	33.7	(9.5)
Ebro Foods, S.A.	365.9	33.8	(25.0)
Euskaltel, S.A.	192.0	(0.6)	(3.3)
Indra Sistemas, S.A.	217.2	11.9	-
Piolin II, S.à.r.l. (Parques Reunidos)	83.7	13.9	-
Profand Fishing Holding, S.L.	-	-	-
Rioja Luxembourg, S.à.r.l. (Naturgy)	352.4	45.4	(38.2)
Viscofan, S.A.	289.6	18.0	(11.0)
Total	**2.844.9**	**245.0**	**(112.2)**

(*) Reflects the value of the interest in Naturgy, net of Rioja debt.

	Acquisitions/ (disposals) and transfers	Changes in consolidated equity of the associates	Consolidated value at 31-12-21	Stock market value at 31-12-21
	(43.6)	26.0	583.9	547.6
	(129.2)	(8.1)	345.8	-
	-	18.8	366.2	426.7
	11.4	15.8	401.9	375.1
	(188.4)	0.3	-	-
	(229.8)	0.7	-	-
	13.2	(6.6)	104.2	-
	101.0	-	101.0	-
	-	(112.1)	247.5	1.106.9 (*)
	25.0	4.4	326.0	369.5
	(440.4)	(60.8)	2.476.5	

The changes in consolidated equity in 2021 are due primarily to adjustments derived from currency translation, changes in the value of financial assets through equity, variations in own shares and transition adjustments resulting from the application of new accounting standards.

The associates whose quoted price at the 2021 year end is lower than their carrying amount are Acerinox, S.A. and Ebro Foods, S.A. In these cases Alba's Investment Department calculates the value in use of each investment, which is reviewed by the Finance Department without involving any independent experts. The discounted cash flow method is used, subsequently subtracting the value of net debt and non-controlling interests. The assumptions used in 2021 were as follows:

	Acerinox, S.A.	Ebro Foods, S.A.
Perpetual growth rate	2.0%	1.5%
Discount rate (WACC)	8.6%	6.5%
Capital structure		
Capital	80.0%	80.0%
Debt	20.0%	20.0%
Equity ratio	10.0%	7.5%
Post-tax cost of debt	2.7%	2.2%
Estimated value in use (€/share)	17.31	21.55

Financial projections (sales, EBITDA, investments, etc.) are based, where available, on the annual budgets and business plans of the investees themselves approved by their respective Boards of Directors. In the event of any subsequent updates or reviews of these business plans by the companies themselves, the latest available version is used. In most cases the budgets and business plans of the investees are internal and have not been communicated to the market. In any case, the reasonableness of the projections prepared by the companies is contrasted with the market consensus, historical data and the opinion of Alba's own team based on its past experience. If the companies have either not prepared projections or their projections are out of date, values are based on consensus estimates available through platforms such as Bloomberg or Factset.

In theory, no adjustments are made to the projections prepared by the companies or to consensus estimates. However, it may be necessary to use internal estimates prepared by Alba in certain situations:

- When the existing projections, either those prepared by the companies themselves or consensus estimates, do not cover the minimum projected period required, established as at least five years, and it is necessary to extend the estimate to this minimum period.

- In the case of consensus estimates, when it is considered that the sample is not sufficiently representative because too few estimates are included. In general, the number of analysts that contribute to consensus estimates declines as the period gets longer and the consensus ceases to be representative in the final years of the explicit period.

- Moreover, consensus estimates tend to be significant for sales and EBITDA, but less so for other relevant cash flow variables such as investments, the tax rate or the change in working capital. For these variables, own estimates are prepared based on a representative sample of analysts' estimates, the company's history, and the knowledge acquired by Alba through its presence on the respective boards of directors and its past experience in the company or similar companies.

- All internal estimates are contrasted with the Company's historical data and analysts' reports, where appropriate.

At 31 December 2021 financial estimates with a time horizon of five years (2022-2026) have been used for all the associates analysed, subsequently calculating a terminal value on the basis of this explicit five year period.

A summary of the main assumptions applied in the financial projections used in the explicit valuation period (2022-2026) for Acerinox, S.A., and Ebro Foods, S.A., is as follows:

- Growth of income: the expected cumulative annual growth rate for income in the explicit period is negative for these two companies. In Acerinox, this is because relevant growth is forecast for 2022, with income being adjusted to normalised levels in subsequent years. In the case of Ebro Foods, income is expected to decline in 2022, essentially due to the sale and deconsolidation of various businesses in France and North America, with a slight uptick from then on, but which will fail to offset the effect of the divestments.

- EBITDA margins: these are forecast to remain stable in Acerinox in 2022 with respect to 2021, declining in subsequent years to settle at a normalised margin. In Ebro Foods, having posted a reduction in profitability in 2021-2022 against a backdrop of high commodity prices, slight growth is projected, which should take the margins to levels seen in the historical period (2015-2021).

- Investments (expressed as a percentage of sales): these are projected to remain stable in the explicit period in both companies, in line with the historical average. Historical averages do not include acquisitions and, likewise, the financial projections do not take into consideration acquisitions or sales of businesses other than those already announced, as the case may be.

- The tax rate applied in both cases is around 27.0% - 27.5%, which is above the general corporate income tax rate in Spain (25.0%), as these companies substantially engage in activities in jurisdictions with higher tax rates.

- The variation in working capital generally has little impact on these projections, and in any case remains in line with historical data.

The WACC rate is calculated on the basis of the CAPM generally accepted by the financial community and based on the following:

- Market variables obtained through Bloomberg, such as the rate of return on the 10-year bond or levered beta with respect to the benchmark stock market index.

- Various internal estimates are used, such as: the spread for the Company's non-current debt in respect of the 10-year bond, the tax rate (this is the same as for the cash flows used in the terminal value calculation and is usually the marginal income tax rate weighted for the different countries in which the Company operates), the target capital structure, the market risk premium (historically a fixed rate of 5% has been used) or the additional specific risk premium (3.5% - 4.5%), which is added to the cost of equity. The aim of this additional risk premium is to include issues such as the different liquidity of the shares of these companies in the market and is based strictly on internal estimates performed by Alba. This additional risk premium serves to raise the cost of equity to higher levels than would result from the direct application of the WACC formula, which in the opinion of Alba's Investment Department would at present generate discount rates that are too low, and therefore valuations that are too high, due to the low interest rate environment.

- All of the discount rates used are post-tax, in line with those used in the estimation of future cash flows, which are also post-tax rates.

In the valuations carried out at 31 December 2021, the cost of equity varies across companies from 7.5% (Ebro Foods) to 10.0% (Acerinox), while the WACC rate ranges from 6.5% (Ebro Foods) to 8.6% (Acerinox). These discount rates are in line with those used in previous years' valuations for these companies and have first been contrasted with the available analyst estimates and, more generally, with the historical information and experience of Alba.

In order to calculate the terminal value, a normalised cash flow is used based on the explicit projection for the last year. This normalisation focuses exclusively on the long-term sustainable EBITDA margin assumption, since the other variables either do not have an impact (for example, it is always assumed that investments and depreciation are equal in the terminal value), they do not vary with respect to the explicit projections (for example, the tax rate remains constant throughout the explicit period) or they have a limited impact given that there are no significant variations between both periods (variation in working capital).

The long-term sustainable EBITDA margin is estimated internally based on the projections used in the explicit period, the historical information available (for comparison) and the experience of Alba's team. The margin used in estimating cash flows for the terminal value is lower or, at most, stable with respect to the explicit period. If the estimate of the cash flow margin used to calculate long-term sustainable EBITDA were substantially higher than that of the last explicit year, it would indicate that the Company has not reached a sufficient level of maturity or stability and would lead us to reconsider our estimate of the terminal EBITDA margin or to expand the explicit projection period until that level were reached.

As in the case of all the estimates used for these valuations, the estimation and justification of these variables is contrasted with historical information and with a significant sample of recent analyst reports.

At 31 December 2021, the perpetual growth rate ranged from 1.5% to 2.0% per annum, with no variations compared to the most recent valuations of these same companies, which were performed in June 2020 (Ebro Foods) and June 2021 (Acerinox). This variable was also contrasted with a significant sample of recent analyst reports and, as previously commented, there were no significant variations compared to previous valuations.

In 2021, the following sensitivity analysis was performed:

	Acerinox, S.A.	Ebro Foods, S.A.
Discount rate (WACC)		
Rate used in 2021	8.6%	6.5%
Rate equal to carrying amount	11.9%	7.4%
Perpetual growth		
Rate used in 2021	2.0%	1.5%
Rate equal to carrying amount	(5.6%)	0.2%
EBITDA margin used to calculate terminal value		
Rate used in 2021	10.5%	13.3%
Margin equal to carrying amount	7.0%	11.4%
Variation in total sales to equal carrying amount	**(50.1%)**	**(17.1%)**
Variation in EBITDA margin to equal carrying amount	**(2.4%)**	**(0.8%)**

In 2021, a variation of +0.5 and -0.5 points in the assumptions used to calculate the value in use would have had the following effect on this value:

Change	Acerinox, S.A.	Ebro Foods, S.A.
Weighted average cost of capital ("WACC")		
+0.5%	(6.7%)	(10.3%)
(0.5%)	7.7%	12.6%
Perpetual growth		
+0.5%	4.9%	9.3%
(0.5%)	(4.2%)	(7.6%)
EBITDA margin		
+0.5%	4.6%	21.4%
(0.5%)	(4.6%)	(21.4%)

The variations in investments in associates in 2020 were as follows:

Company	Consolidated value at 1-1-20	Profit/(loss) of associates	Dividends accruedand reimbursement of share premium
Acerinox, S.A.	581.2	9.5	(26.2)
Aegis Lux 2, S.à.r..l. (Verisure)	-	(0.5)	-
Shield Luxco 1.5, S.à.r..l. (Verisure)	546.9	(52.0)	-
CIE Automotive, S.A.	307.0	24.7	(9.7)
Ebro Foods, S.A.	412.9	26.9	(54.1)
Euskaltel, S.A.	188.1	8.7	(6.1)
Indra Sistemas, S.A.	229.1	(6.9)	-
Piolin II, S.à.r.l. (Parques Reunidos)	220.2	(144.0)	-
Rioja Luxembourg, S.à.r.l. (Naturgy)	471.7	(44.6)	(31.6)
Viscofan, S.A.	296.0	16.0	(14.4)
Totals	**3,253.1**	**(162.2)**	**(142.1)**

(*) Reflects the value of the interest in Naturgy, net of Rioja debt.

	Acquisitions/ (disposals) and transfers	Changes in consolidated equity of the associates	Reversal/ (impairment)	Consolidated value at 31-12-20	Stock market value at 31-12-20
	-	(41.4)	-	523.1	472.8
	501.1	(2.8)	-	497.8	-
	(493.9)	(1.0)	-	-	-
	37.8	(36.6)	-	323.2	344.1
	-	(19.8)	-	365.9	408.1
	-	0.4	0.9	192.0	171.9
	-	(5.0)	-	217.2	129.7
	-	7.5	-	83.7	-
	-	(43.1)	-	352.4	578.5 (*)
	-	(8.0)	-	289.6	351.8
	45.0	**(149.8)**	**0.9**	**2,844.9**	

The changes in consolidated equity in 2020 were due primarily to adjustments derived from currency translation, changes in the value of financial assets through equity, variations in own shares and transition adjustments resulting from the application of new accounting standards.

The associates whose quoted price at the 2020 year end was lower than their carrying amount are Acerinox, S.A., Euskaltel, S.A. and Indra Sistemas, S.A. In these cases Alba's Investment Department calculated the value in use of each investment, which was reviewed by the Finance Department without involving any independent experts. The discounted cash flow method was used, subsequently subtracting the value of net debt and non-controlling interests. The assumptions used in 2020 were as follows:

	Acerinox, S.A.	Euskaltel, S.A.	Indra Sistemas, S.A.
Perpetual growth rate	2.0%	1.5%	1.5%
Discount rate (WACC)	8.0%	6.6%	8.6%
Capital structure			
Capital	80.0%	65.0%	85.0%
Debt	20.0%	35.0%	15.0%
Equity ratio	9.4%	8.9%	9.7%
Post-tax cost of debt	2.3%	2.4%	2.7%
Estimated value in use (€/share)	14.05	11.37	12.52

At 31 December 2020 Alba reversed all impairment recognised in respect of Euskaltel, S.A., amounting to Euros 0.9 million.

Financial projections (sales, EBITDA, investments, etc.) were based, where available, on the annual budgets and business plans of the investees themselves approved by their respective boards of directors. In the event of any subsequent updates or reviews of these business plans by the companies themselves, the latest available version was used. In most cases the budgets and business plans of the investees were internal and had not been announced to the market. In any case, the reasonableness of the projections prepared by the companies is contrasted with the market consensus, historical data and the opinion of Alba's own team based on its past experience. If the companies had either not prepared projections or their projections were out of date, values were based on consensus estimates available through platforms such as Bloomberg or Factset.

In theory, no adjustments were made to the projections prepared by the companies or to consensus estimates. However, internal estimates prepared by Alba were used in certain situations:

- When the existing projections, either those prepared by the companies themselves or consensus estimates, did not cover the minimum projected period required, established as at least five years, and it was necessary to extend the estimate to this minimum period.

- In the case of consensus estimates, when it was considered that the sample was not sufficiently representative because too few estimates were included. In general, the number of analysts that contribute to consensus estimates declines as the period gets longer and the consensus ceases to be representative in the final years of the explicit period.

- Moreover, consensus estimates tend to be significant for sales and EBITDA, but less so for other relevant cash flow variables such as investments, the tax rate or the change in working capital. For these variables, own estimates are prepared based on a representative sample of analysts' estimates, the company's history, and the knowledge acquired by Alba through its presence on the respective boards of directors and its past experience in the company or similar companies.

- All internal estimates are contrasted with the Company's historical data and analysts' reports, where appropriate.

At 31 December 2020 financial estimates with a time horizon of five years (2021-2025) were used for all the associates analysed, subsequently calculating a terminal value on the basis of this explicit five-year period.

A summary of the main assumptions applied in the financial projections used in the explicit valuation period (2021-2025) for Acerinox, S.A., Euskaltel, S.A. and Indra Sistemas, S.A. is as follows:

- Growth of income: for all the companies the expected cumulative annual growth rate of income in the explicit period was slightly higher than the perpetual growth rate used in each case; growth is higher at the start of the period and converges with the perpetual growth rate in subsequent years. The greater initial growth was because in 2021 the companies were expected to recover from the negative impact they suffered in 2020 due to COVID-19.

- EBITDA margins: these were in line with recent historical data (2017-2020) in Euskaltel and showed a slight upward trend in Acerinox and Indra Sistemas due to the integration of the acquisitions made and improvements in efficiency, in both cases.

- Investments (expressed as a percentage of sales): these remained stable in the explicit period in all the companies considered, in line with the historical average, after adjustments in some cases for extraordinary investments, such as in Euskaltel (launch of Virgin). Acquisitions were not included in the calculation of the historical average, nor were additional acquisitions considered beyond those already communicated.

- The tax rate applied ranged from the general Spanish income tax rate of 25.0%, to 27.5% at those companies with activities in jurisdictions with higher tax rates, although in many of these countries, such as the United States, tax rates have been reduced in recent years.

- The variation in working capital generally had little impact on these projections, and was in any case in line with historical data.

The WACC rate was calculated on the basis of the capital asset pricing model (CAPM) generally accepted by the financial community and based on the following:

- Market variables obtained through Bloomberg, such as the rate of return on the 10-year bond or levered beta with respect to the benchmark stock market index.

- Various internal estimates were used, such as: the spread for the Company's non-current debt in respect of the 10-year bond, the tax rate (this is the same as for the cash flows used in the terminal value calculation and is usually the marginal income tax rate weighted for the different countries in which the Company operates), the target capital structure, the market risk premium (historically a fixed rate of 5% has been used) or the additional specific risk premium (4.5%-5.0%), which is added to the cost of equity. The aim of this additional risk premium was to include issues such as the different liquidity of the shares of these companies in the market and was based strictly on internal estimates performed by Alba. This additional risk premium served to raise the cost of equity to higher levels than would result from the direct application of the WACC formula, which in the opinion of Alba's Investment Department would, at the time, generate discount rates that are too low, and therefore valuations that are too high, due to the low interest rate environment.

- All of the discount rates used were post-tax, in line with those used in the estimation of future cash flows, which were also post-tax rates.

In the valuations carried out at 31 December 2020, the cost of equity varied across companies from 8.9% to 9.7%, while the WACC rate ranged from 6.6% to 8.6%. These discount rates were in line with those used in the previous year for the corresponding companies and are firstly contrasted with the available analyst estimates and, more generally, with the historical information and experience of Alba.

In order to calculate the terminal value, a normalised cash flow was used based on the explicit projection for the last year. This normalisation focused exclusively on the long-term sustainable EBITDA margin assumption, since the other variables either do not have an impact (for example, it is always assumed that investments and depreciation are equal in the terminal value), they did not vary with respect to the explicit projections (for example, the tax rate remains constant throughout the explicit period) or they have a limited impact given that there are no significant variations between both periods (variation in working capital).

The long-term sustainable EBITDA margin was estimated internally based on the projections used in the explicit period, the historical information available (for comparison) and the experience of Alba's team. The margin used in estimating cash flows for the terminal value was lower or, at most, stable with respect to the explicit period. If the estimate of the cash flow margin used to calculate long-term sustainable EBITDA were substantially higher than that of the last explicit year, it would indicate that the Company has not reached a sufficient level of maturity or stability and would lead us to reconsider our estimate of the terminal EBITDA margin or to expand the explicit projection period until that level were reached.

As in the case of all the estimates used for these valuations, the estimation and justification of these variables was contrasted with historical information and with a significant sample of recent analyst reports.

At 31 December 2020, the perpetual growth rate ranged from 1.5% to 2.0% per annum, with no variations compared to the most recent valuations of these same companies. This variable was also contrasted with a significant sample of recent analyst reports and, as previously commented, there were no significant variations compared to previous valuations.

In 2020, the following sensitivity analysis was performed:

	Acerinox, S.A.	Euskaltel, S.A.	Indra Sistemas, S.A.
Discount rate (WACC)			
Rate used in 2020	8.0%	6.6%	8.6%
Rate equal to carrying amount	9.9%	7.1%	9.0%
Perpetual growth			
Rate used in 2020	2.0%	1.5%	1.5%
Rate equal to carrying amount	(1.3%)	1.0%	1.0%
EBITDA margin used to calculate terminal value			
Rate used in 2020	10.2%	47.9%	10.8%
Margin equal to carrying amount	8.1%	44.8%	10.2%
Variation in total sales to equal carrying amount	**(22.2%)**	**(7.2%)**	**(4.0%)**
Variation in EBITDA margin to equal carrying amount	**(0.9%)**	**(1.4%)**	**(0.2%)**

In 2020, a variation of +0.5 and –0.5 points in the assumptions used to calculate the value in use would have had the following effect on this value:

Change	Acerinox, S.A.	Euskaltel, S.A.	Indra Sistemas, S.A.
Weighted average cost of capital ("WACC")			
+0.5%	(9.2%)	(15.2%)	(8.3%)
(0.5%)	10.9%	18.4%	9.5%
Perpetual growth			
+0.5%	7.4%	15.9%	7.2%
(0.5%)	(6.2%)	(13.1%)	(6.3%)
EBITDA margin			
+0.5%	6.8%	2.3%	5.6%
(0.5%)	(6.8%)	(2.3%)	(5.6%)

11. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

El desglose de este capítulo a 31 de diciembre de 2021 y de 2020 son las siguientes:

	%	
	2021	2020
Non-current, unquoted		
Alvinesa, S.A.	-	16.83
Alvic, S.A. (a través de Folkstone, S.L.)	7.76	7.76
Atlantic Aviation FBO Inc. (a través de Alba-KKR Core I., S.C.A.)	12.28	-
ERM I. Group Limited (a través de Alba-KKR Core I., S.C.A.)	14.68	-
March PE Global	33.33	-
Monbake (a través de Tarasios Investments, S.L.)	3.70	3.70
Food Delivery Brands, S.A. (a través de Tasty Topco, S.C.A.)	3.13	3.13
In-Store Media Group, S.A.	18.89	18.89
C.E. Extremadura S.A.	1.01	1.01
Non-current, quoted		
Global Dominion Access, S.A.	5.27	5.00
Befesa Holding S.à.r.l.	5.10	2.32
Dividends (quoted and unquoted)	4.3	6.1

In 2021 the investment in Alvinesa, S.A. was sold for Euros 48.4 million, at a gain of Euros 11.8 million.

In 2020 the investment in TRRG Holding Limited (formerly Ros Roca) was sold for Euros 17.3 million, at a gain of Euros 1.9 million. The investment in Alvic was reduced in respect of sales that did not give rise to any gains or losses.

Movement during 2021 and 2020 was as follows:

Balance at 1-1-20	**150.4**
Additions	21.2
Disposals	(18.2)
Changes in fair value	17.6
Balance at 31-12-20	**171.0**
Additions	770.5
Disposals	(36.6)
Changes in fair value	68.4
Balance at 31-12-21	**973.3**

Additions in 2021 primarily reflect the acquisition of interests in Atlantic Aviation FBR Inc. and ERM I Group Limited, the increased stake in Befesa Holding, S.à r.l., as well as other investments.

Additions in 2020 comprised the acquisitions of investments in Befesa Holding, S.à r.l. and Telepizza, S.A., while disposals reflected the sale of interests in TRRG Holding Limited and Alvic.

The valuation for InStore Media Group, S.A. is prepared by the personnel responsible for this function in Artá Capital, S.G.E.I.C., S.A.U. and reviewed and approved by the Investment Committee, with no involvement of independent experts in the valuations.

As regards the rest of the investments also managed by Artá Capital, S.G.E.I.C., S.A.U., in 2021 and 2020 the valuations were performed by an external valuer, Duff & Phelps, S.L.U., which issued the pertinent report.

The method used to determine the fair value of these investments is based on discounted future cash flows.

Financial projections (sales, EBITDA, investments, etc.) are based on the budgets and business plans of the companies themselves approved by their respective boards of directors. These projections are not published and are presented to Artá at board meetings. In any case, the reasonableness of the projections prepared by the companies is contrasted with different market comparables and Artá's own opinion based on its past experience. The financial projections have a five-year time frame for all the valuations performed.

Key valuation variables: discount rate (WACC) and perpetual growth rate (g).

- The WACC is calculated using the CAPM generally accepted by the financial community, and on the basis of market variables obtained through Bloomberg, such as the rate of return on the 10-year bond or levered beta with respect to the benchmark stock market index.

  In addition, various internal estimates are used, such as: the spread for the Company's non-current debt in respect of the 10-year bond, the tax rate (same as for the cash flows used in the terminal value calculation) or the target capital structure.

- The perpetual growth rate is calculated based on each company and the market in which they operate.

The fair value of the investments has been calculated using the discounted cash flow method. The assumptions used are as follows:

	Grupo Alvic FR Mobiliario, S.A.	Alvinesa, S.A.	InStore Media Group, S.A.	Monbake, S.A.	Food Delivery Brands, S.A.
2021					
Perpetual growth rate	2.0%	-	1.3%	2.0%	2.0%
Weighted average costs of capital ("WACC")	11.0%	-	7.5%	7.5%	9.3%
2020					
Perpetual growth rate	1.9%	1.8%	1.0%	1.9%	1.9%
Weighted average costs of capital ("WACC")	12.0%	9.9%	11.3%	7.6%	9.6%

Sensitivity analysis

A variation in the assumptions used to calculate fair value would have the following effects thereon:

	Grupo Alvic FR Mobiliario, S.A.	Alvinesa, S.A.	InStore Media Group, S.A.	Monbake, S.A.	Food Delivery Brands, S.A.
2021					
Weighted average cost of capital ("WACC")					
+0.5%	(6.5%)	-	(6.1%)	(15.8%)	(15.8%)
(0.5%)	7.2%	-	7.2%	18.6%	18.1%
Perpetual growth rate					
+0.5%	5.5%	-	4.8%	16.0%	14.4%
(0.5%)	(4.9%)	-	(4.1%)	(13.6%)	(12.5%)
EBITDA					
+5.0%	7.8%	-	13.3%	3.7%	15.2%
(5.0%)	(7.8%)	-	(13.3%)	(3.7%)	(15.2%)
2020					
Weighted average cost of capital ("WACC")					
+0.5%	(6.4%)	(5.9%)	(5.6%)	(16.3%)	(14.1%)
(0.5%)	7.0%	6.6%	6.1%	19.4%	16.1%
Perpetual growth rate					
+0.5%	4.6%	4.4%	2.7%	16.9%	11.7%
(0.5%)	(4.2%)	(3.9%)	(2.5%)	(14.2%)	(10.3%)
EBITDA					
+5.0%	4.5%	6.5%	10.5%	14.8%	13.6%
(5.0%)	(4.5%)	(6.5%)	(10.5%)	(14.8%)	(13.6%)

12. OTHER NON-CURRENT FINANCIAL ASSETS AND LIABILITIES

Details of these items at 31 December 2021 and 2020 are as follows:

	2021	2020
Other non-current financial assets		
Loans to third parties	38.8	43.2
Guarantees deposited with public entities	1.5	1.9
Other financial assets	0.7	15.7
Balance at 31 December	**41.0**	**60.8**
Other non-current financial liabilities		
Other financial liabilities	11.3	6.7
Guarantees received from customers	2.1	1.5
Balance at 31 December	**13.4**	**8.2**

Loans to third parties comprise the value of the outstanding amounts receivable from the Bergé Group. In March 2020, a syndicated financing agreement was signed between several Bergé Group companies and a syndicate of entities, including Corporación Financiera Alba, S.A.

This debt is repayable in half-yearly instalments between June 2020 and March 2025 and accrues a market rate of interest, namely Euribor +250/200 bp. It is expected to be collected through a cash sweep and early repayments that will be mandatory if certain liquidity events occur. Euros 4.4 million and Euros 15.1 million were collected on these loans in 2021 and 2020, respectively.

13. TRADE AND OTHER RECEIVABLES

Details at 31 December 2021 and 2020 are as follows:

	2021	2020
Trade receivables	32.7	41.6
Income tax withholdings and payments on account	39.2	36.0
Accrued dividends receivable	5.6	6.7
Other receivables	0.8	2.8
Prepaid expenses	3.2	0.2
Balance at 31 December	**81.5**	**87.3**

14. OTHER CURRENT FINANCIAL ASSETS AND CASH AND CASH EQUIVALENTS

Financial assets reflect current cash placements (maturity of over 3 months) in the form of:

	2021	2020
Corporate promissory notes	392.8	377.9
Other financial assets	140.0	1.8
Balance at 31 December	**532.8**	**379.7**

All the promissory notes are issued by Spanish entities.

Details of cash and cash equivalents at 31 December 2021 and 2020 are as follows:

	2021	2020
Cash on hand and at banks	126.1	217.6
Highly liquid current deposits and investments	50.6	78.7
Balance at 31 December	**176.7**	**296.3**

Current deposits and investments can be quickly converted to cash and do not pose a risk of a change in value. The amounts in this item accrue variable interest based on the interbank market interest rate.

15. EQUITY

At 31 December 2021 and 2020 the share capital comprised 58,240,000 shares, all of the same class and represented by book entries. The par value of each share is Euro 1, they are subscribed and fully paid, and have all been listed on the Spanish Stock Exchange Interconnection System ("SIBE").

At the general meeting of Corporación Financiera Alba, S.A. held on 17 June 2019, the shareholders agreed to delegate the following powers to the Board of Directors:

- Approval of one or more increases in share capital, up to a total amount equal to half of the share capital, i.e. a maximum amount of Euros 29,120,000. The increases approved as a result of this delegation must be made through cash contributions within a maximum of five (5) years from the present day and must include pre-emptive rights. To date this power has not been used.

- Approval of one or more increases in share capital, up to a total amount equal to twenty per cent of the share capital, i.e. for a maximum amount of Euros 11,648,000. The increases approved as a result of this delegation must be made through cash contributions within a maximum of five (5) years from the present day and the Board of Directors has the power to remove the pre-emptive rights, provided the legal requirements in this respect are met. To date this power has not been used.

In no circumstances may the Board of Directors exceed the maximum amounts stipulated in the prevailing Spanish Companies Act.

Details of the direct and indirect interests of at least 3% reported to the Spanish National Securities Market Commission ("CNMV") at 31 December 2021 are as follows:

Shareholder	% ownership
Mr. Juan March Delgado	20.29%
Mr. Carlos March Delgado	20.14%
Banca March, S.A.	15.02%
Mr. Juan March de la Lastra	8.09%
Mr. Juan March Juan	5.00%
Ms. Catalina March Juan	4.54%
Ms. Gloria March Delgado	3.70%

There were no movements in Alba's own shares in 2021 or 2020.

Basic earnings per share are calculated by dividing profit for the year attributable to the ordinary shareholders of the Parent by the average number of outstanding shares in that year.

Diluted earnings per share are calculated by dividing profit for the year attributable to the ordinary shareholders of the Parent by the average number of outstanding shares in that year, plus the average number of ordinary shares that would be issued if all the financial instruments convertible into potentially ordinary shares were converted into those shares. Given that there are no financial instruments of this kind, basic earnings per share are the same as diluted earnings per share.

	2021	2020
Profit/(loss) attributable to ordinary shareholders of the Parent		
Continuing operations	302.7	(102.4)
Discontinued operations	-	-
Profit/(loss) attributable to ordinary shareholders of the Parent in respect of basic earnings	**302.7**	**(102.4)**
Interest of the holders of financial instruments convertible into ordinary shares	-	-
Profit/(loss) attributable to ordinary shareholders of the Parent in respect of diluted earnings	**302.7**	**(102.4)**
Average number of ordinary shares for basic earnings per share (*)	58,240,000	58,240,000
Dilution effect	-	-
Average number of ordinary shares adjusted for dilution effect (*)	**58,240,000**	**58,240,000**
Earnings/(loss) per share (euros/share)	**5.20**	**(1.76)**

(*) The average number of ordinary shares takes into account the weighted effect of changes in own shares during the year.

There have been no transactions involving ordinary or potentially ordinary shares between the reporting date and the date on which these consolidated annual accounts were authorised for issue.

Details of movement in non-controlling interests in 2021 are as follows:

	Balance at 31-12-2020	Profit/(loss)	Dividends	Other	Balance at 31-12-2021
Alba Investments, S.à.r.l.	89.6	(2.6)	-	(22.1)	64.9
Alba Partners, S.A.	0.3	0.6	(0.4)	-	0.5
Nuadi Subgroup	30.2	1.8	-	-	32.0
Preving Subgroup	49.8	5.2	-	-	55.0
Satlink Subgroup	13.1	5.4	(6.4)	-	12.1
Total	**183.0**	**10.4**	**(6.8)**	**(22.1)**	**164.5**

16. CAPITAL MANAGEMENT POLICY

Alba manages its capital with a view to ensuring its subsidiaries have sufficient economic resources to carry out their activities. In addition to managing the capital needed to cover the inherent risks of its activity in a rational and objective manner, capital is managed in such a way as to maximise shareholder return via an adequate balance between capital and debt.

Alba's leverage ratio at the 2021 and 2020 year ends was as follows:

	2021	2020
Loans and borrowings	594.6	251.8
Cash and cash equivalents	(176.7)	(296.3)
Total net debt	**417.9**	**(44.5)**
Equity	4,040.1	3,840.5
Equity + net debt	4,458.0	3,796.0
Leverage ratio	9.37%	-

Net financial debt in 2020 was negative, thus there was no leverage ratio.

17. PROVISIONS

Movement in this item in 2021 and 2020 is as follows:

	2021	2020
Balance at 1 January	**1.0**	1.0
Charges	-	0.1
Applications and releases	(0.4)	-
Balance at 31 December	**0.6**	1.1

18. SUPPLIERS AND OTHER PAYABLES

Details at 31 December 2021 and 2020 are as follows:

	2021	2020
Suppliers	47.1	49.1
Other payables to public entities (note 22)	17.1	9.7
Salaries payable	11.3	3.1
Balance at 31 December	**75.5**	61.9

Details of the average payment period for Alba's suppliers in Spain are as follows:

	2021	2020
Days		
Average supplier payment period	41	42
Transactions paid ratio	43	44
Transactions payable ratio	41	41
In millions of euros		
Total payments made	7.2	3.1
Total payments outstanding	36.4	36.9

19. LOANS AND BORROWINGS

Current and non-current

Details of current loans and borrowings, which mature annually, by maturity are as follows:

	At 31-12-21		At 31-12-20	
Bank	Maturity	Balance drawn down	Maturity	Balance drawn down
Loans and credit facilities maturing in the short term (current)				
Non-syndicated loans and credit facilities	2022	337.1	2021	7.8
Syndicated loans and credit facilities	2022	10.3	2021	41.8
		347.4		**49.6**
Loans and credit facilities maturing in the long term (non-current)				
Non-syndicated loans and credit facilities	2023 to 2028	180.9	2022 to 2026	125.0
Syndicated loans and credit facilities	2023 to 2025	66.3	2022 to 2025	77.1
		247.2		**202.1**

Principal and interest payments are settled every six months. The borrowing cost ranges from 0.2%-3.0%.

Alba also has undrawn lines of financing for a total amount of Euros 65.0 million.

An analysis of the maturities of non-current loans and borrowings (including interest) at 31 December 2021 and 2020 (in millions of Euros) is as follows:

In millions of euros	2023	2024	2025	2026	2027	2028	Total
2021							
Total	80.2	16.2	146.1	0.2	0.2	10.0	253.0

In millions of euros	2022	2023	2024	2025	2026	Total
2020						
Total	28.2	30.2	32.1	110.7	11.2	212.5

Loans and borrowings are reconciled to cash flows used in financing activities in the statement of cash flows as follows:

	Loans and borrowings
Balance at 1-1-20	**218.7**
Cash flows from financing activities	33.1
Balance at 31-12-20	**251.8**
Balance at 1-1-21	**251.8**
Cash flows from financing activities	342.8
Balance at 31-12-21	**594.6**

20. FAIR VALUE MEASUREMENT

Details of assets and liabilities and their fair value measurement hierarchy at 31 December 2021 and 2020 are as follows:

	Total	Quoted price in active markets (level 1)	Significant unobservable inputs (level 3)
2021			
Assets measured at fair value			
Investment property (note 6)	334.8	-	334.8
Investments at fair value through profit or loss (notes 11 and 14)	973.3	312.0	661.3
Assets whose fair value is disclosed			
Investments in associates and non-current assets held for sale (note 10)	3,376.8	2,825.8	551.0
Other financial assets (note 12)	41.0	-	41.0
Trade and other receivables (note 13)	81.5	-	81.5
Other financial assets (note 14)	532.8	-	532.8
Liabilities whose fair value is disclosed			
Loans and borrowings (note 19)	594.6	-	594.6

	Total	Quoted price in active markets (Level 1)	Significant unobservable inputs (Level 3)
2020			
Assets measured at fair value			
Investment property (note 6)	287.1	-	287.1
Investments at fair value through profit or loss (notes 11 and 14)	171.0	72.8	98.2
Assets whose fair value is disclosed			
Investments in associates and non-current assets held for sale (note 10)	3,038.4	2,456.9	581.5
Other financial assets (note 12)	60.8	-	60.8
Trade and other receivables (note 13)	87.3	-	87.3
Other financial assets (note 14)	379.7	-	379.7
Liabilities whose fair value is disclosed			
Loans and borrowings (note 19)	251.8	-	251.8

21. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors of Corporación Financiera Alba, S.A. has drawn up the following Risk Management and Control Policy:

1. Types of risk faced by the Company

Risk is inherent in all business activity and is defined as uncertainty concerning the occurrence of an event or action that could adversely affect the Company's ability to maximise its value for stakeholders and to achieve its goals; it also refers to the possibility of threats materialising and opportunities not being taken.

Corporación Financiera Alba engages in two principal activities:

(i) investment in the capital of listed and unlisted companies, and

(ii) investment in buildings leased as office space.

As a result of its activities, the markets and sectors in which it operates and its environment, the Company is exposed to the following categories of risks:

- Strategic risks related to the mission and vision of the Company, achievement of business goals and the creation and preservation of value for shareholders and other stakeholders.

  These include risks related to the corporate governance of the Company, its reputation and responsibility, investment and divestment strategies, and market dynamics.

- Operational risks involving potential direct or indirect economic losses related to external events: uncertainty in the Company's own business activities; or internal events: failures or inadequacies in the processes, systems or resources of the Company.

  These include risks related primarily to revenue, investments and divestments and monitoring thereof, the acquisition of goods and services, physical assets, human resources, information technologies, and natural disasters, terrorism and other criminal acts.

- Financial risks resulting, broadly speaking, from any financing operation which the Company must carry out in order to perform its activities, as well as the reliability of financial information reported by the Company.

  These include liquidity and credit risks, market, tax, accounting and reporting risks.

- Regulatory compliance risks arising from a potential failure to comply with laws, regulations, internal standards and codes of conduct, as well as greater exposure to such risks.

  These include legal risks, regulatory risks and risks involving codes of ethics and conduct.

- Technological, environmental and social risks, including risks associated with information technology, cybersecurity and technological obsolescence, Climate Change and employee health and safety.

2. Integrated Risk Management System

Aware of the importance and advantages of adequately and efficiently managing its risks, Corporación Financiera Alba has established an Integrated Risk Management System mainly focused on:

- Enabling the identification and proactive and efficient assessment of Company risks, as well as monitoring and continually tracking these risks.

- Integrating, coordinating and directing the various risk management actions performed by the Company.

- Achieving responsible risk acceptance and reinforcing the responsibility of the Company’s employees.

- Ensuring that control systems are aligned with the actual risks of the Company.

- Facilitating and streamlining the application of corrective measures.

The Integrated Risk Management System unites three key components:

(i) The continuous risk management process, understood as the activities performed by all individuals in the Company under the supervision of the Audit and Compliance Committee that are focused on identifying potential risk events, managing the risks identified and providing reasonable assurance that the Company will achieve its goals.

(ii) An organisational focus, with clearly defined and communicated roles and responsibilities. Integrated risk management affects all Company personnel, therefore it is vital to establish an organisational focus on risk management tailored to the organisational structure and corporate culture of the Company.

Although the Integrated Risk Management System affects and involves all Company personnel, the main participants are as follows: risk managers, the Risk Control and Management Department, the Audit and Compliance Committee and the Board of Directors.

(iii) A monitoring model, which identifies and provides the timely information needed so that all those involved in the risk management process can make informed decisions concerning the risks.

2.1. The continuous risk management process

By way of a summary, the continuous risk management process involves performing the following activities:

- Identifying and assessing the risks that could affect the Company.

  Determining the main strategic, operational, financial and regulatory compliance risks affecting the Company's strategy and goals, assessing the probability of occurrence and potential impact and prioritising risks based on these factors.

- Setting the level of risk that is considered acceptable.

  Defining key risk indicators ("KRIs") for each critical risk and establishing tolerance levels for these risks.

- Identifying controls.

  Specifying existing controls (or those to be implemented) in the Company to mitigate the aforementioned risks.

- Identifying the processes in which these risks and controls arise.

  Determining the existing relationship between the Company's key risks – and its controls – and the Company's processes, identifying and analysing the processes that are critical for risk management.

- Assessing controls.

  Assessing the effectiveness of the controls in mitigating the risks identified.

- Designing and implementing action plans in response to the risks.

  Determining action plans to be carried out to lower residual risk to acceptable risk level, bearing in mind the costs and benefits of such efforts. As a direct result of this reduction in the level of risk, a reassessment and prioritisation of the risks will be necessary and appropriate, as part of a continuous risk management process.

In this regard, Corporación Financiera Alba has prepared the Company's Risk Map, which shows, based on their impact and probability, the key risks in the categories listed above. In order for this map to be effectively used as a management tool that allows the Company to make informed decisions, the map is reviewed and updated periodically to adjust it to the Company's current circumstances.

Likewise, the Company has prepared Risk Indices for the most critical risks, identifying the key risk indicators with their corresponding tolerance levels, the associated controls and, where applicable, the action plans to be implemented. These Indices allow the Company to periodically assess and monitor its risks and to determine the most appropriate response to these risks.

2.2. Organisational model of roles and responsibilities

Although the Integrated Risk Management System affects and involves all Company personnel, the main players are as follows:

(i) Risk managers:

These managers are responsible for monitoring the risks assigned to them and for informing the Risk Control and Management Department of any relevant information concerning the risks.

(ii) Risk Control and Management Department:

The Risk Control and Management Department is expressly tasked with the following duties:

- Ensuring the smooth running of the risk control and management systems and, specifically, that all the important risks affecting the Company are identified, managed and quantified correctly.
- Actively participating in preparing the risk strategy and important decisions concerning risk management.
- Ensuring that the risk control and management systems adequately mitigate risks, as part of the policy established by the Board of Directors.

(iii) Audit and Compliance Committee:

This body supervises, pursuant to the Regulations of the Company's Board of Directors, the effectiveness of the Company's internal controls and risk management systems, among other aspects.

Likewise, it discusses with the auditor any significant weaknesses in the internal control system detected during the audit.

(iv) Board of Directors:

As indicated previously, the Board of Directors has the power to determine the risk control and management policy, including for tax risks, and is tasked with supervising the internal reporting and internal control systems.

With regard to the risk management processes, it is worth highlighting that, in addition to the aforementioned Risk Control and Management Department, Corporación Financiera Alba has regulatory compliance processes in place that are carried out by the various operational and support departments, as well as an Internal Audit Service, defined as an advisory and control body serving the Audit and Compliance Committee, which is independent within the organisation as regards its actions and whose purpose is to assess the various areas and functional activities of the Company.

The duties of the Internal Audit Service include the analysis and proposal of recommendations to improve the risk management processes. The Internal Audit Service also performs independent assessments of the efficiency and effectiveness of internal controls, although this is always in coordination with the Risk Control and Management Department, in order to avoid duplicating tasks and/or to prevent there being any areas without adequate coverage.

2.3 Monitoring and reporting model

The last component of the Integrated Risk Management System is a monitoring and reporting model capable of providing relevant information, in a timely and appropriate manner, to all players involved in the risk control and management process, both upwards and downwards in the hierarchy.

This cross-departmental monitoring model allows the System to behave dynamically and, above all, to anticipate risks, rendering risk management and control, within the limits set by the Company, possible.

Specifically, the Integrated Risk Management System established by Corporación Financiera Alba is a management, communication, monitoring and support mechanism for all activities related to risk control and management. It is vital for responding to individual risks and risks that are specific to each activity, while it provides the framework needed for coordinated management by the Company.

As mentioned in the Policy, the Group's activities are exposed to various financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk, and cash flow interest rate risk. The Group's Risk Management and Control Policy establishes the basic principles, guidelines and general framework for actions to control and manage the various types of risk faced (financial and non-financial). The Group does not use derivatives to mitigate certain risks.

Market risk

Given the Group's activities, the exposure to market risk depends on the performance of the investees, whether listed or not.

- Currency risk.

  The Group does not usually operate internationally and is therefore not exposed to currency risk by operating with foreign currencies. Currency risk is associated with future commercial transactions, recognised assets and liabilities, and net investments in foreign operations that are presented in a currency other than the Group's functional currency.

  At 31 December 2021 and 2020 the Group has no significant direct investments in companies whose currency is not the Euro and whose net assets are exposed to currency risk.

- Price risk.

  The Group is exposed to price risk relating to equity instruments designated at fair value through profit or loss. To manage price risk derived from investments in equity instruments the Group diversifies its portfolio.

- Cash flow and fair value interest rate risks.

  The Group's interest rate risk arises from non-current borrowings. Borrowings at variable interest rates expose the Group to cash flow interest rate risk. Fixed interest loans expose the Group to fair value interest rate risk.

  The Group holds almost 100% of borrowings at variable interest rates.

  At 31 December 2021 and 2020 the Group had not arranged any interest rate swaps.

  A 0.5 percentage point rise in interest rates on variable rate loans would have reduced profit/loss after tax by Euros 1 million.

Liquidity risk

The Group applies a prudent policy to cover its liquidity risks, based on having sufficient cash to settle all payments derived from its activity and to assure its objectives are met, underpinned by providing its subsidiaries with sufficient economic resources to carry out their activities.

The Group has a significant amount of cash and cash equivalents, as well as high positive working capital.

Its liquidity management is based on forecasting and analysing cash inflows and outflows

At 31 December 2021 the Group's cash position amounted to Euros 170.3 million, of which Euros 126.1 million comprised cash in hand and at banks, and Euros 44.2 million reflected current deposits and investments that are readily convertible into cash and not subject to a risk of change in value.

The most significant cash outflows of the Group not related to expenses and investments are distributions of dividends to shareholders. For the interim dividend distribution, the Board of Directors prepares an accounting statement demonstrating that sufficient cash is available for the distribution, that the profit available is greater than the dividend to be distributed, and that the Company's cash is greater than the dividend, in accordance with prevailing legislation.

The Group's exposure to liquidity risk at 31 December 2021 and 2020 is shown in the debt maturity table in note 19.

Credit risk

The Group does not have significant concentrations of credit risk as its principal activity consists of investing in the capital of different companies. Credit risk arises from potential losses derived from customers or counterparties failing to meet, in part or in full, their financial obligations with the Group.

Details of credit risk exposure at 31 December 2021 and 2020, by type of asset and maturity, are as follows (in millions of Euros):

	2021		2020	
	Amount	Maturity	Amount	Maturity
Trade receivables	32.7	2022	41.6	2021
Other non-current financial assets	39.5	2022-2025	58.9	2021-2025
Other receivables	6.4	2022	9.5	2021

22. TAXATION

Corporación Financiera Alba, S.A., Alba Patrimonio Inmobiliario, S.A.U., Alba Europe, S.à r.l., Alba Investments, S.à r.l., Deyá Capital, SCR, S.A.U. (liquidated in 2021), Deyá Capital IV, SCR, S.A.U., Artá Capital, SGEIC, S.A.U. and Artá Partners, S.A. file taxes under the tax regime for groups of companies. The rest of the Group's subsidiaries file tax returns in accordance with the tax legislation applicable in each country.

The main components of income tax for the years ended 31 December 2021 and 2020 are as follows:

	2021	2020
Income tax for the year		
Income tax expense for the year	5.8	4.8
Adjustments to income tax from prior years	-	-
Deferred tax		
Source and reversal of temporary differences	7.3	(1.6)
Income tax expense recognised in the income statement	**13.1**	**3.2**
Consolidated statement of comprehensive income	-	-
Deferred tax related to items recognised directly in equity during the year	-	-

A reconciliation of the tax expense to the product of the accounting profit multiplied by the tax rate applicable to Alba for the years ended 31 December 2021 and 2020 is as follows:

	2021	2020
Pre-tax accounting profit from continuing operations	201.7	275.6
Pre-tax profit or loss from discontinued operations	-	-
Pre-tax accounting profit	201.7	275.6
Consolidation differences	9.1	4.6
Permanent differences (article 21 of LIS)	(206.1)	(280.2)
Change in deferred tax assets and liabilities	7.3	(1.6)
Income tax expense/(income) in the consolidated income statement	13.1	3.2
Income tax attributable to discontinued operations	-	-

The most significant consolidation and permanent differences correspond to the share of the profit or loss for the year of associate companies, dividends received from associate companies, and the fair value of unlisted companies and investment property.

On 31 December 2020, Law 11/2020 of 30 December 2020 passing the General State Budgets for 2021 ("LPGE") was published in the Official State Gazette ("BOE"). Among other aspects, this Law included certain amendments to the Corporate Income Tax Law ("LIS").

Such amendments to the LIS included the reduction of the full tax exemption of dividends and capital gains (article 21 of the LIS), these items now being 95% exempt rather than 100% as previously.

As a result of this Law, the Group recognised temporary differences of Euros 1.1 million in relation to its investments. These deferred tax liabilities were determined as the difference between the value of the investments for tax purposes and the carrying amount in the consolidated accounts of the underlying assets and liabilities or of the value of investments accounted for using the equity method.

Movement in deferred tax assets and liabilities is as follows:

	1-1-20	Additions/ (derecog-nitions)	Business combi-nations	31-12-20	Additions/ (derecog-nitions)	Transfer	31-12-21
Deferred tax assets							
Retirement plans and other expenses	2.1	0.7	-	2.8	0.2	(0.5)	2.5
Total deferred tax assets	**2.1**			**2.8**			**2.5**
Deferred tax liabilities							
Gains on investment property	28.8	0.1	-	28.9	2.5	-	31.4
Other deferred tax liabilities	26.0	(2.4)	17.2	40.8	4.6	(14.9)	30.5
Total deferred tax liabilities	**54.8**			**69.7**			**61.9**

At 31 December 2021 and 2020 tax loss carryforwards amounting to Euros 26.2 million and Euros 24.5 million have not been recognised in the accompanying Balance Sheet.

While 2021 and the four preceding years are open to tax inspection, any additional taxes that may arise from such inspections are not expected to be significant.

Details of the balance under "Public entities, other", in note 18 "Suppliers and Other Payables", are as follows:

	2021	2020
Capital gains tax	4.2	4.5
Corporate income tax	11.7	3.7
Personal income tax withholdings	1.0	1.3
VAT and other	0.2	0.2
Total	**17.1**	**9.7**

The Group is taxed at a nominal rate of 25%.

23. WORKFORCE

The average number of employees in each year, by category, is as follows:

	2021			2020		
	Men	Women	Total	Men	Women	Total
Executive board members	-	-	-	2	-	2
Directors	43	12	55	35	8	43
Heads of department	122	22	144	104	21	125
Administrative and other staff	848	1,101	1,949	708	778	1,486
Total	**1,013**	**1,135**	**2,148**	**849**	**807**	**1,656**

The number of employees at each year end, by category, is as follows:

	2021			2020		
	Men	Women	Total	Men	Women	Total
Executive board members	-	-	-	2	-	2
Directors	44	11	55	35	6	41
Heads of department	120	24	144	100	20	120
Administrative and other staff	844	1,107	1,951	754	866	1,620
Total	**1,008**	**1,142**	**2,150**	**891**	**892**	**1,783**

At 31 December 2021 the Company has 13 employees with a disability rating of 33% or more.

24. SEGMENT REPORTING

Details of the revenue, profit/loss, assets and liabilities of the business segments for the years ended 31 December 2021 and 2020 are presented below.

The main segments reported by the Group are:

- Property rental: management, rental, and sale-purchase of the Group's investment property.

- Investments in transferable securities: business segment identified by the Group comprising investments in listed and unlisted companies involving significant influence and the generation of gains through investments and subsequent sales.

- Private equity investments: business segment identified by the Group comprising investments in funds or investment vehicles managed by Artá Capital, SGEIC, S.A. and the generation of gains through investments and subsequent sales.

No transactions are carried out between the different segments.

Segment reporting 2021

In millions of euros	Property rentals	Investment in transferable securities	Private equity investment	Income and expenses not allocated to segment	Total Group
Direct income and expenses of the segment					
Revenue	12.1	-	223.3	-	235.4
Supplies	-	-	(66.0)	-	(66.0)
Gains/(losses) on disposal	(1.0)	(9.8)	11.8	-	1.0
Share of the profit/(loss) for the year of associates	-	245.0	-	-	245.0
Change in fair value	(0.8)	-	33.9	48.8	81.9
Depreciation and amortisation	-	-	(28.2)	(1.0)	(29.2)
Impairment	-	(16.6)	-	-	(16.6)
Personnel expenses	-	-	(69.9)	(22.3)	(92.2)
Other operating expenses	(4.7)	-	(33.9)	(7.2)	(45.8)
Other income/(expenses)	-	-	-	0.5	0.5
Net finance income	-	-	(3.8)	16.0	12.2
Profit/(loss) before taxes and non-controlling interests	**5.6**	**218.6**	**67.2**	**34.8**	**326.2**
Income tax					(13.1)
Profit/(loss) from continuing operations					**313.1**
Profit(loss) attributable to non-controlling interests					(10.4)
Consolidated profit/(loss) for the year attributable to the Group					**302.7**
Assets and liabilities					
Segment assets	336.2	2,450.0	345.4	-	3,131.6
Unallocated assets					1,876.5
Total assets					**5,008.1**
Segment liabilities	2.1	-	241.5	-	243.6
Unallocated liabilities					559.9
Total liabilities					**803.5**

Segment reporting 2020

In millions of euros	Property rentals	Investment in transferable securities	Private equity investment	Income and expenses not allocated to segment	Total Group
Direct income and expenses of the segment					
Revenues	16.1	-	169.2	-	185.3
Supplies	-	-	(45.1)	-	(45.1)
Gains on disposal	2.8	19.3	2.0	-	24.1
Share of the profit/(loss) for the year of associates	-	(162.2)	-	-	(162.2)
Change in fair value	(2.8)	-	(4.0)	21.6	14.8
Depreciation and amortisation	-	-	(24.6)	(1.4)	(26.0)
Personnel expenses	-	-	(57.3)	(15.4)	(72.7)
Other operating expenses	(4.2)	-	(29.0)	(6.6)	(39.8)
Other income/(expenses)	-	-	-	0.6	0.6
Net finance income	-	-	(5.4)	23.7	18.3
Profit/(loss) before taxes and non-controlling interests	**11.9**	**(142.9)**	**5.8**	**22.5**	**(102.7)**
Income tax					(3.2)
Profit/(loss) from continuing operations					**(105.9)**
Profit/(loss) attributable to non-controlling interests					3.5
Consolidated profit/(loss) for the year attributable to the Group					**(102.4)**
Assets and liabilities					
Segment assets	298.0	2,844.9	405.3	-	3,548.2
Unallocated assets					878.8
Total assets					**4,427.0**
Segment liabilities	1.5	-	216.5	-	218.0
Unallocated liabilities					175.0
Total liabilities					**393.0**

Unallocated income and costs comprise overheads and other costs that cannot be allocated as pertaining to any of the three businesses.

Unallocated assets and liabilities mainly reflect other current financial assets and cash and cash equivalents.

In 2021 and 2020 Alba carried out its activity in Spain (revenue), except for the following (see note 5):

	2021		2020	
In millions of euros	Eurozone	Rest of world	Eurozone	Rest of world
CGU Satlink Group	1.1	37.2	14.3	33.5
CGU Nuadi Group	33.7	20.9	42.8	3.7
Total	34.8	58.1	57.1	37.2

25. OTHER INCOME AND EXPENSES

Details for 2021 and 2020 are as follows.

a) Personnel expenses:

In millions of euros	**2021**	2020
Salaries and wages	74.9	57.6
Social Security payable by the Company	16.3	13.2
Alternative pension plan schemes	0.5	1.5
Other employee benefits expenses	0.5	0.4
Balance at 31 December	92.2	72.7

b) Finance income:

In millions of euros	**2021**	2020
Interest, dividends and other	17.6	25.7
Balance at 31 December	17.6	25.7

c) Change in fair value of financial instruments:

At the 2021 and 2020 year ends this item reflects the change in fair value of investments at fair value through profit or loss (see note 11).

26. RELATED PARTIES

Details of transactions carried out in 2021 and 2020 are as follows:

	Amount		
Description of the transaction	2021	2020	Related party
With significant shareholders of the Company			
Services	1.4	0.6	Banca March, S.A.
Dividends	8.7	8.7	Banca March, S.A.
With other related parties			
Dividends and other distributions	9.5	9.7	CIE Automotive, S.A.
	38.2	31.2	Rioja Luxembourg, S.à.r.l.
	25.2	26.2	Acerinox, S.A.
	25.0	54.1	Ebro Foods, S.A.
	11.0	14.4	Viscofan, S.A.
	3.3	6.1	Euskaltel, S.A.
	1.7	0.8	InStore Media Group, S.A.
	-	4.1	Alvinesa, S.A.
Collaboration agreements	0.3	0.3	Fundación Juan March

27. REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company and its subsidiaries have recorded the following remuneration accrued by the members of the Board of Directors and Senior Management of Corporación Financiera Alba, S.A.:

In thousands of euros	No. of people	Salaries and other	Alba Board Meetings	Alternative pension plan schemes and insurance
2021				
External proprietary directors	3	292	1,075	-
External independent directors	7	-	835	-
Other external directors	1	409	137	-
Executive directors (*)	2	538	100	-
Senior management (*)	7	4,223	-	1,411
Total		**5,462**	**2,147**	**1,411**
2020				
External proprietary directors	3	-	1,075	-
External independent directors	6	-	835	-
Other external directors	1	1,253	130	-
Executive directors	2	777	200	-
Senior management	5	2,893	-	560
Total		**4,923**	**2,240**	**560**

(*) These two executive directors are only present for half the year; in the other half of the year they form part of senior management.

At 31 December 2021 and 2020 the Board of Directors comprised 10 and 12 members, respectively.

No loans were extended to members of the Board of Directors or Senior Management in 2021 or 2020.

Details of the remuneration accrued by each board member in 2021 and 2020, including those who stepped down before 31 December, are as follows :

2021 In thousands of euros	Fixed remuneration	Variable	Alba Group board meetings	Total remuneration
De Ampuero y Osma, José Domingo	-	-	83	83
Carné Casas, Ramón	268	-	50	318
De Colmenares Brunet, Ignacio	-	-	65	65
Del Caño Palop, José Ramón	153	117	50	320
Girón Dávila, Mª Eugenia	-	-	150	150
Guibert Ucin, María Luisa	-	-	130	130
March de la Lastra, Juan	-	175	330	505
March Delgado, Carlos	-	-	415	415
March Juan, Juan	-	117	330	447
Martínez-Conde Gutiérrez-Barquín, Santos	-	409	137	546
Pickholz, Claudia	-	-	132	132
Pradera Jáuregui, Antón	-	-	140	140
Plaza Arregui, Ana María	-	-	135	135
Total Board	**421**	**818**	**2,147**	**3,386**

2020 In thousands of euros	Fixed remuneration	Variable	Alba Group board meetings	Total remuneration
De Ampuero y Osma, José Domingo	-	-	165	165
Carné Casas, Ramón	486	-	100	586
Del Caño Palop, José Ramón	256	35	100	391
Girón Dávila, Mª Eugenia	-	-	150	150
March de la Lastra, Juan	-	-	330	330
March Delgado, Carlos	-	-	415	415
March Juan, Juan	-	-	330	330
Martínez-Conde Gutiérrez-Barquín, Santos	1,100	153	130	1,383
Guibert Ucin, María Luisa	-	-	130	130
Pickholz, Claudia	-	-	125	125
Pradera Jáuregui, Antón	-	-	130	130
Plaza Arregui, Ana María	-	-	135	135
Total Board	**1,842**	**188**	**2,240**	**4,270**

In 2021 and 2020 no remuneration was paid to individuals representing Alba on boards or committees of companies in which Alba acts as a director company. In 2021 and 2020, Euros 178 thousand and Euros 156 thousand, respectively, were paid in respect of public liability insurance premiums on behalf of the directors.

In 2021 Mr. Ignacio de Colmenares Brunet was appointed as a member of the Board of Directors of Corporación Financiera Alba, S.A., for a term of four years, while the directors Mr. José Ramón del Caño Palop, Mr. Ramón Carné Casas and Mr. José Domingo de Ampuero y Osma stepped down from the board. There were no changes in the Board of Directors in 2020.

At the General Meetings held in 2021, 2020 and 2019 the shareholders of Alba approved a multi-year variable remuneration scheme linked to the net asset value of Alba and intended for Executive board members, directors representing Alba on the boards of subsidiaries, investees or related parties, and certain Company personnel selected by the Board of Directors, in order to foster more direct engagement in the process of creating value for the Company's shareholders. The basic features of the scheme are as follows:

Approval	21/6/21	18/6/20	7/6/19
Maturity	30/6/24	30/6/23	6/6/22
Units assigned	204,500	246,500	232,500
Initial net asset value	80.42	64.97	73.66
Cap between initial and final net asset value	50%	50%	50%

The Company has assigned units to the beneficiaries which, upon maturity, will entitle them to receive remuneration equal to the result of multiplying these units by the difference between the "initial" and "final" net asset value of the shares of Corporación Financiera Alba, S.A. This calculation will be performed excluding own shares and without taking into account taxes resulting from the theoretical settlement.

There is also an annual variable remuneration component based on a number of parameters that enable an assessment of performance and the degree of fulfilment, as well as deferral of half of the accrued remuneration, which will be payable, together with the revaluation and dividends, in no less than five years as of the accrual date and no later than eight years after that date, whichever the beneficiary chooses.

Pursuant to the provisions of articles 227, 228, 229 and 231 of the Spanish Companies Act ("LSC"), as per the wording given in Law 31/2014 of 3 December 2014, which amended the LSC in order to improve corporate governance, the Directors of Alba have informed Alba that during the years ended 31 December 2021 and 2020 they had no conflicts of interest with Alba and, to the best of their knowledge and based on the information which they have been able to obtain with the utmost due diligence, neither did their related parties.

28. AUDIT FEES

In 2021 KPMG Auditores, S.L., the auditor of the Group's annual accounts, accrued fees totalling Euros 124 thousand, of which Euros 105 thousand were for audit services and Euros 19 thousand for the limited review of the consolidated interim financial statements and the agreed-upon procedures report on the ICOFR description. In addition, in 2021 other affiliates of KPMG invoiced fees of Euros 16 thousand for other services.

29. STATEMENT OF CASH FLOWS

This statement has been prepared in accordance with International Accounting Standard 7.

The statement comprises three types of cash flow:

- Net cash flows from operating activities: operating cash flows of all the businesses managed by the Group.

- Net cash flows from investing activities: cash flows related to non-current investments in assets and the acquisition and disposal of equity instruments issued by other entities.

- Net cash flows from financing activities: cash flows used to purchase own shares, cash inflows from the use of external sources of financing, cash outflows as a result of the repayment of external financing, and dividend distributions.

30. ASSETS AND LIABILITIES HELD FOR SALE

In December 2021 the Group decided to sell its interest in the Satlink subgroup. The Group has therefore classified the assets and liabilities of the Satlink Group as held for sale at 31 December 2021. Although the decision to make this sale was taken in 2021, the closing of the transaction is expected to be carried out in the first half of 2022.

The disposal group comprised assets amounting to Euros 80.9 million and liabilities totalling Euros 57.5 million. The Group has not recognised any impairment losses as the carrying amounts are lower than fair value less costs to sell. Thus, the carrying amount of assets held for sale at 31 December 2021 was Euros 23.4 million.

Details of assets and liabilities held for sale in connection with the Satlink subgroup are as follows:

In millions of euros	2021
Assets	
Intangible assets	27.1
Property, plant and equipment	4.4
Goodwill	7.1
Other non-current assets	2.0
Trade and other receivables	38.1
Other current assets	2.2
Total Assets	**80.9**
Liabilities	
Trade and other payables	13.6
Financial liabilities	30.2
Other current liabilities	13.7
Total Liabilities	**57.5**

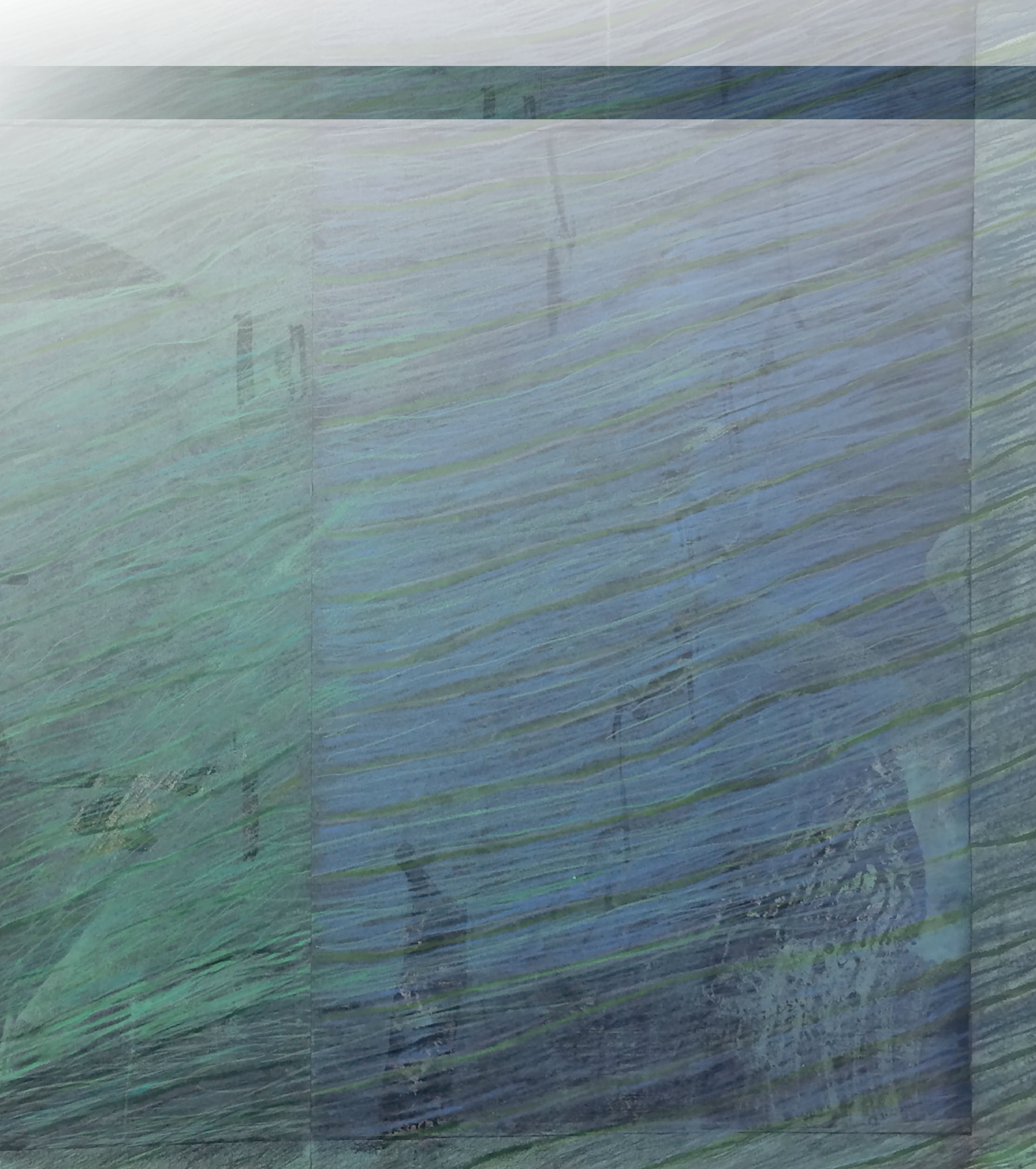
At 31 December 2021 the Group has classified its investment in Indra Sistemas, S.A., amounting to Euros 53.9 million, in non-current assets held for sale. The Group has recognised an impairment loss of Euros 16.6 million to adjust the investment to its fair value.

31. EVENTS AFTER THE REPORTING PERIOD

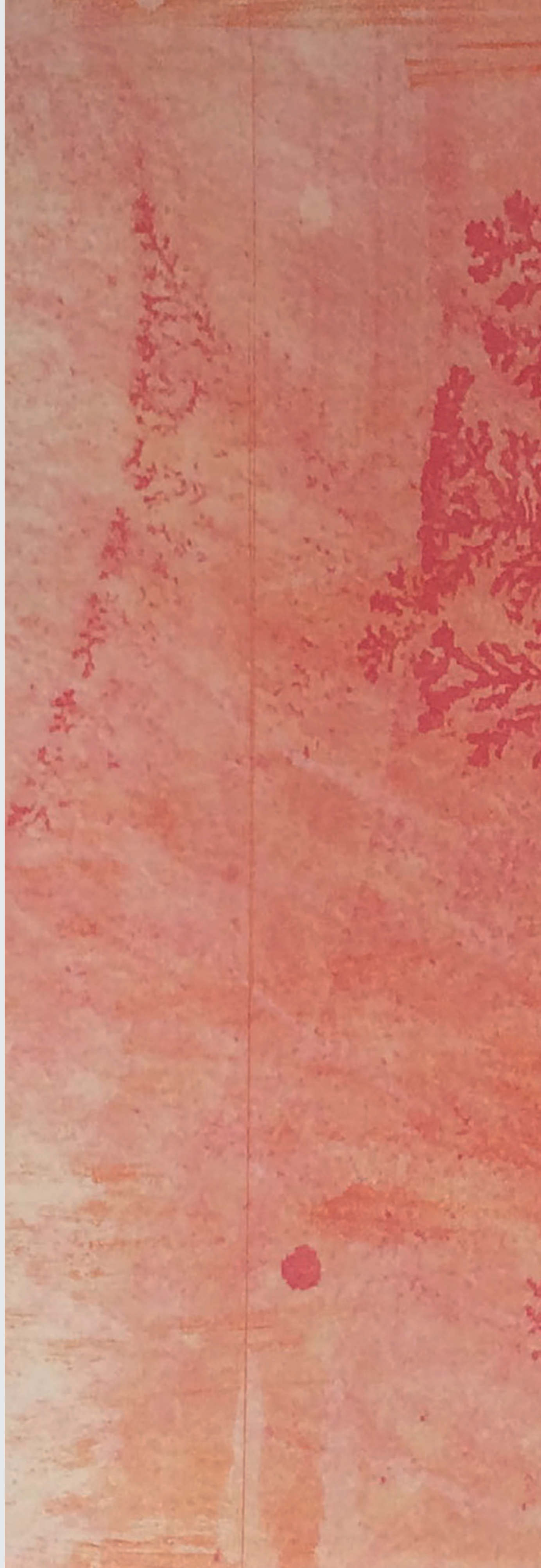
The following significant events have occurred since 31 December 2021:

- A 2.8% stake in the share capital of Technoprobe S.p.A. was acquired, through Alba Europe, S.à r.l., for Euros 95 million in the context of an IPO launched on 15 February. Technoprobe, an Italian company, is a worldwide leader in the design and manufacture of probe cards, complex electro-mechanical interfaces used in microchip testing during the integrated circuits production process. The Company is now listed on the Euronext Growth Milan market.
- An agreement for the sale, through Deyá Capital IV, of the entire stake (28.1%) held in the share capital of Satlink. The sale is subject to compliance with certain conditions precedent, in particular the approval of the antitrust authorities, which is expected to be obtained in the coming months.
- On 24 February 2022 the Russo-Ukrainian War broke out, prompting various countries to impose hefty economic sanctions on Russia. In addition, many companies are taking measures to restrict business relations with Russia, which is having a knock-on effect on the worldwide economy in the form of rising energy prices, supply chain interruptions, inflation and export incidents, among other impacts.

At the date of authorising the consolidated annual accounts for issue, it is not possible to estimate the present and future impacts of this crisis on the Company and its subsidiaries.



DIRECTORS' REPORT



1. BUSINESS PERFORMANCE AND POSITION OF THE COMPANY

The consolidated annual accounts at 31 December 2021 give a true and fair view of the Group's equity, financial position, results of operations, changes in equity and cash flows for the year then ended, and have been authorised for issue by the Company's directors.

The Non-Financial Information Statement is attached as an appendix to this consolidated directors' report, of which it forms an integral part, and has been prepared in accordance with the requirements of Law 11/2018 of 28 December 2018, amending the Spanish Code of Commerce, the Revised Spanish Companies Act approved by Royal Legislative Decree 1/2010 of 2 July 2010 and Audit Law 22/2015 of 20 July 2015, on non-financial and diversity information.

During 2021, the Alba Group's activities comprised the following:

- Management of a number of controlling and influential interests in a series of companies operating in different sectors of the economy.
- Promotion and holding of interests in companies.
- Operation of buildings through lease or sale.

Consolidated net profit amounted to Euros 303 million in 2021, compared with losses of Euros 102 million in the prior year due to the impact of the COVID-19 crisis. This improvement stems from the greater profits obtained by our investees and the positive trend in other investments in companies recognised at fair value.

Net asset value ("NAV") increased by 26.2% in the year to Euros 5,433 million at 31 December 2021, equivalent to Euros 93.29 per share. Alba's share price ended the year at Euros 51.50 per share, after climbing 32.2%.

During the year, Alba invested Euros 964 million and sold assets totalling Euros 462 million, reducing its net cash position significantly down to Euros 182 million at 31 December 2021.

In October, Alba distributed a gross interim dividend of Euros 0.50 per share to its shareholders, with a charge against 2021 profit, representing a disbursement of Euros 29 million. Total dividends distributed during 2021 amounted to Euros 58 million.

2. MOST SIGNIFICANT TRANSACTIONS

Alba made the following investments:

- Purchase of a 12.3% stake in KKR Apple Holdings Corporation for an investment of Euros 312 million. Through this company, Alba acquired an indirect interest of 12.3% in the share capital of Atlantic Aviation FBO Holding. With a presence in 78 US airports, Atlantic Aviation is one of the leading providers of airport services for private and corporate aviation in the United States.

- Purchase of a 16.0% stake in Nature Topco UK Limited for an investment of Euros 249 million. Through this company, Alba acquired an indirect interest of 14.7% in the share capital of ERM Worldwide Group Limited. ERM has its headquarters in London and is the leading provider of environmental, sustainability, and health and safety consultancy services.

- Purchase of a 23.7% stake in Profand Fishing Holding for an investment of Euros 101 million, by purchasing shares and subscribing a capital increase intended to support the company's organic and inorganic growth. Profand is a leading company in the Spanish fishing industry and the global leader in the cephalopods segment. It has extraction operations and processing plants in Spain, the United States, Argentina, Morocco, India, Peru and Senegal.

- Purchase of a 3.1% stake in Befesa for Euros 70 million as part of the capital increase undertaken by this company with a view to acquiring American Zinc Recycling in the United States. This investment pushed Alba's shareholding in Befesa up to 5.1%.

- Purchase of an office building located at Paseo de la Castellana 42 in Madrid for Euros 55 million.

- Increase in the stakes held in Viscofan (0.9%) and Ebro Foods (0.4%) by Euros 25 million and Euros 11 million, respectively.

- Other investments totalling Euros 141 million.

The following divestments were undertaken:

- Sale of its entire interest (11.0%) in the share capital of Euskaltel for Euros 216 million in the context of a takeover bid launched by the MásMóvil Group. A gross gain of Euros 28 million, for accounting purposes, was generated on this sale.

- Sale of a 7.3% stake in Indra for Euros 127 million and a 1.6% interest in Acerinox for Euros 50 million.

- Sale, through Deyá Capital IV, of the entire stake (16.8%) held in the share capital of Alvinesa for Euros 48 million. Alba achieved an IRR of 44.9% p.a. on this investment over the 4.1 years in which it was a shareholder.

- Sale of two buildings in Madrid and several parking spaces for Euros 21 million.

3. OUTLOOK FOR THE COMPANY

Alba's foremost objective is to ensure that its investees achieve maximum profitability, improving their competitiveness and enhancing their human, financial and technological potential. Furthermore, the Company's financial structure, size and flexibility will enable it to take advantage of investment opportunities that may arise.

Performance of the main investees:

- In 2021 Acerinox posted its best results since 2007. Sales climbed by 43.6% year-on-year to stand at Euros 6,706 million, bolstered by positive market dynamics with robust demand across all geographical areas. In comparison with 2020, steel production rose by 18.5% to 2.5 million tonnes, while cold rolling was up by 17.5% to 1.6 million tonnes. Adjusted EBITDA totalled Euros 989 million in the year, which is 2.6 times higher than in the previous year, driven by the strength of all the branches in the Stainless Steel division and the greater contribution from the Special Alloys division (VDM). Net profit amounted to Euros 572 million, compared to Euros 49 million in 2020. Net financial debt at 31 December 2021 stood at Euros 578 million (0.6 times EBITDA for the year), which is Euros 194 million down on the figure posted one year earlier.

- CIE Automotive's revenue amounted to Euros 3,269 million in 2021, up 13.4% on 2020, showing higher-than-market growth in all geographical areas in which CIE operates, except China. Excluding the impact of exchange rates, sales levels would be similar to those posted pre-COVID, despite car production being even lower due, essentially, to the shortage of chips. EBITDA rose by 33.3% vis-à-vis 2020 to settle at Euros 575 million. Net profit likewise climbed, by 44.4% in this case, to Euros 268 million. Adjusted net financial debt at 31 December 2021 amounted to Euros 1,377 million, 2.4 times EBITDA for the year.

- Ebro Foods' sales reached Euros 2,877 million in 2021, falling slightly short of the prior year's figure (a decline of 0.7%). EBITDA slid down to Euros 354 million, a decline of 2.9% compared to 2020 that is essentially due to higher commodity prices and logistics costs. Nonetheless, compared to the constant benchmark of 2019, sales were up by 14.6% and EBITDA by 15.3%. Net profit rose by 24.0% to Euros 239 million, fortified by the net gain obtained on the asset sales undertaken in North America and Spain. Net financial debt at 31 December 2021 was down substantially, to Euros 505 million (1.4 times EBITDA for the year), in the wake of the previously mentioned divestments.

- Naturgy achieved sales of Euros 22,140 million in 2021, up 44.3% on the prior year as a result of greater demand and higher energy prices, which offset the negative impact of the depreciation of Latin American currencies against the Euro. Reported EBITDA for the year totalled Euros 3,529 million, 2.3% up on 2020. That said, removing extraordinary items such as restructuring costs would have meant a 7.2% rise in EBITDA in the year. Net profit came in at Euros 1,214 million, compared to losses of Euros 347 million in 2020. At 31 December 2021, net financial debt stood at Euros 12,831 million (3.6 times EBITDA for the year), 5.7% less than the figure reported at the end of the prior year.

- Verisure, a Company that also operates under the "Securitas Direct" trademark, achieved revenue of Euros 2,509 million in 2021, up 17.3% on the previous year. This improvement was driven by growth in the customer portfolio, which expanded 13.6% to comprise 4.3 million customers at 31 December 2021. Adjusted EBITDA of the customer portfolio amounted to Euros 1,477 million in the year, up 17.7% vis-à-vis 2020. Total adjusted EBITDA reached Euros 1,048 million, which is 14.0% higher than in the previous year. Net profit totalled Euros 15 million, compared to a net loss of Euros 93 million in the prior year. Net financial debt at 31 December 2021 amounted to Euros 7,172 million (6.8 times adjusted EBITDA for the year).

- Viscofan's sales in 2021 were up 6.3% year-on-year, amounting to Euros 969 million, spurred on by the marked growth in Europe and Asia, and to a lesser extent in North America, as well as the healthier results obtained by the cogeneration activity. In comparable terms, excluding the impact of exchange rates, sales would have increased by 8.0% with respect to 2020. EBITDA for the year grew by 5.2% to Euros 247 million, on the back of higher revenue, better production efficiency and the implementation of cost control measures (despite higher commodity, energy and transport prices). Net profit totalled Euros 133 million, 8.6% up on 2020. At 31 December 2021, Viscofan reported net bank debt of Euros 2 million, compared with Euros 38 million at the end of 2020.

4. INVESTMENT PORTFOLIO

Alba's investment portfolio at 31 December 2021 is as follows:

	Stake %	Value in millions of euros[1]
Listed holdings		
Acerinox	17.78	548
Befesa	5.10	138
CIE Automotive	12.73	427
Ebro Foods	14.44	375
Global Dominion	5.27	40
Indra	3.21	54
Naturgy[2]	5.44	1,107
Viscofan	13.97	370
Others		133
Total market value		**3,190**
Total book value		**2,290**
Unrealised gain		**900**

(1) Closing price at 31 December for listed companies.
(2) Includes an indirect interest of 5.33% and a direct interest of 0.11%.

	Stake %	Value in millions of euros[1]
Unlisted holdings		1,647
Atlantic Aviation	12.28	
ERM	14.68	
Parques Reunidos	24.98	
Profand	23.71	
Verisure (net of non-controlling interests)	6.24	
Through Deyá Capital:		
Alvic	7.76	
in-Store Media	18.89	
Monbake	3.70	
Nuadi[2]	37.43	
Preving[2]	24.81	
Satlink[2]	28.07	
Food Delivery Brands	3.13	

	Value in millions of euros [1]
Real Estate	352

(1) External valuation for unlisted companies (except In-Store Media, for which internal valuation is used), and external appraisals for real estate.
(2) Fully consolidated.

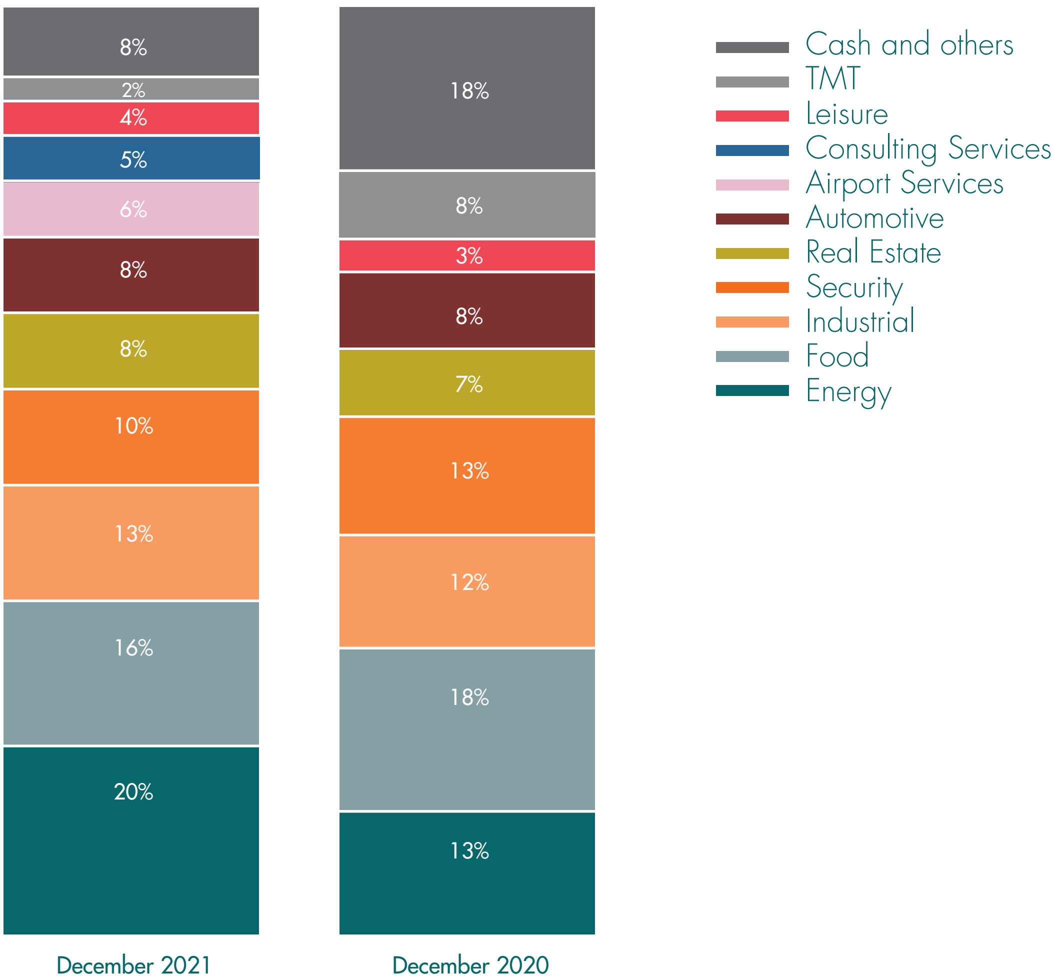
5. NET ASSET VALUE (NAV)

The most representative indicator for a company such as Alba is Net Asset Value ("NAV"). Calculated based on criteria typically used in the market, the pre-tax NAV of Alba at 31 December 2021 amounted to Euros 5,433 million or Euros 93.29 per share, which represents a 26.2% increase on the prior year.

In millions of euros	**31-12-21**	31-12-20
Listed holdings	3,190	2,530
Unlisted holdings	1,647	868
Real Estate	352	313
Other assets and liabilities	63	70
Net cash (includes fixed income)	182	523
Net asset value	**5,433**	**4,304**
Millions shares	58.24	58.24
Net asset value / share	**93.29 €**	**73.89 €**

Satlink, Nuadi and Preving are included at fair value.
The relationship with the Consolidated Balance Sheet is included in the footnote of section dedicated to the Balance Sheet (page 236 and 237).

6. SECTOR DISTRIBUTION OF GROSS ASSET VALUE (GAV) [(1)]



(1) Closing price at 31 December 2021 for listed companies, external valuation at 31 December for unlisted companies (except In-Store Media, for which internal valuation is used) and for real estate.

7. CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT[1]

In millions of euros	**31-12-21**	31-12-20
Share of net results of associates	245	(162)
Rental income and other	236	185
Of leases and other	13	17
From other companies by global integration	223	168
Gains from fair value adjustments in Real Estete investments	(1)	(3)
Profit/(loss) on asset sales	1	24
Variation in fair value of financial instruments	83	18
Net financial result	12	18
Impairment of financial assets	(17)	-
Sum	**559**	**80**
Operating expenses	(204)	(156)
From Alba	(34)	(26)
From other companies by global integration	(170)	(130)
Depreciation	(29)	(26)
From Alba	(1)	(1)
From other companies by global integration	(28)	(25)
Corporate income tax	(13)	(3)
Minority shareholders	(10)	4
Sum	**(256)**	**(182)**
Net result	**303**	**(102)**
Earnings per share (euros)	**5.20**	**(1.76)**

(1) Satlink, Nuadi and Preving are fully consolidated. Satlink has consolidated since 2017 and Nuadi and Preving joined the consolidated group in the last quarter of 2019.

CONSOLIDATED BALANCE SHEET [1]

ASSETS

In millions of euros	**31-12-21**	31-12-20
Intangible assets	199	230
Goodwill	79	78
Other intangible assets	120	152
Real Estate investment[a]	335	287
Fixed assets[a]	31	30
Investments in associates[b]	2,477	2,845
Financial assets at fair value through profit or loss[b]	839	171
Other financial investments and other assets[c]	175	61
Deferred tax assets	3	3
Non-current assets	**4,059**	**3,627**
Non-current assets held for sale[a][b]	135	9
Stock	23	18
Outstanding tax refunds	39	36
Other financial assets[b][c]	532	380
Treasury and temporary financial investments[c]	177	296
Debtors and other assets	43	50
Current assets	**949**	**789**
Total Assets	**5,008**	**4,416**

(1) Satlink, Nuadi and Preving are fully consolidated. Shown at fair value for the NAV.
(a) Corresponds to "Buildings" in the NAV.
(b) Corresponds to "Listed securities" and "Unlisted securities" in the NAV.
(c) Corresponds to "Net cash" in the NAV.

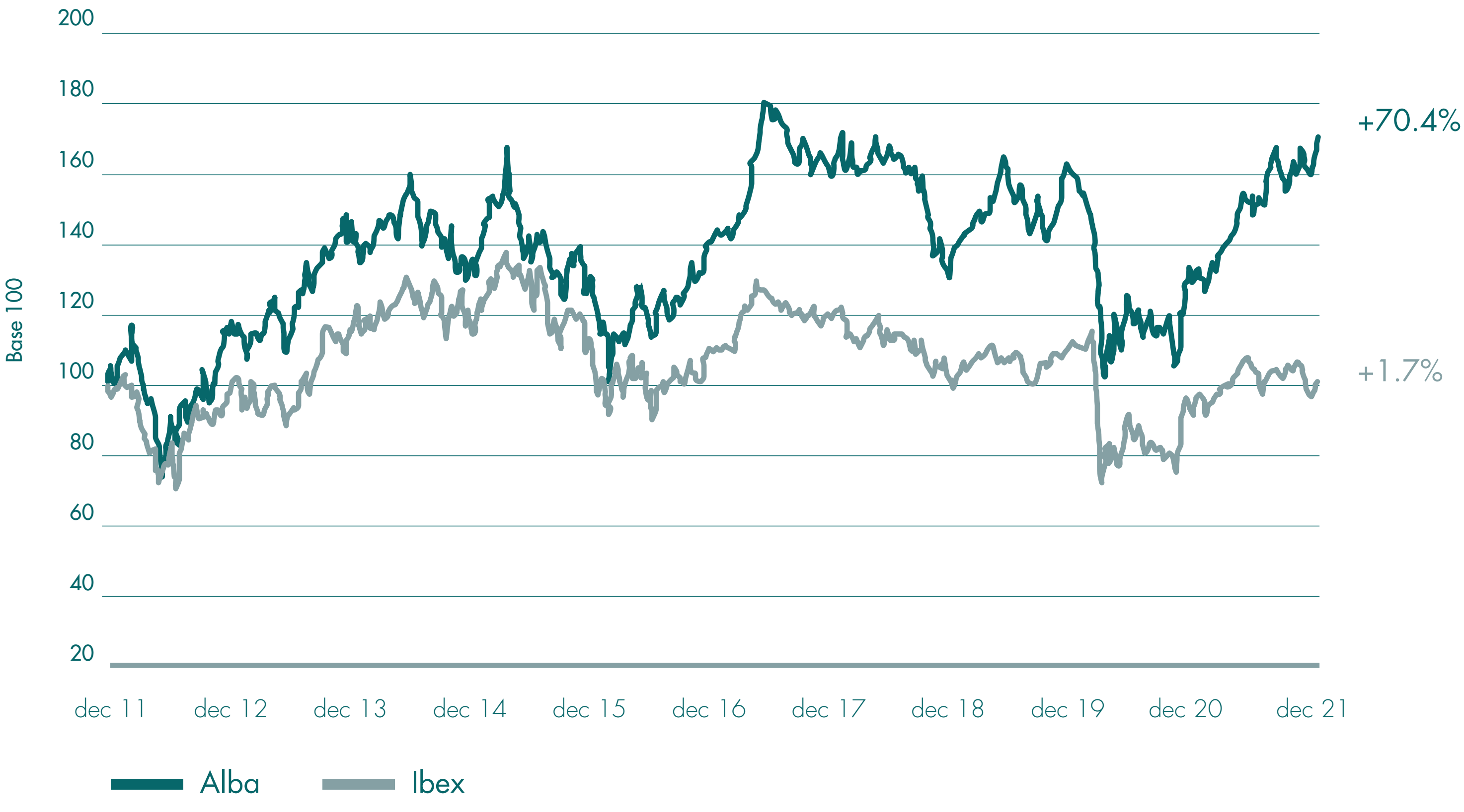
EQUITY AND LIABILITIES

In millions of euros	**31-12-21**	31-12-20
Share capital	58	58
Reserves and treasury stock	3,679	3,885
Earnings for the year	303	(102)
Minority interests	165	182
Shareholder's Equity	**4,205**	**4,023**
Other non-current liabilities	14	10
Net deferred taxes	62	70
Long-terms debts with credit institutions[c]	247	202
Non-current liabilities	**323**	**282**
Liabilities linked to non-current assets held for sale[b]	57	-
Short-terms debts with credit institutions[c]	347	50
Current payables	76	61
Current liabilities	**480**	**111**
Total Equity and Liabilities	**5,008**	**4,416**

(b) Corresponds to "Listed securities" and "Unlisted securities" in the NAV.
(c) Corresponds to "Net cash" in the NAV.

8. SHARE PRICE PERFORMANCE

In 2021, the price of Alba's shares rose by 32.2%, from Euros 38.95 to Euros 51.50, while in the same period the IBEX 35 climbed 7.9% to 8,714 points.



9. EVENTS AFTER THE REPORTING PERIOD

The following significant events have occurred since 31 December 2021:

- A 2.8% stake in the share capital of Technoprobe S.p.A. was acquired, through Alba Europe, S.à r.l., for Euros 95 million in the context of an IPO launched on 15 February. Technoprobe, an Italian company, is a worldwide leader in the design and manufacture of probe cards, complex electro-mechanical interfaces used in microchip testing during the integrated circuits production process. The Company is now listed on the Euronext Growth Milan market.

- An agreement for the sale, through Deyá Capital IV, of the entire stake (28.1%) held in the share capital of Satlink. The sale is subject to compliance with certain conditions precedent, in particular the approval of the antitrust authorities, which is expected to be obtained in the coming months.

- On 24 February 2022 the Russo-Ukrainian War broke out, prompting various countries to impose hefty economic sanctions on Russia. In addition, many companies are taking measures to restrict business relations with Russia, which is having a knock-on effect on the worldwide economy in the form of rising energy prices, supply chain interruptions, inflation and export incidents, among other impacts.

At the date of authorising the consolidated annual accounts for issue, it is not possible to estimate the present and future impacts of this crisis on the Company and its subsidiaries.

10. ACQUISITIONS AND DISPOSALS OF OWN SHARES

In 2021 and 2020 there was no movement in Alba own shares.

11. RESEARCH AND DEVELOPMENT ACTIVITIES

The Group's specific activities mean that direct investments are not necessary in this area.

12. AVERAGE SUPPLIER PAYMENT PERIOD

Details of the average supplier payment period are as follows:

Days	**2021**	2020
Average supplier payment period	41	42
Transactions paid ratio	43	44
Transactions payable ratio	41	41

In millions of euros	**2021**	2020
Total payments made	7.2	3.1
Total payments outstanding	36.4	36.9

13. RISK MANAGEMENT AND CONTROL POLICY

The Board of Directors of Corporación Financiera Alba, S.A., has drawn up the following Risk Management and Control Policy:

1. Types of risk faced by the Company

Risk is inherent in all business activity and is defined as uncertainty concerning the occurrence of an event or action that could adversely affect the Company's ability to maximise its value for stakeholders and to achieve its goals; it also refers to the possibility of threats materialising and opportunities not being taken.

Corporación Financiera Alba engages in two principal activities:

(i) investment in the capital of listed and unlisted companies, and

(ii) investment in buildings leased as office space.

As a result of its activities, the markets and sectors in which it operates and its environment, the Company is exposed to the following categories of risks:

- Strategic risks related to the mission and vision of the Company, achievement of business goals and the creation and preservation of value for shareholders and other stakeholders.

  These include risks related to the corporate governance of the Company, its reputation and responsibility, investment and divestment strategies, and market dynamics.

- Operational risks involving potential direct or indirect economic losses related to external events: uncertainty in the Company's own business activities; or internal events: failures or inadequacies in the processes, systems or resources of the Company.

  These include risks related primarily to revenue, investments and divestments and monitoring thereof, the acquisition of goods and services, physical assets, human resources, information technologies, and natural disasters, terrorism and other criminal acts.

- Financial risks resulting, broadly speaking, from any financing operation which the Company must carry out in order to perform its activities, as well as the reliability of financial information reported by the Company.

  These include liquidity and credit risks, market, tax, accounting and reporting risks.

- Regulatory compliance risks arising from a potential failure to comply with laws, regulations, internal standards and codes of conduct, as well as greater exposure to such risks.

  These include legal risks, regulatory risks and risks involving codes of ethics and conduct.

- Technological, environmental and social risks, including risks associated with information technology, cybersecurity and technological obsolescence, Climate Change and employee health and safety.

2. Integrated Risk Management System

Aware of the importance and advantages of adequately and efficiently managing its risks, Corporación Financiera Alba has established an Integrated Risk Management System mainly focused on:

- Enabling the identification and proactive and efficient assessment of Company risks, as well as monitoring and continually tracking these risks.

- Integrating, coordinating and directing the various risk management actions performed by the Company.

- Achieving responsible risk acceptance and reinforcing the responsibility of the Company's employees.

- Ensuring that control systems are aligned with the actual risks of the Company.

- Facilitating and streamlining the application of corrective measures.

The Integrated Risk Management System unites three key components:

(i) The continuous risk management process, understood as the activities performed by all individuals in the Company under the supervision of the Audit and Compliance Committee that are focused on identifying potential risk events, managing the risks identified and providing reasonable assurance that the Company will achieve its goals.

(ii) An organisational focus, with clearly defined and communicated roles and responsibilities. Integrated risk management affects all Company personnel, therefore it is vital to establish an organisational focus on risk management tailored to the organisational structure and corporate culture of the Company.

Although the Integrated Risk Management System affects and involves all Company personnel, the main participants are as follows: risk managers, the Risk Control and Management Department, the Audit and Compliance Committee and the Board of Directors.

(iii) A monitoring model, which identifies and provides the timely information needed so that all those involved in the risk management process can make informed decisions concerning the risks.

2.1. The continuous risk management process

By way of a summary, the continuous risk management process involves performing the following activities:

- Identifying and assessing the risks that could affect the Company.

  Determining the main strategic, operational, financial and regulatory compliance risks affecting the Company's strategy and goals, assessing the probability of occurrence and potential impact and prioritising risks based on these factors.

- Setting the level of risk that is considered acceptable.

  Defining key risk indicators ("KRIs") for each critical risk and establishing tolerance levels for these risks.

- Identifying controls.

  Specifying existing controls (or those to be implemented) in the Company to mitigate the aforementioned risks.

- Identifying the processes in which these risks and controls arise.

  Determining the existing relationship between the Company's key risks – and its controls – and the Company's processes, identifying and analysing the processes that are critical for risk management.

- Assessing controls.

  Assessing the effectiveness of the controls in mitigating the risks identified.

- Designing and implementing action plans in response to the risks.

  Determining action plans to be carried out to lower residual risk to acceptable risk level, bearing in mind the costs and benefits of such efforts. As a direct result of this reduction in the level of risk, a reassessment and prioritisation of the risks will be necessary and appropriate, as part of a continuous risk management process.

In this regard, Corporación Financiera Alba has prepared the Company's Risk Map, which shows, based on their impact and probability, the key risks in the categories listed above. In order for this map to be effectively used as a management tool that allows the Company to make informed decisions, the map is reviewed and updated periodically to adjust it to the Company's current circumstances.

Likewise, the Company has prepared Risk Indices for the most critical risks, identifying the key risk indicators with their corresponding tolerance levels, the associated controls and, where applicable, the action plans to be implemented. These Indices allow the Company to periodically assess and monitor its risks and to determine the most appropriate response to these risks.

2.2. Organisational model of roles and responsibilities

Although the Integrated Risk Management System affects and involves all Company personnel, the main players are as follows:

(i) Risk managers:

These managers are responsible for monitoring the risks assigned to them and for informing the Risk Control and Management Department of any relevant information concerning the risks.

(ii) Risk Control and Management Department:

The Risk Control and Management Department is expressly tasked with the following duties:

- Ensuring the smooth running of the risk control and management systems and, specifically, that all the important risks affecting the Company are identified, managed and quantified correctly.
- Actively participating in preparing the risk strategy and important decisions concerning risk management.
- Ensuring that the risk control and management systems adequately mitigate risks, as part of the policy established by the Board of Directors.

(iii) Audit and Compliance Committee:

This body supervises, pursuant to the Regulations of the Company's Board of Directors, the effectiveness of the Company's internal controls and risk management systems, among other aspects.

Likewise, it discusses with the auditor any significant weaknesses in the internal control system detected during the audit.

(iv) Board of Directors:

> As indicated previously, the Board of Directors has the power to determine the risk control and management policy, including for tax risks, and is tasked with supervising the internal reporting and internal control systems.

With regard to the risk management processes, it is worth highlighting that, in addition to the aforementioned Risk Control and Management Department, Corporación Financiera Alba has regulatory compliance processes in place that are carried out by the various operational and support departments, as well as an Internal Audit Service, defined as an advisory and control body serving the Audit and Compliance Committee, which is independent within the organisation as regards its actions and whose purpose is to assess the various areas and functional activities of the Company.

The duties of the Internal Audit Service include the analysis and proposal of recommendations to improve the risk management processes. The Internal Audit Service also performs independent assessments of the efficiency and effectiveness of internal controls, although this is always in coordination with the Risk Control and Management Department, in order to avoid duplicating tasks and/or to prevent there being any areas without adequate coverage.

2.3 Monitoring and reporting model

The last component of the Integrated Risk Management System is a monitoring and reporting model capable of providing relevant information, in a timely and appropriate manner, to all players involved in the risk control and management process, both upwards and downwards in the hierarchy.

This cross-departmental monitoring model allows the System to behave dynamically and, above all, to anticipate risks, rendering risk management and control, within the limits set by the Company, possible.

Specifically, the Integrated Risk Management System established by Corporación Financiera Alba is a management, communication, monitoring and support mechanism for all activities related to risk control and management. It is vital for responding to individual risks and risks that are specific to each activity, while it provides the framework needed for coordinated management by the Company.

As mentioned in the Policy, the Group's activities are exposed to various financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk, and cash flow interest rate risk. The Group's Risk Management and Control Policy establishes the basic principles, guidelines and general framework for actions to control and manage the various types of risk (financial and non-financial) faced. The Group does not use derivatives to mitigate certain risks.

14. ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report ("ACGR") is an integral part of this Directors' Report and is available for consultation on the websites www.cnmv.es and www.corporacionalba.es.

15. NON-FINANCIAL INFORMATION STATEMENT

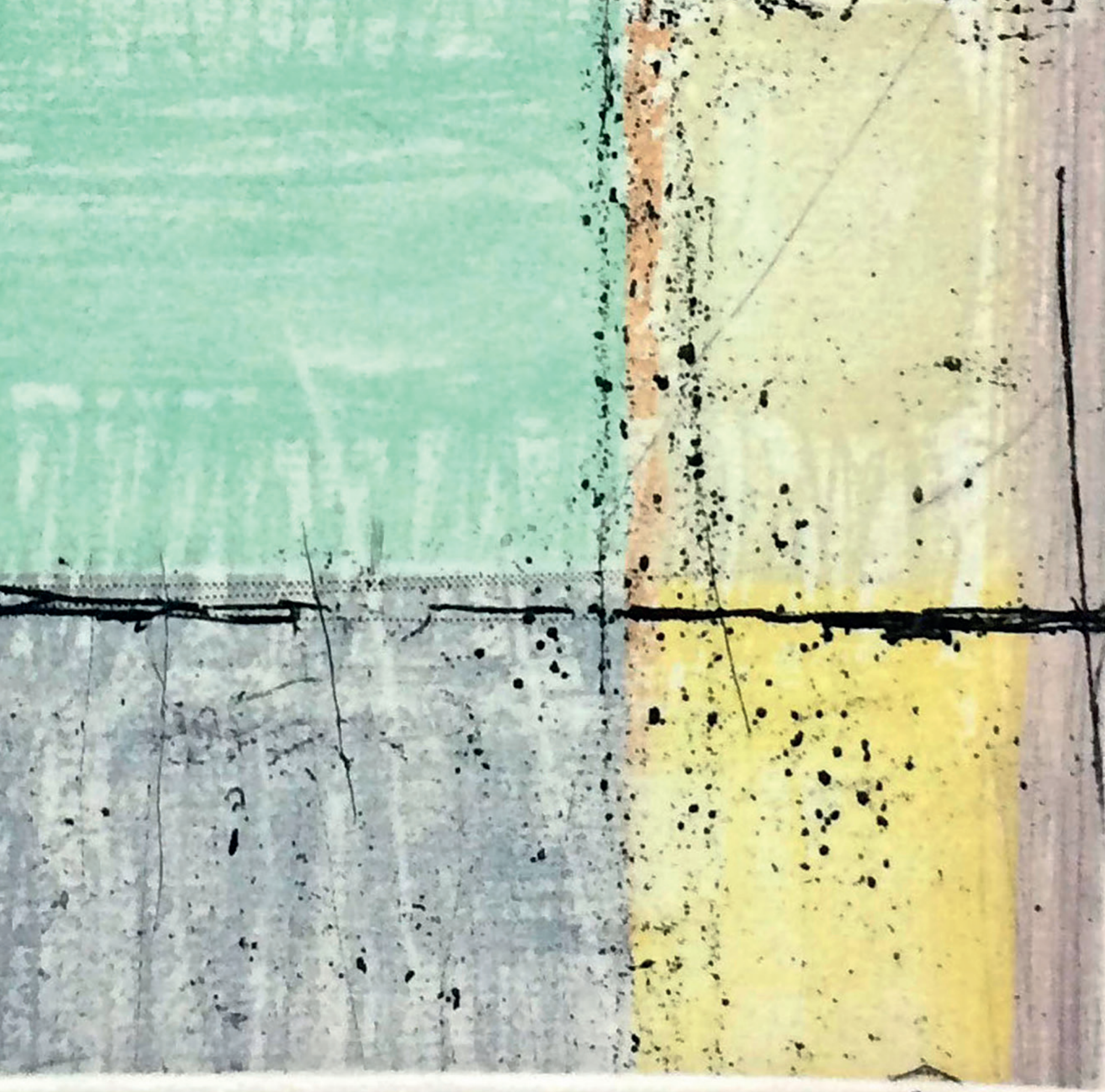
This is attached as Appendix I.

16. REMUNERATION REPORT

The Annual Directors' Remuneration Report ("ADRR") is an integral part of this Directors' Report and is available for consultation on the websites www.cnmv.es and www.corporacionalba.es.

ANNUAL CORPORATE GOVERNANCE REPORT

TO GO TO THE ANNUAL CORPORATE GOVERNANCE REPORT AND THE AUDITOR'S REPORT ON THE "INTERNAL CONTROL OVER FINANCIAL REPORTING (ICOFR) INFORMATION" PLEASE CLICK ON THIS LINK



Hora de estrellas"

M. Ferrer

NON-FINANCIAL INFORMATION STATEMENT

OF CORPORACIÓN FINANCIERA ALBA, S.A. AND SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2021

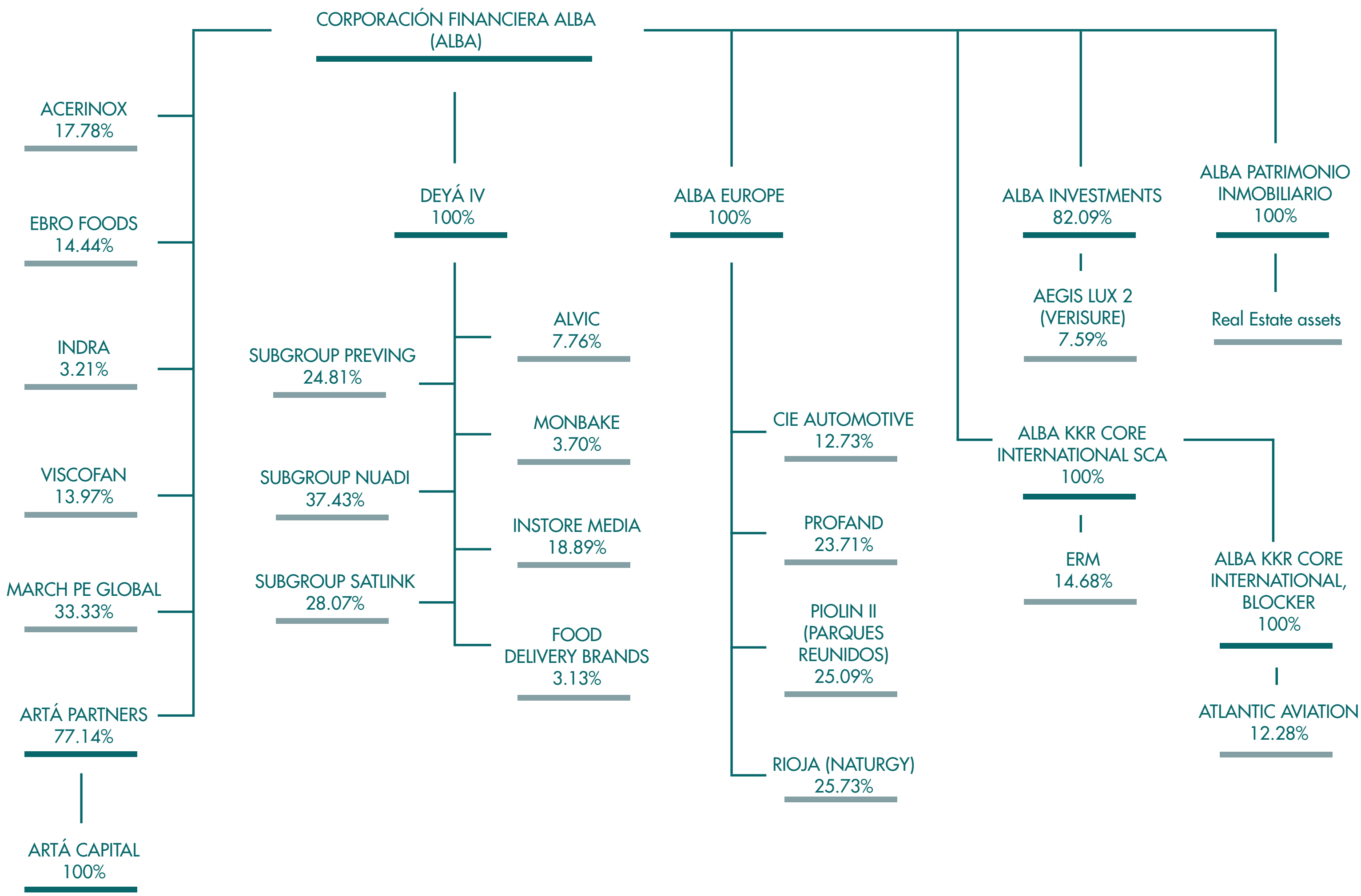
NON-FINANCIAL INFORMATION STATEMENT

1. INTRODUCTION

This Non-Financial Information Statement, which forms part of the consolidated directors' report of Corporación Financiera Alba, S.A. and its subsidiaries, is published in compliance with Spanish Non-Financial Information and Diversity Law 11/2018, of 28 December, which amended the Spanish Commercial Code, the Consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010, of 2 July, and Spanish Audit Law 22/2015, of 20 July, in matters concerning Non-Financial Information and Diversity.

Corporación Financiera Alba, S.A. ("Alba") is an investment company holding significant ownership interests in various listed and unlisted companies with activities in diverse economic sectors, which also owns property assets. It also holds participations in companies through private equity activities.

The following chart details the companies in which Alba has shareholder interests:



Alba: Corporación Financiera Alba, S.A., Deyá Capital IV, SCR, S.A., Alba Europe, S.à.r.l., Alba Investments, S.à.r.l., Alba Patrimonio Inmobiliario, S.A., Artá Partners, S.A., Artá Capital SGEIC, S.A., Alba KKR Core International, SCA and Alba KKR Core International Blocker, S.à.r.l.

NON-FINANCIAL INFORMATION STATEMENT

The scope of this Non-Financial Information Statement includes Alba's business activities, and the activities of the Satlink, Nuadi and Preving subgroups (its subsidiaries).

It was prepared using the most up-to-date version of the internationally recognised Global Reporting Initiative ("GRI") Sustainability Reporting Guidelines, i.e. the GRI Standards.

Also, the context and regulation of the industries in which the subgroups operate, the industry trends and best practices were taken into account to determine the non-financial matters that are relevant to Alba and its subsidiaries. The main relevant matters identified were, therefore, as follows:

- Compliance and business ethics.
- Occupational health and safety.
- Attraction and retention of talent.
- Company commitment to society.
- Energy efficiency and environmental management.
- Diversity and equality.
- Consumer satisfaction and safety.

This Non-Financial Information Statement describes the main non-financial areas of performance in relation to:

- Personnel and Human Rights matters.
- Environmental and social matters.
- Anti-corruption and bribery matters.

Likewise, the report on the EU Taxonomy is also included.

2. BUSINESS MODEL

Alba is an investment company, established in 1986 and listed on the Spanish Stock Market Interconnection System, which has significant ownership interests in various listed and unlisted companies with activities in diverse economic sectors. It also engages in the lease of properties and holds interests in companies through private equity.

Alba, whose objective is to create value for its shareholders in the long term, has an Investment Policy that establishes a responsible investment philosophy based on a set of principles and criteria for carrying on its business activity.

One of these principles is the requirement to have in-depth knowledge of the investments, both at the initial analysis stage and in the ongoing monitoring of the company in which the investment is made, its industry and the markets in which it operates. Thus, Alba establishes the most appropriate procedures to gain an understanding of the quantitative and qualitative aspects defining the investees' activities, the latter being of special importance to Alba's long-term decision making. For this purpose, it engages external advisory services whenever necessary.

As regards the geographical sphere of its operations, the need to diversify risk has led Alba to opt for both Spanish and international investments, the aim being for investments to be made preferably in conjunction with local partners or partners who are familiar with the sector, and in companies that are characterised by their stability, reliability and security. Active involvement in the companies and other assets in which the company invests is another key principle of Alba's responsible investment policy and entails the holding of a representative ownership interest within the shareholder structure, as well as responsibility for, engagement with and commitment to the investees.

The credibility and reputation of Alba is based on its long-term commitment and adherence to the good corporate governance principles and ethical behaviour promoted by the company. For this reason it encourages its investees to adopt advanced good governance, environmental, employment, social and tax policies. Potential conflicts of interest between investees are also avoided, as are investments in potentially conflictive industries from the legal or social standpoint.

The **Preving** subgroup has an extensive infrastructure in Spain and carries on its business activity in the following areas:

- Advisory services for occupational risk prevention plans.
- Services in the field of ergonomics to adapt the working environment to people.
- Occupational safety plans aimed at reducing or eliminating risks that could cause work-related injuries or ill health.

- Industrial Hygiene, an activity that involves the prevention of physical, chemical and biological risks that might arise in the working environment.

- Health Surveillance, which is one of the instruments employed in Occupational Healthcare to monitor the consequences of working conditions on the health of workers.

- Applied psychosociology: prevention of psychosocial risks defined as those resulting from the interactions between the organisational characteristics of the work and the capabilities, needs and expectations of the workers.

- Occupational Health Promotion ("OHP"): advisory services relating to strategies to prevent occupational risks and increase the ability of workers to maintain their health and quality of life.

- Business Activity Coordination ("BAC"), through advisory services for fulfilment of obligations in this area.

In addition, the Preving subgroup has a fleet of mobile health surveillance units, which allow it to take the service to its customers. Its vehicles have all the requisite healthcare permits and are managed by its professionals in the Occupational Healthcare and Nursing area.

The main activity of the **Nuadi** subgroup is the manufacture and marketing of disc brake pad components for various applications: motorcycles, cars, road freight transport, public works and railways. Its products are aimed mainly at the spare parts market, which accounts for 94% of its total production. The remaining 6% relates to the original equipment and original replacement parts market. In April 2021, Nuadi added Sadeca Automotive to the Group, which is a company engaged in the marketing of accessories and wiring. Its industrial activities are located in Sentmenat (Barcelona, Spain), where it also centralises all the logistics operations and its most operational services such as engineering, quality, marketing, etc., and in Tangier (Morocco) it has the main factory in which it manufactures most of its products (brake wear sensors and wiring).

The **Satlink** subgroup is a technology based group and a leader in R&D solutions for sustainable fisheries and satellite communications services, with 98% of revenue generated by proprietary products. It is the world's number one producer of smart buoys for tuna fishing. It is also a leader in solutions for fisheries management and in satellite telecommunications for the maritime and defence industries.

3. INFORMATION ON SOCIAL AND PERSONNEL RELATED MATTERS

3.1. Policies

Alba promotes, both directly and indirectly through its investees, the values and ethics required to form trustworthy and competent teams capable of working to achieve the sustainability of companies. The commitment of Alba and its subsidiaries to equal opportunities for workers ensures that selection, hiring, employment and professional development conditions are based on merit and the skills required in each case, while excluding discriminatory criteria of any kind and fostering a working environment that promotes dignity and respect.

Alba and the subgroups referred to in this report have protocols and procedures in place that enable them to implement these principles and objectives.

This commitment to people is evidenced by the creation of stable employment, the professional development of workers, and the establishment of healthy working environments in which diversity, equal opportunities and the work-life balance are respected. Alba's commitment to employment is mirrored directly by the number of employees it has, and indirectly by the total number of jobs created, both directly and indirectly, at all of its investees and subsidiaries, as well as by the promotion of good human resources-related practices.

Also, in 2021 Alba's businesses and its subsidiaries continued to adapt to the scenarios resulting from the COVID-19 pandemic, with specific measures being taken at each of them to guarantee the minimisation of the impact of the pandemic on the workforce, both in terms of the levels of employment and in order to maintain the health and safety of their professionals.

Therefore, **Alba** maintained the measures required to ensure that employees were able to comply with the mandatory and recommended healthcare guidelines established by the competent authorities. The main measure was remote working; limited groups of employees taking turns to work on-site at the offices and online meetings held both internally and with people outside the company.

The **Preving** subgroup implemented policies to reinforce compliance with employment legislation. These policies were structured around two main pillars: occupational health and safety on the one hand, and equal rights and opportunities for all workers on the other. Their effective fulfilment must be based on a series of undertakings entered into with its stakeholders.

The **Nuadi** subgroup has a human resources procedure, and in 2021 it negotiated and signed the first Nuadi Equality Plan for the 2022 to 2025 period with the workers' legal representatives.

In the case of the **Satlink** subgroup, in addition to having a Code of Ethics covering all of its employees and other stakeholders (including suppliers, customers, institutions, etc.), the company complies with the legislation combating discrimination of any kind in relation to hiring, remuneration, training, and health and safety.

Also, in view of the connection of its business with fisheries, its business activity was deemed to be necessary during the pandemic, which allowed it to continue operating with the compulsory safety measures and the restrictions imposed by the Public Authorities. The maintenance of this level of activity made it possible to avoid furlough-type arrangements and dismissals at the Group caused by COVID-19.

3.2. Social management and performance

3.2.1. Employment and remuneration

Being aware of the value of human capital, **Alba** aims to maintain favourable employment policies that are in line with the needs of its employees, and with the Company's specific operating requirements. Talent management and retention, and the provision of dignified employment, adequate professional development, good permanent employment contract conditions and employee benefits make it possible to keep workforce turnover rates low, year after year.

Alba and its subsidiaries had 1,954 employees in Spain at 2021 year-end. More than 90% of the employees have permanent contracts.

The detail of the workforce at year-end, including the employees of Alba and its subsidiaries in Spain, is as follows:

Workforce by gender	Men	Women	Total 2021	Total 2020
Permanent contract	862	902	1,764	1,483
Temporary contract	94	96	190	234
Total	**956**	**998**	**1,954**	**1,717**
Full-time	867	745	1,612	1,324
Part-time	89	253	342	393
Total	**956**	**998**	**1,954**	**1,717**
Average remuneration	57,066	40,206		
Number of dismissals	20	15	35	31

Workforce by age	<35 years old	35-50 years old	>50 years old	Total 2021	Total 2020
Permanent contract	190	1,150	424	1,764	1,483
Temporary contract	64	105	21	190	234
Total	**254**	**1,255**	**445**	**1,954**	**1,717**
Full-time	239	1,010	363	1,612	1,324
Part-time	15	245	82	342	393
Total	**254**	**1,255**	**445**	**1,954**	**1,717**
Average remuneration	42,500	23,160	43,954		
Number of dismissals	5	19	11	35	31

Workforce by professional category	Operative and administrative staff	Middle management	Executives	Total 2021	Total 2020
Permanent contract	1,627	96	41	1,764	1,483
Temporary contract	189	1	-	190	234
Total	**1,816**	**97**	**41**	**1,954**	**1,717**
Full-time	1,478	95	39	1,612	1,324
Part-time	338	2	2	342	393
Total	**1,816**	**97**	**41**	**1,954**	**1,717**
Average remuneration	24,656	68,677	194,704		
Number of dismissals	33	2	-	35	31

The difference observed between the remuneration bands of men and women is also reflected in the difference in remuneration between operative and administrative staff, and middle management. This difference is due the fact that at Sadeca, which was recently acquired by Nuadi, a large number of women are in operative and administrative positions, in the 35-50 years of age band.

Employees with disabilities	Total 2021	Total 2020
Number of employees with disabilities at year-end	21	15

Employees working abroad

Also, the Satlink and Nuadi subgroups have workers who perform their activities in other countries, almost all of whom have indefinite-term full-time contracts, the detail being as follows:

Workforce by gender	Men	Women	Total 2021	Total 2020
China	23	18	41	46
Morocco	13	116	129	-
Fiji	1	2	3	6
Ecuador	2	5	7	6
Seychelles	-	2	2	2
Korea	3	3	6	3
Taiwan	-	3	3	3
Total	**42**	**149**	**191**	**66**

Workforce by age	<35 years old	35-50 years old	>50 years old	Total 2021	Total 2020
China	11	29	1	41	46
Morocco	112	17	-	129	-
Fiji	2	1	-	3	6
Ecuador	3	3	1	7	6
Seychelles	1	1	-	2	2
Korea	2	4	-	6	3
Taiwan	2	-	1	3	3
Total	**133**	**55**	**3**	**191**	**66**

Workforce by professional category	Operative and administrative staff	Middle management	Executives	Total 2021	Total 2020
China	30	10	1	41	46
Morocco	123	-	6	129	-
Fiji	2	1	-	3	6
Ecuador	5	2	-	7	6
Seychelles	2	-	-	2	2
Korea	5	-	1	6	3
Taiwan	2	1	-	3	3
Total	**169**	**14**	**8**	**191**	**66**

Both **Alba** and its subsidiaries are committed to maintaining a remuneration model for their employees that guarantees effective application of the principle of equal pay for work of equal value, as well as to the non-existence of salary differences due to gender or on any other discriminatory grounds, and they base the distribution of remuneration on salary brackets according to the level of responsibility, the type of work, alignment with market remuneration for positions with the same conditions, and taking into account the sustainability of the Company in this regard.

The pay gap is measured as the difference between the average remuneration received by men and the average remuneration received by women. In carrying out the pay-gap exercise Alba included the data on its subsidiaries in Spain in order to encompass the remuneration received by all employees at the consolidated Group, and obtained a gross figure of 29.5%.

The figures by professional category are as follows:

	Operative and administrative staff	Middle management	Executives
Gender pay gap	15%	2%	18%

The difference observed in the executives category is the result of the concentration of men with a long service record in the highest ranking positions at the parent. In the case of the category of operative and administrative staff, the difference is the result of a large number of technical and administrative positions, in the various geographical areas in which the companies operate, having differing remuneration bands in the same category.

As mentioned above, the remuneration models applied do not include any criteria that discriminate on the basis of gender. However, work is underway to correct these differences through the effective application of the principle of equality.

3.2.2. Organisation of the work

Alba's Code of Ethics and Conduct addresses respect for the personal and family life of its professionals and implements measures aimed at facilitating flexibility and reconciliation to promote the necessary work-life balance of its employees.

In 2021, Alba did not have to adopt any measures in relation to furlough-type arrangements. Throughout the year, and in accordance with the various measures imposed or recommended by the authorities, employees were encouraged to organise their departments in such a way as to favour a work-life balance and safeguard health, with reduced attendance in person and flexible working, exclusively or partially on a remote basis, according to the circumstances of the pandemic at any given time.

Alba's subsidiaries also have specific work-life balance and flexibility measures in place, which are adapted to the characteristics of each company. In 2021, as a result of the circumstances of the pandemic, measures such as remote working for those positions and functions where it was possible and the reorganisation of working hours to avoid large numbers of employees entering or leaving the workplace at the same time were still applied, the aim being to safeguard employees' health and the health of their families, and to promote a work-life balance.

At the **Preving** subgroup, work-life balance policies are promoted to foster the necessary balance between the personal and professional lives of its employees, with specific measures such as 30 to 60 minutes of timetable flexibility for employee arrivals and departures, public holidays and paid leave days, and work-life balance days on Fridays, in holiday or summer periods and on the eve of public holidays. As a result of the implementation of policies of this kind, the companies of the Preving subgroup received awards from regional governments and city councils alike. Furthermore, the main measure taken in the context of the pandemic was the reorganisation of positions for remote working, where this was possible, through the implementation of the remote working mechanism allowing 20% of annual working hours to be completed remotely.

At the **Nuadi** subgroup, a specific working-time reorganisation protocol was established as result of the pandemic, which includes both COVID-19-related safety and prevention measures and shift flexibility measures to facilitate a better work-life balance and reduce the number of employees present at the workplace at the same time in order to protect their health. A remote working protocol was also established for those employees whose functions allowed it. Sadeca also has various shifts which helps improve organisation, efficiency and the work-life balance.

The organisation of working hours at the **Satlink** subgroup is determined on the basis of the applicable collective agreement and, in addition, promotes appropriate flexibility regarding work starting and ending times. Measures are also promoted to foster disconnection from work and to enable employees to balance their personal lives with their professional development at the company. In this connection, over the course of the pandemic and due to the widespread implementation of remote working for employees whose functions allow it, special emphasis has been placed on the importance of employee rest between working days, through the promotion of flexibility as an element that benefits performance quality.

The detail of absenteeism at Alba and its subsidiaries is as follows:

	Total 2021	Total 2020
Number of hours of absenteeism recorded in the year for all employees[1]	44,740	213,068

(1) Hours of absenteeism: total hours absent from workplace due to ordinary or professional contingencies.

The absenteeism figure for 2021 was significantly lower than in 2020 when the impact of COVID-19 gave rise to an increase in absenteeism.

3.2.3. Health and safety

Alba and the subgroups have measures in place to monitor and promote health and safety at the workplace, and conduct training activities for employees in this area, as well as health monitoring programmes and external audits to check that the established health and safety procedures, among others, are applied correctly.

Alba sets out its specific health and safety commitments in its Code of Ethics and Conduct and in the procedures and manuals established for this purpose. In 2021, safeguarding the health and safety of employees was of paramount importance. Decisions were guided by the principle of prudence in the face of the pandemic situation, and employees were always offered flexibility. A combination of exclusive and partial remote working practices were implemented. Face-to-face activity at the offices was adapted to the situation at all times, with shifts and groups of limited numbers of employees. When COVID-19 infections were detected in the office, every employee was offered an antigen test, and tests were also performed before essential face-to-face meetings.

As regards remote working, since 2020 employees have been equipped with the devices and applications required to work remotely.

Alba's offices have maintained the measures adopted in 2020: fitting-out of workstations to comply with the appropriate distances between people, and attendance in shifts; installation of the elements required in common areas and toilets to avoid touching surfaces; adaptation of windows to ventilate spaces; provision of masks and hand sanitiser to employees; restricting the access of external persons to the offices; holding of internal and external meetings remotely. The COVID-19 action protocol is available on the Company's intranet.

The rules prescribed by the building in which Alba's offices are located were also followed. These rules, which affect Alba employees directly, include deactivating the digital fingerprint for lift access, and replacing it with magnetic cards, and increasing the HVAC levels to improve air renewal throughout the building.

The **Preving** subgroup demonstrates its commitment to promoting the health and safety of its employees through training and information activities on healthy lifestyles in and outside working hours, and it promotes the wellbeing of its employees by fostering safe environments and healthy workplaces. This commitment is evidenced by the certification of the health and safety Management System implemented in accordance with ISO 45001. In relation to the pandemic situation beginning in March 2020, the Preving subgroup followed the guidelines for the prevention of infection and the protection of workers set by the health authorities at all times, and sought to safeguard the health of its employees. Also, the occupational health and safety system of the companies making up the Preving subgroup is certified under the OHSAS 18001:2007 standard by an external company.

The **Nuadi** subgroup has an Occupational Risk Prevention Management System the objective of which is to ensure compliance with its health and safety Policy and the integration of preventive activities in all aspects of management and at every hierarchical level. In the framework of this system, a unified protocol was created for the company in response to the pandemic, which regulates the health and safety measures to be taken into account before, during and after work, including measures to prevent infection at workspace entrances and exits, when travelling or in common areas, and ergonomic and psychosocial measures for the correct adaptation of workers to remote working. Sadeca has an external prevention service, which provided it with an occupational risk prevention plan. A COVID prevention group is also maintained, which was created to decide upon collective rules and reviews of contingency plans.

In the case of the **Satlink** subgroup, prevention measures were aligned with the government's health recommendations and adapted to the nature of its activity. Therefore, in addition to the hygiene and infection prevention measures, PCR and antigen tests were conducted and extended to all personnel, both those returning to face-to-face activities, and those on secondment or attending essential meetings in person. In addition, workstations were redistributed by area, department and working hours, and internal measures were taken in line with the evolution of the infection rate in each geographical region.

The following chart shows the 2020 and 2021 health and safety indicators broken down by gender for Alba and its subsidiaries:

	2021		2020	
Safety and health indicators	Men	Women	Men	Women
Frequency rate[1]	19.52	15.96	11.25	16.54
Severity rate[2]*	0.12	0.21	3.86	10.62
Occupational diseases	3	7	-	-
Number of fatalities	-	-	1	-

(1) Frequency rate: number of work-related injuries with days away from work x 1,000,000/total number of hours actually worked.
(2) Severity rate: number of days not worked due to work-related injury x 1,000/total number of hours actually worked.
* The severity rate decreased substantially with respect to 2020 due to the reduction in the number of days off caused by the COVID-19 pandemic.

3.2.4. Labour relations

At Alba and its subsidiaries, the aim is to manage labour relations with employees effectively and in detail, so as to ensure that the employment rights of all employees are observed. In addition, social dialogue is based on the various collective agreements in force, which guarantees respect for and adherence to the principles set forth in each of them:

- For **Alba**, the Madrid Collective Agreement for Offices.
- For the **Preving** subgroup, the Collective Agreement for Prevention Service Companies.
- For the **Nuadi** subgroup, the Navarre Collective Agreement for the Iron and Steel industry.

- For the **Satlink** subgroup, the Collective Agreements for the Metal Trade in the Madrid Autonomous Community and Pontevedra, and the National Collective Agreement for Engineering Companies and Technical Studios.

92% of the employees of Alba and its subsidiaries in Spain are covered by collective agreements.

In those companies in which it is applicable, there are Works Councils and/or trade union representatives who oversee compliance with the principles established in the applicable agreements and ensure the establishment of fluid lines of communication between all the workers and the relevant company bodies. For example, in 2021 union elections were held at Nuadi, resulting in the constitution of the current Works Council composed of nine members.

3.2.5. Training

Alba's training procedures are adapted to employees' needs and take into account the characteristics of the functions they perform, their careers and their professional development, so that resources are focused on the requirements of each position and the current market. In 2021, since employees were provided with the appropriate devices, they were able to access the training they required remotely.

The **Preving** subgroup has included an Integration Training Plan, which is a planned process by means of which the company provides its new hires with everything they require so they can develop their capacities, skills, and appropriate attitudes and aptitudes for the performance of their functions at the company. The Preving Group has a continuous training procedure, which defines the responsibilities of area managers to ensure the employees under them receive adequate training and have the appropriate skills, and to detect the training requirements of those employees.

The **Satlink** subgroup has a policy relating to Occupational Risk Prevention training for work performed on board ships, and to technical training for developers and technical staff. It also has specialised programmes in proprietary technologies for customers to improve efficiency in the use of the solutions and products offered. Also, Satlink's Code of Ethics stresses its commitment to each employee's training, employing all the resources that the group places at its disposal, as part of an ongoing commitment to the employee and to the company, aimed at updating and increasing training, so that they can achieve full professional development and meet their personal goals.

The detail of the hours of training of the employees of Alba and its subsidiaries is as follows:

Detail, by professional category, of total number of hours of training provided to employees	Operative and administrative staff	Middle management	Executives	Total
Hours of training 2021*	1,664	607	364	2,635
Hours of training 2020	40,791	484	300	41,575

* Note: reported hours of training for 2021 include information from Alba and Nuadi and Satlink subgroups.

3.2.6. Accessibility and equality

Alba's Code of Ethics and Conduct includes principles of non-discrimination and equal opportunity with which it aims to fulfil the commitment to create a working environment in which all employees enjoy fair treatment, respect and dignity, while rejecting any form of violence or harassment, abuse of authority or any other conduct that violates the rights of workers and people. Also, when holding general meetings, Alba facilitates the accessibility of people with disabilities and the elderly, both in terms of providing access to prior information and making it easier for them to cast their vote, access the meeting room and follow the meetings.

In addition, pursuant to the regulations governing general meetings, applicable until 31 December, in order to safeguard the general interests and health of shareholders and people involved in the preparation and holding of the general meeting, the meeting was held entirely remotely in 2021. The Bylaws and General Meeting Regulations were also amended to allow future meetings to be held entirely remotely.

In addition to the measures ensuring regulatory compliance in the area of accessibility and equality, other measures included most notably those taken at the **Preving** subgroup, which regularly conducts a diagnosis of the equality indicators in the various departments making up the subgroup, as a result of which it has introduced specific decision-making criteria to the candidate selection criteria by position and department, the goal being to reduce the gender disparity in some sections of the company and rebalance the gender composition of certain positions traditionally associated with one gender. It is also worth noting the implementation of the Equality Plan, which has led to greater equality in the overall distribution of the workforce, thus improving percentages in most departments.

In 2021, the **Nuadi** subgroup negotiated and entered into the first Nuadi Equality Plan for the 2022 to 2025 period, which was registered at REGCON (the Spanish State Collective Agreements Register).

It should be noted that the **Satlink** subgroup has also implemented equality measures through the principle of non-discrimination and equal opportunities included in its Code of Ethics. The subgroup expresses its commitment to equality by creating a fair, respectful and dignified working environment, paying particular attention to promoting equal opportunities and treating all employees fairly and without prejudice, while eliminating any kind of discrimination, whatever its grounds or origin.

4. INFORMATION ON ENVIRONMENTAL MATTERS

4.1. Policies

Alba's Code of Ethics and Conduct declares its respect for the environment, in terms of both the conduct resulting from its direct activities and the environmentally responsible behaviour of the companies in which it invests. The Sustainability Policy in place at the company evidences Alba's firm commitment to conserve the environment and reduce the negative impact of its activities, and places emphasis on the fight against Climate Change. On the basis of the commitments defined, Alba's response focuses on preventing contamination, and on the responsible and sustainable use of resources, together with proper waste management. Furthermore, since 2017 Alba's Investment Policy has included criteria to assess responsible investment from an environmental perspective.

The **Preving** subgroup has a specific ISO 14001-certified environmental management system in place. The framework of this system provides a procedure for the identification and assessment of environmental issues associated with the group's activities, products and services that may affect its environmental behaviour from a life cycle perspective. Responsibility for the Integrated Management System has been assigned to a person who is in charge of identifying and assessing the Company's environmental matters and impacts in this regard.

For its part, **Nuadi** has a department dedicated solely to environmental issues and has in place an ISO 50001- certified environmental management system, which includes an Environmental Policy. This subgroup also takes out third-party liability insurance providing warranty coverage for any type of environmental incident. Nuadi's new acquisition, Sadeca, has an environmental policy integrated into the ISO 14001 environmental management system.

In addition, the **Satlink** subgroup acknowledges its role in the challenge posed by Climate Change and, to this end, it has implemented a Quality and Environment Policy focused on ensuring compliance with a series of measures to protect biodiversity, reduce consumption of water, energy and other resources, prevent waste generation and combat Climate Change. Satlink's policy enshrines its resolve to continue improving its environmental behaviour, not only in terms of its modus operandi, but also with regard to its internal management processes, the training provided to employees of the companies in the Satlink group and the group's image. Company management is committed to communicating, explaining and upholding, with all the means at its disposal, the content of the policy with respect to employees, customers and suppliers, as well as Spanish or international public and private institutions. To put this policy into practice it has a quality system in place in compliance with the UNE-EN-ISO 9001 and UNE-AS 9120B standards. In addition, in February 2021 Satlink obtained ISO 14001 certification with the aim of maintaining good practices designed to prevent and reduce pollution and minimise the most significant environmental issues, as well as possible emissions, discharges and hazardous waste, in order not to cause damage, or minimise the damage, to the environment as a result of its activities. Also, in each Satlink subsidiary a person is assigned to environmental management tasks, who has received training in this connection and is responsible for the management of industrial waste collection agreements and services when needed.

4.2. Environmental management and performance

4.2.1. Energy and Climate Change

One of Corporación Financiera Alba's commitments, stated in its Sustainability Policy, is linked to Climate Change mitigation and minimising the impact which its activities might have on the climate. Thus, given the nature of the activities carried on by Alba and its subsidiaries, the impact of those activities is monitored by means of energy consumption and emissions generation indicators. Also, the sustainability indicators required pursuant to Regulation 2020/852 regarding the EU Taxonomy for Sustainable Investment were calculated for the first time for this Non-Financial Information Statement. These express the percentage of turnover, capital expenditure ("CapEx") or operating expenditure ("OpEx") represented by taxonomy-eligible activities at Alba and its subsidiaries. The indicators will help Alba and the Preving, Nuadi and Satlink subgroups to ascertain, and ensure optimal management of, the impacts their activities have on Climate Change and the environment, thereby encouraging reflection with regard to more sustainable and environmentally friendly business models.

Alba and its subsidiaries will continue to identify, assess and manage the risks and opportunities arising from Climate Change, and measure the financial impacts they may have on its activities, commercial relationships, and products and services.

At **Alba,** energy consumption basically refers to the use of the illumination and heating systems, and computer hardware in the offices and buildings owned by it. To reduce consumption in this connection various energy efficiency measures have been adopted, such as replacing traditional incandescent light bulbs with LEDs, carrying out refurbishment work on buildings to increase energy efficiency or conducting external energy efficiency controls and audits which help Alba reduce its impact on the environment. In 2021, the company obtained sustainability certification for its Edificio Castellana 89 building; the seal of LEED Gold certification by the US Green Building Council ("USGB").

In addition, since January 2021 a solar PV plant has been in operation at the Oasis building, located in the Florida Oasis development, off the A-6, which provides a portion of the energy required for the building's common facilities and services with the concomitant reduction in energy consumption. Production in 2021 exceeded 115.074 Kwh, which represents a saving in terms of the equivalent amount of 28,768.5 Kg CO_2eq.

The emissions generated by the Company also arise from use of vehicles in the Company's own fleet. With a view to reducing these emissions and its carbon footprint, Alba replaces its petrol or diesel-driven vehicles with electric or hybrid models. The building in which Alba's offices are located has electric vehicle charging points.

Furthermore, since 2021, Oasis and Castellana 89 buildings, which Alba operates under a lease arrangement, have been equipped with electric vehicle charging points for use by the buildings' occupants, after hiring the service from the electricity provider.

In 2022, a study to improve Environmental, Social and Governance ("ESG") considerations will be carried out for all the properties, with the aim of implementing new environmental measures in them.

The **Preving** subgroup uses electricity as a natural resource when engaging in its activities in its facilities, and accordingly, to optimise its use the subgroup encourages its employees to adopt specific measures to avoid unnecessary power consumption, and conducts an energy audit at its centres in Andalusia, Extremadura and Madrid with the aim of achieving greater energy efficiency. As regards transport, with the goal of reducing the fuel consumption of its vehicles, the subgroup conducts studies on the routes used to visit customers in order to maximise efficiency by reducing the number of journeys made in company vehicles.

In the case of the industrial installations of the **Nuadi** subgroup, energy consumption reduction measures have been implemented based on the scheduling of statutory servicing and energy inspections of boilers and coolers, and the conduct of energy audits. With respect to Sadeca, the electricity provider certifies that 100% of the electricity consumed in its activities comes from renewable sources. A KPI is used to monitor electricity consumption and a target has been set to reduce the electricity consumed in lighting by means of a progressive change to LED systems.

As regards the **Satlink**, subgroup, following its expansion to new offices in 2020, an zone-by-zone heating and air conditioning system has been installed using energy efficient equipment. The company is fully aware that the pressure on the world's natural resources and the challenge posed by Climate Change require a rapid response from all concerned, and its energy – and emission – related impacts are controlled by personnel assigned with environmental responsibility at each facility. Noteworthy in this connection are the actions of the companies in the subgroup to reduce the emissions of their products throughout their entire life cycle, the latest development in this connection being the sonar-equipped smart buoys for tuna fishing, whose software, developed by Satlink, optimises fleet movements through the detection of optimal shoals of fish, thereby resulting in fuel savings and reductions in CO_2 emissions.

NON-FINANCIAL INFORMATION STATEMENT

The following tables reflect the energy consumption and Greenhouse Gas emission ("GHG") data of Alba and its subsidiaries for the last two years:

Energy consumption*	Total 2021	Total 2020
Electricity consumption (MWh)	7,793	6,634
Natural gas consumption (MWh)	4,710	3,820
Diesel consumption (litres)	744,237	355,590

* Note: the result for 2021 and 2020 include figures of Satlink subsidiaries that operate outside Spain.

Greenhouse Gas emissions (tCO_2eq)*	Total 2021	Total 2020
Scope		
Scope 1	3,009	1,830
Scope 2	1,948	1,261
Total	**4,958**	**3,090**

* Note: the result for 2021 and 2020 include figures of Satlink subsidiaries that operate outside Spain.

The increase observed in the consumption of diesel and, as a result, in the GHG emissions generated in 2021, is due to the fact that consumption in 2020 was affected by the cessation of activity caused by the COVID-19 pandemic. In particular, Preving's employees substantially reduced the number of car journeys normally taken in 2020 to provide training or consulting services in various locations. In actual fact, the figures for diesel consumption and GHG emissions generated relating to 2021 are similar to those for 2019, resembling a pre-pandemic context.

4.2.2. Sustainable use of resources and circular economy

Alba has adopted a series of measures which, as stated above, aim to improve efficiency, and sustainable and responsible use of resources. Given that paper is the main material used in the performance of its activities, in order to minimise its consumption, all of Alba's departments have a digital archive enabling consultation, download and sharing of files with minimum paper consumption. Moreover, all the paper used is Forest Stewardship Council certified ("FSC") . The downward trend in paper consumption continued in 2021.

The main materials used in the **Preving** subgroup relate to the healthcare consumables used to perform medical check-ups, which are subject to the related waste management procedure. Apart from this waste, one of the resources used the most in the subgroup's offices is paper; therefore rationalising its use and reducing its consumption are two of the main objectives pursued. To this end, Preving carries out internal campaigns to encourage responsible and sustainable use of paper in its offices.

The main incoming raw material used in the **Nuadi** subgroup's manufacturing process are steel coils of varying sizes and the scrap metal resulting from the manufacturing process is sent to a metal waste manager. Steel is the raw material used the most by the subgroup's companies and in 2021 consumption amounted to 2,708.3 tonnes. The optimisation of water consumption is envisaged in the phases of the established Waste Reduction Plan that includes proposals for improvement at the main sources of water discharges. The launch of one of the main phases is scheduled for 2022 and, as a result, the companies will be able to substantially reduce their water consumption and the associated discharges. As regards Sadeca, the Company uses recycled raw materials such as polyamide and PVC chips for injection moulding.

Lastly, the **Satlink** subgroup is endeavouring to minimise the impact that its product designs and the facilities used in its manufacturing processes might have. Noteworthy in this connection is the design of the solar buoy, which does not require battery replacement during its useful life, thereby avoiding the use of lead batteries in its manufacture; and, in addition, the advances achieved in reducing the amount of materials used in buoy production.

The detail of the materials consumed by Alba and its subsidiaries is as follows:

Alba continues to implement specific measures to reduce waste generation and ensure proper waste treatment and management. Alba's offices use water fountains, and each employee has a glass bottle to avoid the use of single-use cups. Improvements continue in the management of waste such as coffee capsules, batteries and other office waste, as well in the recycling of pollutant waste such as printer toner cartridges.

The types of waste generated by the **Preving** subgroup as a consequence of its activities are mainly special bio-sanitary, cytostatic and chemical in nature. To ensure proper collection, transportation, storage and management of this waste, collection services are outsourced to certified external waste management providers.

Consumption of materials*	Total 2021	Total 2020
Water for human consumption (m^3)	34,990	31,064
Paper consumption (kg)	20,510	21,378

* Note: the result for 2021 and 2020 include figures of Satlink subsidiaries that operate outside Spain.

Roll out of the Waste Reduction Plan prepared by the **Nuadi** subgroup commenced in 2020. The subgroup's main source of waste is the scrap metal arising as a result of the manufacturing process. Steel, in coils of varying sizes, is Nuadi's incoming raw material and, following the manufacturing process, the scrap metal is sent to a metal waste manager. The small size of the surplus trimmings make them adequate for use in automatic dosers at steel foundries and works, to control the composition of the melt. The waste manager sends most of the surplus metal produced by a foundry to be recycled in automotive industry manufacturing processes.

The **Satlink** subgroup reuses the components rejected during the production process by repairing them. Any components that cannot be recycled are collected by an authorised waste management company. Satlink has also assisted, by taking part in various projects, in the collection of marine debris and beach litter.

The detail of the waste generated by Alba and its subsidiaries is as follows:

Waste generated*	Total 2021	Total 2020
Type of waste		
Hazardous (tonnes)	2,907	334
Non hazardous (tonnes)	37,983	7,135
Total	**40,890**	**7,469**

* Note: the result for 2021 and 2020 include figures of Satlink subsidiaries that operate outside Spain.

The increase seen in the generation of non-hazardous waste is due to the inclusion of an additional category of waste by the Satlink subgroup; more specifically, waste generated by suppliers' packaging (which includes paper, cardboard and plastic). Satlink was able to consolidate the figures in this connection in the information for 2021 in line with its commitment to continue improving the transparency of the value chain of Alba and its subsidiaries.

5. ETHICS, HUMAN RIGHTS AND COMBATING CORRUPTION

5.1. Ethical behaviour and respect for Human Rights

Alba has a Code of Ethics and Conduct in place which sets out the values and principles that must govern its conduct and which are extended to all those individuals who, in the discharge of their duties, or in their labour, professional or commercial relations, have dealings with the Alba group. These values include most notably:

- Respect for Human Rights and commitment to the UN Global Compact, with which Alba is actively engaged as a signatory.

- Ethical behaviour in accordance with the law.

- Fair and respectful treatment based on equal opportunity and non-discrimination.

- Respect for the environment.

- Respect for the interests of others related to the Company.

- Prudence when performing business activities and assuming risks, and in relationships with customers.

- Rigour, integrity and transparency in data processing.

The Code of Ethics and Conduct sets out mandatory rules of conduct that must be complied with by Alba's employees, and the members of its managing bodies and its Board of Directors alike, and by any third parties that have a relationship with Alba and its group companies.

Alba's Code of Ethics and Conduct includes principles of non-discrimination and equal opportunity with which it aims to fulfil the commitment to create a working environment in which all employees enjoy fair treatment, respect and dignity, while rejecting any form of violence or harassment, abuse of authority or any other conduct that violates the rights of workers and people.

In view of the importance being attached to internal whistleblowing channels, a more detailed procedure for processing reports was established; this procedure facilitates communication, in a confidential manner and in certain circumstances anonymously, of any acts or conduct that may contravene the applicable legislation or the Code of Ethics and Conduct, either within the Company or perpetrated by third parties that enter into contracts with the company or whose actions prove detrimental to it. The whistleblowing channel may be used by all internal personnel and individuals outside the Company, the latter including Alba's suppliers, contractors and cooperating entities.

Each year Alba reminds those persons subject to the Code of Ethics and Conduct that it remains in force. The communication sent in 2021 contained a reminder of the general rules of conduct to be followed, the functions of the Monitoring Committee, the procedure for controlling compliance with the Code and the Whistleblowing Channel.

No reports or suggestions and queries relating to the Code of Ethics and Conduct were received in 2021.

In its Code of Conduct the **Preving** subgroup undertakes to create areas of trust with its employees as the cornerstone of long-term relationships and the facilitator of greater personal and professional development. It also undertakes to defend, observe and protect basic workers' rights through compliance with prevailing employment legislation and the elimination of forced labour, child labour and work carried out under arduous, extreme, inhuman or degrading circumstances. Aware that organisations can be prone to workplace harassment, it should be noted that Preving adopts a stance of zero tolerance with respect to conduct of this kind, attempting to avoid this type of attitude, and offers a procedure for conflict resolution. To this end, the company implements an anti-violence and/or psychological, sexual or gender-based harassment protocol which regulates the action to be taken in suspected cases and how to prevent, identify, evaluate and intervene in these situations.

The **Nuadi** subgroup also has a Code of Ethics in place that lays down the bases for professional conduct and the associated values, both for the persons who form part of the entity and for the third parties related to it at any given time, based on ongoing observance of Human Rights and the regulations established in each case.

The Code of Ethics of the **Satlink** subgroup explicitly states, in its general rules of conduct, Satlink's commitment to Human Rights, making reference to its adherence to and respect for the United Nations Global Compact and the declarations of the International Labour Organisation. Any information received through formal and informal channels with respect to any practice (or suspected practice) contrary to the company's Code of Ethics shall be dealt with promptly with regard to the mitigation of that practice or the denunciation of any parties that might be involved. This includes personnel, customers and suppliers alike.

5.2. Combating corruption and bribery

Alba adopts the measures required to ensure compliance with its duties of surveillance to prevent the offences envisaged in its Criminal Risk Prevention Model from being committed. Ethical values and responsible behaviour are observed in the day-to-day actions of all the persons who form part of Alba. To safeguard those values and, in particular, to combat corruption in any of its forms, the Board of Directors approved a Criminal Risk and Fraud Prevention Policy in 2015.

This policy resulted in the creation of a Crime Prevention Model and a Crime Prevention Manual, which comprise a series of effective measures aimed at preventing, detecting and responding to criminal behaviours. The Model, which applies to directors, executives and employees, allows Alba to control situations in which irregularities may potentially be committed. It is founded on a series of principles – coordination and involvement of all professionals, transparency and communication, effective action, training, etc. – that ensure the proper implementation, monitoring and improvement of the Model. Agreements with third parties are also subject to clauses whereby the third parties undertake to control any situations in which there is a risk that serious crimes, offences or irregularities may be committed and to reject corruption and fraud, including extortion, bribery or bribery of a public official.

The general rules of conduct laid down in Alba's Code of Ethics and Conduct make a specific mention of bribes, commissions and gifts, and express its opposition to any attempt to sway the decisions of people outside Alba in order to obtain a benefit through unethical practices. The Code also prohibits other persons or entities from using such practices with Alba employees. Corporate hospitality and courtesy to civil servants in public tenders in which Alba participates, facilitation payments and donations to trade unions and political parties, and donations or sponsorships to secure preferential treatment for Alba are prohibited. Gifts may only be accepted if they are not of significant economic value.

The Code of Ethics and Conduct also envisages compliance with legal provisions for the prevention of money laundering and of terrorist financing.

For its part, the **Preving** subgroup has a Crime Prevention Policy and, in relation to gifts, handouts, invitations and other types of remuneration, establishes specific guidelines which tend to limit and, in certain cases, prohibit gifts and invitations made or received by professionals of the subgroup. In addition, Preving's Code of Conduct expressly states that it will ensure and encourage respect for the rule of law and the fight against corruption in all its forms, demonstrating its firm commitment not to undertake practices in the course of its customer, supplier, collaborator, competitor and public authority relationships, etc. that could be considered improper, including those relating to money laundering.

The **Nuadi** subgroup has various documents, supplementary to the aforementioned Code of Ethics, which regulate and control any conflicts of interest that may arise in the conduct of its operations, or in relation to intellectual property and the confidentiality of information handled by the subgroup.

The **Satlink** subgroup applies, without exception, all the ethical and anti-corruption criteria adopted by the European Union in all the countries in which it operates.

6. INFORMATION ON THE COMPANY

6.1. The Company's sustainable development commitments

Alba implements a Sustainability Policy that lays down the principles and areas involved in contributing to people's well-being and fostering the economic and social development of the communities in which the Group has a presence, while creating value for the various internal and external stakeholders. Alba's principal responsibility in terms of sustainability is to ensure the utmost diligence and integrity throughout the investment process. To achieve this, Alba's Sustainability Policy is founded on applying three principles to its investments:

- long-term view;

- responsible management, selecting assets over which it has the greatest capacity to exercise influence and achieve transformation; and

- mitigation of non-financial risks, which include social, environmental and good governance-related risks.

Other noteworthy general principles and guidelines of conduct at Alba include the quest for excellence and the adoption of best corporate governance practices, respect for and promotion of Human Rights, a safe and healthy work environment and a firm commitment to environmental conservation.

Alba is also focused on its stakeholders, establishing those communication channels required to be able to respond to all their needs and expectations. The scope of application of Alba's pledges to act responsibly includes both the Company and the companies in its subgroups. In addition, the Company strives to ensure that its representatives extend the adoption of these guidelines and principles of responsible conduct to all of its investees. Through its investments, its own activities and the activities carried on by its investees, Alba signals its commitment to achieving the Sustainable Development Goals. As part of its commitment to Spain's UN Global Compact Initiative, Alba also participates in the training activities organised by this platform and submits the required Communication on Progress report. In 2021 Alba's employees attended six training initiatives at which sustainable development-related issues were addressed.

Alba has formed part of Emisores Españoles since its foundation in 2009; this association, which comprises Spanish listed companies representing more than 70% of the Spanish equity market and 75% of the IBEX 35 index, fosters the development of high standards of good governance at listed companies.

In 2020 Alba adhered to the Spanish Tax Agency's Code of Good Tax Practices promoted by the Forum of Large Companies.

In addition to its cash contribution to Emisores Españoles, in 2021 Alba made economic contributions to *Fundación Instituto Juan March de Estudios e Investigaciones* and to *Fundación de Estudios de Economía Aplicada* ("FEDEA") totalling EUR 309,500.

In 2021, Alba also made a cash donation of EUR 8,000 to the Food Bank.

The **Preving** subgroup has entered into cooperation agreements with various Spanish universities and vocational training institutions to receive students on placement as part of their master's degree in occupational risk prevention and vocational training students on occupational risk technician courses, to enable them to acquire practical knowledge in their chosen course of study and relevant work experience to enter the labour market. The company participates and sponsors forums such as "Talent day", organised by "Teams and Talent", and collaborates with the Ubuntu Foundation which promotes a volunteer programme in which eight employees travel to Sierra Leona each year to cooperate in the projects the Foundation carries out there. Preving also collaborates with various entities and associations such as the Spanish Association of Privacy Professionals *(Asociación Profesional Española De Privacidad)*, Centre for Human Resources Management *(Asociación Centro de Dirección de RRHH,* Madrid), Association of Training Institutions of Extremadura *(Empresas de Formación de Extremadura,* "CECAP Extremadura"), Registry of Government and IT Advisers of the General Council of Economists *(Asesores de Gobierno y Sistemas de la Información del Consejo General de Economistas,* "RASI-CGE"), Training and Company Association ("AFORMAE") and *Confederación de Empresarios de Albacete* ("FEDA"), among others. The group has also planned investments in various innovation projects for the period spanning 2019 to 2023. The main project involves the creation of an R&D&I department which will be staffed by two highly reputable professionals in the research field.

In 2021, the **Nuadi** subgroup focused its efforts on collaboration with the Red Cross to help those affected by the volcanic eruption on the island of Palma with a donation of EUR 10,000. The newly acquired company, Sadeca, closely collaborates with a temporary employment agency to hire employees for production needs who live in the vicinity, thereby supporting local employment. In 2021, Nuadi also sponsored the Sentmenat hockey team to promote the sport and local growth, and also helped not-for-profit organisations such as UNICEF and the Vicente Ferrer foundation with donations.

The **Satlink** subgroup demonstrates its commitment to Alba's corporate social responsibility principles by actively and voluntarily promoting and contributing to social and economic development. Given the social and economic impact of the subgroup due to the nature of its activities in local communities, one of the main values and principles of Satlink's business project is to ensure the social inclusion of groups with particular difficulties in gaining access to employment, and the integration in the labour market of people with disabilities and groups at risk of social exclusion. To this end, a portion of its initiatives focus on local recruitment in the geographical areas in which its operates, i.e., in Spanish coastal areas (Vigo and Vizcaya), and through its foreign subsidiaries (Manta in Ecuador, Fiji and the Seychelles).

Satlink's participation in associations and sponsorships is also worthy of mention. In 2021, Satlink became involved with the Spanish Fisheries Confederation ("CEPESCA"), the Organisation of Producers of Frozen Tuna ("OPAGAC"), Infofish and the Bermeo Rowing Association. It is also actively involved with the World Animal Protection (Zero Impact Initiative), the Olive Ridley Project, the International Pole & Line Foundation, (*Plataforma Tecnológica Española de la Pesca y la Agricultura*, "PTEPA"), and Orpagu. In 2021 Satlink made contributions totalling EUR 22,000.

In 2021, Satlink's selective smart buoy was a nominee for the Best Project award at the third edition of the go!ODS Awards for its contribution to SDG 14 and the award was received in February 2022.

6.2. Subcontracting and suppliers

Alba applies the principles and values defined in its Code of Ethics and Conduct to its entire value chain, including all the contractors, suppliers and cooperating entities that have a commercial relationship with Alba. Accordingly, the agreements and the terms and conditions established in the relationships managed with each of these third parties clearly evidence their commitment to observe and comply with Alba's principles of respect for Human Rights, the environment and regulatory compliance.

The **Preving** subgroup regards suppliers and cooperating entities as a strategic interest group, fostering relationships based on trust, information transparency and the sharing of knowledge, experience and skills within the context of the principles of the contracting and supplier relationship policy laid down by the Group.

As a result, suppliers are chosen based on objective, impartial, transparent and non-discrimination criteria, by defining supplier selection and contracting processes that comply with the solvency, technical suitability, quality, price and ethical standards laid down by the Preving subgroup.

The **Nuadi** subgroup has an internal procurement procedure in place for the suppliers used in its product and manufacturing process. Each supplier's performance and associated risk is assessed annually, through a system of regular audits based on the German Automotive Industry Association ("VDA", German acronym) standard, and suppliers that are proactive in identifying the impacts of environmental issues and in achieving the goals established are viewed positively. In addition, all of the company's new suppliers are provided with the Quality and Environment Policy and the Code of Ethics as well as the Suppliers Manual. Sadeca considers whether the supplier holds ISO 14001 certification and requests completion of an environmental questionnaire. An annual supplier audit plan is also in place which classifies the Company's suppliers, based on criteria such as strategic importance, level of certification, standard of quality and service, and responsiveness, among others.

Lastly, on the basis of its responsible procurement programme, the **Satlink** subgroup carries out an ongoing assessment of its suppliers and contractors with regard to their compliance with environmental, quality and occupational safety requirements; suppliers and contractors are assessed in terms of product and process quality, as well as social and environmental responsibility. Also, the general rules of conduct laid down in Satlink's Code of Ethics declare its commitment to gender equality policies and environmental guidelines, both with regard to their definition and the principles of action for its stakeholders and their suppliers. In its Code of Ethics, Satlink underlines its adherence and commitment to the United Nations Global Compact and to the declarations of the International Labour Organisation.

6.3. Consumers

Alba and its subsidiaries apply the required consumer health and safety procedures and provide consumers with the appropriate communication mechanisms in each case to lodge complaints and make claims, adapting the mechanism to the type of activity carried on at each entity.

With respect to its real estate business, Alba implements all the necessary health and safety measures and provides all the resources required to coordinate business activities in the buildings owned by it. The leases with tenants and the internal regulations of the buildings establish the appropriate channels for processing the various requirements that may arise and an ongoing and seamless relationship is maintained with tenants.

In 2021, within the context of the COVID-19 pandemic, Alba continued to apply the measures required in the buildings owned by it to enable it to conduct its activities in those buildings in accordance with the health authority recommendations, and it acted with the utmost prudence in order to safeguard users' health and safety. Its action protocols can be accessed using the QR codes provided in some of the buildings themselves or can be found on Alba's corporate website. These protocols relate to the movement of people within the buildings, and regulate user access and the use of lifts, etc. They also consider the hygiene measures adopted: use of a mask and hydroalcoholic hand sanitiser gel, dividing screens at reception, more intense and more frequent cleaning, among others. Lastly, the protocols provide recommendations that are in line with the instructions and prevention measures issued by the public health authorities.

Alba maintains records of personal data processing activities in relation to its employees, shareholders and electronic forum for shareholders, customers, affected suppliers in the area of securities markets, the whistleblowing channel, queries relating to the Code of Ethics and Conduct, building access controls and CCTV surveillance measures.

The **Preving** subgroup has specific measures in place to guarantee the health and safety of the customers of the services offered; there is a complaint management system on the intranet that is accessible to all employees and through which they must submit all the complaints and claims made by customers. Preving also offers a centralised customer care service that handles complaints and claims over the telephone. Complaints are managed in real time and reported on a monthly basis. Half-yearly customer loyalty reports, detailing the action plans implemented, are prepared and shared with subgroup management. To ensure good service provision, Preving employs an NPS satisfaction survey system through which it conducts regular surveys with customers and stakeholders.

Compliance with the occupational risk prevention legislation is also a priority for Preving, and it conducts strict monitoring and control of the related preventive planning.

Preving's commitment to customer data protection is evidenced by its compliance with the legislation of the Spanish Data Protection Agency and all other relevant legislation.

The **Nuadi** subgroup has implemented a certified management system based on the International Automotive Task Force standard ("IATF"). This standard is fully customer oriented and the claim management and customer satisfaction monitoring processes are key in order to achieve certification. Sadeca manages customer satisfaction by means of the ISC which gathers quarterly data at global level and with respect to the four or five principal customers, and analyses delivery timeliness, urgent transport, quality claims or production line stoppages.

One of the **Satlink** subgroup's distinguishing strengths is its knowledge of customers' needs. This knowledge is achieved through its close relationship with customers and the speed of its response to customers' needs, complaints and claims, which it provides by means of an open communication channel, frequent visits and a professional service – a service that sets up installations all around the world and has a 24/7 call centre service. In addition, Satlink's sales departments systematically conduct customer satisfaction surveys at least once a year.

Satlink also guarantees consumer, customer and user security, ensuring compliance with the General Data Protection Regulation ("GDPR") by means of an agreement with Secure IT.

7. EU TAXONOMY FOR SUSTAINABLE FINANCE

The EU Taxonomy reporting of Alba and its subsidiaries is driven by Regulation (EU) 2020/852 of the European Parliament and of the Council published on 22 June 2020. The purpose of this regulation is to facilitate the decarbonisation of the European economic system through the provision of a framework for determining environmentally sustainable economic activities. Substantial contribution to the six environmental objectives laid down in Article 9 of the Regulation will also be determined.

In July 2021, Commission Delegated Regulation (EU) 2021/2139, of 4 June 2021, supplementing Regulation (EU) 2020/852, establishing the technical screening criteria for the first two environmental objectives in respect of Climate Change mitigation or Climate Change adaptation, was published. The undertakings subject to the obligation to disclose non-financial information, as envisaged by Law 11/2018, of 28 December, which transposes Directive 2014/95/EU, of the European Parliament and of the Council, will be required to disclose to what extent their activities align with the EU taxonomy provisions.

In addition, Commission Delegated Regulation (EU) 2021/2178, of 6 July 2021, supplementing Regulation (EU) 2020/852, specifies the content and presentation of information to be disclosed by undertakings subject the EU Non-Financial Reporting Directive ("NFRD"). In this regard, as this is the first year in which this regulation is in force, the key performance indicators (KPIs) (proportion of the turnover, CapEx, OpEx) relating to the activities qualified as eligible economic activities in accordance with the Climate Change mitigation or Climate Change adaptation criteria established in the Regulation will be disclosed.

7.1. Compliance with the EU Taxonomy

Alba is an investment Company and its object is the acquisition of long-term ownership interests in listed and non-listed companies which are leading players in various economic sectors. Alba is primarily owned by the shareholders of the March Group, which is one of Spain's principal private family-controlled financial groups. Alba's portfolio currently includes equity investments that are divided into three categories: listed companies, non-listed companies and real state assets.

In accordance with legislation applicable as regards disclosure of non-financial and diversity information, the company will disclose the proportion of eligible economic activity and non-eligible economic activity in accordance with the EU taxonomy and the KPIs related to turnover, CapEx and OpEx. Taxonomy-eligible economic activities are those included in the list set out in the EU Taxonomy Regulation and which will potentially contribute to the objectives defined in compliance with the technical screening criteria established for the Climate Change mitigation and adaptation objectives. Taxonomy non-eligible economic activities are, therefore, those which either do not comply with the terms set out in the regulation and/or are not included in the list of taxonomy-eligible activities defined in the regulation. It should be mentioned that taxonomy-eligibility is not determined by the environmental performance of the activity, but rather its potential contribution to the environmental objectives defined. Performance will be assessed in future years in terms of the taxonomy alignment indicator, which is measured in terms of compliance with the technical screening criteria set out for each taxonomy activity.

7.2. Eligibility analysis

In order to analyse Alba's eligibility the financial results for 2021, on the basis of the scope determined in the report, have been taken as a reference. The activities carried out by the company have also been analysed to determine their eligibility.

To this end, the description of the various economic activities performed by Alba and its subsidiaries has been taken into consideration. Moreover, to avoid duplicating accounting records, the percentages assigned to just one activity, irrespective of whether it is Climate Change mitigation and adaptation activity, have been accounted for. The various key performance indicators required in accordance with the taxonomy regulation have been determined for each of the economic activities and include the denominator for turnover, CapEx and OpEx. The description of each activity and the key performance indicators are included below.

7.3. KPI related to turnover (turnover KPI)

Numerator

The numerator includes the calculation of turnover associated with the economic activities determined to be taxonomy-eligible economic activities based on the analysis performed by Alba and its subsidiaries.

Denominator

The denominator includes the total consolidated turnover of Alba and its subsidiaries.

Key performance indicators

Eligible economic activities in accordance with the taxonomy-Climate Change mitigation	Turnover
7.7 Acquisition and ownership of buildings	5.09%
Eligible economic activities in accordance with the taxonomy-Climate Change adaptation	**Turnover**
11.1 Education	1.30%
Eligible activities in accordance with the taxonomy	6.39%
Non-eligible economic activities in accordance with the taxonomy	93.61%
Total	100.00%

7.4. KPI related to capital expenditure (CapEx KPI)

Numerator

The numerator includes the calculation of CapEx associated with the activities determined to be taxonomy-eligible economic activities based on the analysis performed by Alba and its subsidiaries. The numerator will include the part of the capital expenditure included in the denominator that is any of the following:

a) related to assets or processes that are associated with taxonomy-aligned economic activities;

b) part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned ("CapEx plan") under the conditions specified in Commission Delegated Regulation 2021/2178;

c) related to the purchase of output from taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act ("CDA"), as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

Denominator

The CapEx denominator includes the additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, corresponding to 2021 of Alba and its subsidiaries, and excluding fair value changes.

Key performance indicators

Eligible economic activities in accordance with the taxonomy-Climate Change mitigation	CapEx
7.7 Acquisition and ownership of buildings	58.09%
Eligible economic activities in accordance with the taxonomy-Climate Change adaptation	**CapEx**
11.1 Education	0.00%
Eligible activities in accordance with the taxonomy	58.09%
Non-eligible economic activities in accordance with the taxonomy	41.91%
Total	100.00%

7.5. KPI related to operating expenditure (OpEx KPI)

Numerator

The numerator includes the calculation of eligible OpEx in accordance with the economic activities determined to be taxonomy-eligible economic activities based on the analysis performed. The numerator is equal to the part of the operating expenditure included in the denominator that is any of the following:

a) related to assets or processes associated with taxonomy-aligned economic activities;

b) part of the CapEx plan to expand taxonomy-aligned economic activities or allow taxonomy-eligible economic activities to become taxonomy-aligned within a predefined timeframe as set out in Commission Delegated Regulation 2021/2178;

c) related to the purchase of output from taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act (CDA), as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

Denominator

The denominator includes direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditures relating to the day-to-day servicing of items of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Since at the date of this report the IT systems of Alba and its subsidiaries do not provide a breakdown of the specific data relating to the nature of the expenditure required in accordance with the Regulation, and given the nature of the activities carried on, this key performance indicator was prepared based on “Other Operating Expenses” in the consolidated financial statements of Alba and its subsidiaries.

Key performance indicators

Eligible economic activities in accordance with the taxonomy-Climate Change mitigation	OpEx
7.7 Acquisition and ownership of buildings	0.39%
Eligible economic activities in accordance with the taxonomy-Climate Change adaptation	**OpEx**
11.1 Education	0.51%
Eligible activities in accordance with the taxonomy	0.91%
Non-eligible economic activities in accordance with the taxonomy	99.09%
Total	100.00%

The information contained in this report takes into account the methodology applied by Alba and its subsidiaries, and the KPIs obtained in the first year measured in order to comply with Taxonomy for Sustainable Finance Regulation (EU) 2020/852. However, developments in understanding and sectorial positions, the development of new implementation guidance and publication of the four remaining environmental objectives could give rise to amendments and restatement of the information obtained in this analysis.

Alba and its subsidiaries will review and, where necessary, update the information disclosed for 2021 in order to adjust it to the environment prevailing; since this first year of application is considered to be a year of transition for Alba and its subsidiaries to continue working on the preparation of more specific information on the eligibility and alignment of their economic activities in 2022.

8. NON-FINANCIAL INFORMATION STATEMENT TABLE OF CONTENTS

Contents of Spanish Law 11/2018 on Non-Financial Information Statements		Standard used	Section of the report
Business model			
Description of the Group's business model	• Description of the business model. • Location of operations. • Objectives and strategies. • Main factors and trends that could affect its future evolution.	GRI 102-2, GRI 102-4, GRI 102-6, GRI 102-7, GRI 102-15	2. Business model
Main risks	• Main risks and impacts arising from the group's activities and management thereof.	GRI 102-11, GRI 102-15	2. Business model

Information on environmental matters			
Policies	• Management approach.	GRI 103-2, GRI 103-3	4.1. Information on environmental matters – Policies
General	• Effects of the company's activities on the environment, health and safety.	GRI 102-15, GRI 102-29, GRI 102-31	4.1. Information on environmental matters – Policies
	• Environmental certification or assessment procedures.	GRI 102-11, GRI 102-29, GRI 102-30	4.1. Information on environmental matters – Policies
	• Resources used to prevent environmental risks.	GRI 102-29	4.1. Information on environmental matters – Policies
	• Application of the precautionary principle.	GRI 102-11	4.1. Information on environmental matters – Policies
	• Provisions and guarantees for environmental risks.	GRI 307-1	Note 17 to the consolidated financial statements of Corporación Financiera Alba, S.A. and Subsidiaries for 2021.

Contents of Spanish Law 11/2018 on Non-Financial Information Statements		Standard used	Section of the report
Information on environmental matters (cont.)			
Pollution	• Measures to prevent pollution.	GRI 103-2, GRI 302-4, GRI 305-5	4.2.1. Energy and Climate Change
Circular economy and waste prevention and management	• Waste prevention and management measures.	GRI 103-2, GRI 301-1, GRI 303-3, GRI 306-2	4.2.2. Sustainable use of resources and circular economy
Sustainable use of resources	• Water use.	GRI 303-3	4.2.2. Sustainable use of resources and circular economy
	• Consumption of raw materials.	GRI 301-1	4.2.2. Sustainable use of resources and circular economy
	• Direct and indirect energy consumption. • Measures to improve energy efficiency. • Use of renewable energies.	GRI 103-2, GRI 302-1, GRI 302-2, GRI 302-4	4.2.1. Energy and Climate Change
Climate Change	• Greenhouse gas ("GHG") emissions.	GRI 305-1, GRI 305-2	4.2.1. Energy and Climate Change
	• Measures to adapt to Climate Change.	GRI 102-15, GRI 103-2, GRI 201-2, GRI 305-5	4.2.1. Energy and Climate Change
	• GHG reduction targets.	GRI 103-2	4.2.1. Energy and Climate Change
Protection of biodiversity	• Measures taken to conserve or restore biodiversity.	GRI 103-2, GRI 304-3	Not material
	• Impacts caused by the activity.	GRI 304-2	Not material

Contents of Spanish Law 11/2018 on Non-Financial Information Statements		Standard used	Section of the report
Information on social and personnel-related matters			
Policies	• Management approach.	GRI103-2, GRI 103-3	3.1. Information on social and personnel related matters – Policies
Employment	• Total number of employees and breakdown by gender, age, country and professional category.	GRI 102-7, GRI 102-8, GRI 401-1, GRI 405-1	3.2.1. Employment and remuneration
	• Total number and distribution of employment contracts by type.		3.2.1. Employment and remuneration
	• Annual average of indefinite-term, temporary and part-time employment contracts by gender, age and professional category.		3.2.1. Employment and remuneration
	• Number of dismissals by gender, age and professional category.		3.2.1. Employment and remuneration
	• Average remuneration by gender, age and professional category or equal value.	GRI 102-35, GRI 102-36, GRI 201-3, GRI 202-1, GRI 405-2	3.2.1. Employment and remuneration
	• Gender pay gap.		3.2.1. Employment and remuneration
	• Remuneration of identical job positions or average remuneration at the company.		3.2.1. Employment and remuneration
	• Average remuneration, by gender, of directors and executives.		Note 27 to the consolidated financial statements of Corporación Financiera Alba, S.A., and Subsidiaries for 2021. In 2021, 40% of the members of the Board of Directors were women.
	• Implementation of disconnection from work measures.	GRI 103-2	3.2.2. Organisation of the work
	• Employees with a disability.	GRI 405-1	3.2.1. Employment and remuneration

Contents of Spanish Law 11/2018 on Non-Financial Information Statements		Standard used	Section of the report
Information on social and personnel-related matters (cont.)			
Organisation of work	• Organisation of working hours.	GRI 102-8, GRI 103-2	3.2.2. Organisation of the work
	• Number of hours of absenteeism.	GRI 403-2	3.2.2. Organisation of the work
	• Measures to achieve work-life balance.	GRI 103-2	3.2.2. Organisation of the work
Health and safety	• Occupational health and safety conditions.	GRI 103-2 , GRI 403-1	3.2.3. Health and safety
	• Accident rate by gender.	GRI 103-2	3.2.3. Health and safety
	• Occupational ill-health.	GRI 403-10	3.2.3. Health and safety
Labour/management relationships	• Organisation of labour/management dialogue.	GRI 102-43, GRI 402-1, GRI 403-4	3.2.4. Labour relations
	• Percentage of employees covered by collective agreements.	GRI 102-41	3.2.4. Labour relations
	• Assessment of collective agreements in the occupational health and safety area.	GRI 403-4	3.2.4. Labour relations
Training	• Training policies.	GRI 103-2, GRI 404-2	3.2.5. Training
	• Total number of hours of training by employee category.	GRI 404-1	3.2.5. Training
Accessibility	• Universal accessibility for people with disabilities.	GRI 103-2	3.2.6. Accessibility and equality
Equal opportunity	• Measures for equality between men and women.	GRI 103-2	3.2.6. Accessibility and equality
	• Equality plans.		3.2.6. Accessibility and equality
	• Measures to promote employment.		3.2.6. Accessibility and equality
	• Protocols against sexual and gender-based harassment.		3.2.6. Accessibility and equality
	• Universal accessibility for people with disabilities.		3.2.6. Accessibility and equality
	• Anti-discrimination and diversity management policy.	GRI 103-2, GRI 406-1	3.2.6. Accessibility and equality

Contents of Spanish Law 11/2018 on Non-Financial Information Statements		Standard used	Section of the report
Information on respect for Human Rights			
Policies	• Management approach.	GRI 103-2, GRI 103-3, GRI 412-2	5.1. Ethical behaviour and respect for Human Rights
Human Rights	• Performance of due diligence reviews.	GRI 102-17, GRI 103-2, GRI 419-1	5.1. Ethical behaviour and respect for Human Rights
	• Measures to prevent and manage possible instances of abuse.		
	• Complaints of violations of Human Rights.		
	• Promotion and fulfilment of the provisions of the ILO.		5.1. Ethical behaviour and respect for Human Rights

Information on combating corruption and bribery			
Policies	• Management approach.	GRI 103-2, GRI 103-3, GRI 205-2	5.2. Combating corruption and bribery
Corruption and bribery	• Anti-corruption and anti-bribery measures.	GRI 103-2	5.2. Combating corruption and bribery
	• Anti-money laundering measures.		5.2. Combating corruption and bribery
	• Contributions to foundations and non-profit entities.	GRI 103-2, GRI 201-1, GRI 203-3, GRI 415-1	6.1. The company's sustainable development commitments

NON-FINANCIAL INFORMATION STATEMENT

Contents of Spanish Law 11/2018 on Non-Financial Information Statements		Standard used	Section of the report
Information on the company			
Policies	• Management approach.	GRI 103-2, GRI 103-3	6.1. The company's sustainable development commitments
The company's sustainable development commitments	• Impact of the company's activity on employment and local development.	GRI 203-1, GRI 203-2, GRI 204-1, GRI 413-1, GRI 413-2	6.1. The company's sustainable development commitments
	• Impact of the company's activity on local populations and the territory.		
	• Relationships with local communities.	GRI 102-43, GRI 413-1	6.1. The company's sustainable development commitments
	• Association or sponsorship actions.	GRI 102-13, GRI 203-1, GRI 201-1	6.1. The company's sustainable development commitments
Subcontracting and suppliers	• Inclusion of ESG matters in the purchasing policy.	GRI 102-9, GRI 103-3, GRI 407-1, GRI 409-1, GRI 414-2	6.2. Subcontracting and suppliers
	• Consideration of social and environmental responsibilities in supplier and subcontractor relationships.		6.2. Subcontracting and suppliers
	• Supervisory systems, audits and audit findings.		6.2. Subcontracting and suppliers

Contents of Spanish Law 11/2018 on Non-Financial Information Statements		Standard used	Section of the report
Information on the company (cont.)			
Consumers	• Consumer health and safety measures.	GRI 103-2, GRI 416-1, GRI 416-2, GRI 417-1	6.3. Consumers
	• Complaint management system.	GRI 102-17, GRI 103-2, GRI 418-1	6.3. Consumers
Tax information	• Profit/loss by country.	GRI 201-1	Note 22 to the consolidated financial statements of Corporación Financiera Alba, S.A. and Subsidiaries for 2021.
	• Income tax paid.		
	• Government grants received.	GRI 201-4	In 2021 grants amounting to EUR 2,077,658 were received from the authorities.
EU taxonomy	• EU taxonomy key performance indicators for non-financial entities: % of turnover, CapEx and OpEx associated with taxonomy-eligible economic activities.	N/A	7. EU taxonomy for sustainable finance

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

Corporación Financiera Alba, S.A. and Subsidiaries

Independent limited assurance report on the Consolidated Non-Financial Statement for the fiscal year ended 31 December 2021.

April 29th, 2022

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel: +34 915 14 50 00
www.deloitte.es

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT

To the shareholders of Corporación Financiera Alba, S.A.:

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the Non-Financial Information Statement (NFIS) for the fiscal year ended 31 December 2020 of Corporación Financiera Alba, S.A. and subsidiaries ("Corporación Financiera Alba"), which forms part of Consolidated Directors' Report of Corporación Financiera Alba.

The NFIS includes information, additional to that required by current Spanish corporate legislation relating to non-financial, that has not been the subject of our verification work. Accordingly, our work has been limited exclusively to the verification of the information identified in the section 7 "Non-Financial Information Statement Table of contents" on the NFIS.

Responsibilities of the Shareholders and the Directors

The preparation and content of the NFIS are the responsibility of the Directors of Corporación Financiera Alba. The NFIS was prepared in accordance with the content specified in current Spanish corporate legislation and following the criteria of the Sustainability Reporting Standards de Global Reporting Initiative (GRI standards) selected, as well as other criteria according to the mention for each matter in the section 8 "Non-Financial Information Statement Table of contents" on the NFIS.

This responsibility also includes the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The Directors of Corporación Financiera Alba are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, which relates exclusively to the financial year 2021.

We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements on regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance provided is also lower.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Our work consisted in requesting information from management and the various units of Corporación Financiera Alba that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Corporación Financiera Alba personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external verification.
- Analysis of the scope, relevance and completeness of the contents included in 2021 NFIS according to the business, sector and nature of Corporación Financiera Alba's operations, considering the contents required by the mercantile regulations in force.
- Analysis of the processes used to compile and validate the data presented in the 2021 NFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters described in the NFIS of 2021.
- Verification, by means of sample-based review tests, of the information relating to the contents identified in the NFIS of 2021 and the appropriate compilation thereof based on the data furnished by the information sources.
- Obtainment of a representation letter from the directors and management.

Enphasis Paragraph

The Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investments establishes the obligation to disclose information on the manner and extent to which the activities of the company are associated with economic activities that are considered environmentally sustainable in relation to the objectives of mitigation of climate change and adaptation to climate change for the first time for the year 2021, provided that the statement of non-financial information is published as of January 1, 2022. Consequently, comparative information on this matter has not been included in the attached NFIS. Additionally, information has been incorporated for which the Directors of Corporación Financiera Alba have chosen to apply the criteria that, in their opinion, best allow compliance with the new obligation and that are defined in section 7 "Taxonomy of Sustainable Finance of the EU" of the attached NFIS. Our conclusion has not been modified in relation to this issue.

Conclusion

Based on the procedures performed and the evidence obtained, no aspect has been revealed that makes us believe that the NFIS corresponding to the annual year ended on December 31 of 2021 has not been prepared, in all its significant aspects, in accordance with the contents contained in current commercial regulations and following the criteria of the GRI standards selected, as well as those other criteria described according to what is mentioned for each subject in the section 8 "Non-Financial Information Statement Table of contents" on the NFIS.

Use and distribution

This report has been prepared in response to the requirement established in the commercial regulations in force in Spain, so it may not be suitable for other purposes and jurisdictions.

DELOITTE, S.L.

Fernando García Beato

April 29th, 2022

2

REPORT ON ACTIONS

OF THE AUDIT AND COMPLIANCE COMMITTEE FOR THE YEAR 2021

REPORT ON ACTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE

I. INTRODUCTION

This report on the functions and activities of the Audit and Compliance Committee of Corporación Financiera Alba, S.A., has been drawn up in accordance with the recommendations on the corporate good governance of listed companies, and in particular those set out in the Good Governance Code of Listed Companies, approved by the National Securities Market Commission ("CNMV") on 18 February 2015, and partially reformed on 26 June 2020, in order to update and adapt the text in accordance with the latest legal changes, in particular regarding non-financial risks and information, aspects of sustainability (ESG), diversity of boards and remuneration, as well as Technical Guide 3/2017 of the CNMV, on Audit Committees of Public-Interest Entities.

The Audit Committee was created by the Board of Directors on 29 March 2000, following the recommendations of the so-called "Olivencia Code". From its incorporation, its regulations have on various occasions been adapted to the regulations in force from time to time, in particular:

(i) The amendment of the Articles of Association and the Regulation of the Board of Directors of 22 May 2003, to incorporate the provisions of Law 44/2002, of 22 November 2002, on Financial System Reform Measures (the "Financial Law"), with regard to the competition, responsibilities and operational rules of the Audit Committee.

(ii) The amendment of the Regulation of the Board of Directors of 30 September 2010 for the following purpose: (a) adaptation to the extension of the powers of Audit Committees brought in by Law 12/2010, of 30 June 2010, modifying the Accounts Auditing, Securities Market, and Public Limited Liability Companies Law; and (b) the introduction of recommendations from the CNMV document regarding "Internal control of financial reporting at listed entities" (June 2010).

(iii) The amendment of the Regulation of the Board of Directors of 5 May 2015, covering the new provisions regarding the composition, organisation and functions of Audit Committees, established by the new Article 529(14) of the Capital Companies Law, brought in by Law 31/2014, of 3 December 2014, modifying the Capital Companies Law to improve Corporate Governance.

(iv) The amendment of the Regulation of the Board of Directors of 3 May 2016, which (a) covered the changes established regarding the composition of the Committee and its functions on the basis of Accounts Auditing Law 22/2015, of 20 July 2015, which amended article 529(14) of the Capital Companies Law; and (b) changed its name, to the Audit and Compliance Committee.

(v) The amendment of the Regulation of the Board of Directors of 13 May 2021, extending the functions of the Audit Committee to adapt them to Law 5/2021, of 12 April 2021, amending the consolidated text of the Capital Companies Law and other financial standards with regard to the encouragement of the long-term engagement of shareholders at listed companies, as the transposition into Spanish law of Directive (EU) 2070/828.

In 2017 the Board of Directors, in accordance with Recommendation 19 of CNMV Technical Guide 3/2017, on Audit Committees of Public-Interest Entities, approved a Regulation of the Audit and Compliance Committee, amended by resolution of the Board of Directors on 26 October 2020, in order to adapt it to the revision of the Code of Good Governance of Listed Companies approved by the CNMV on 26 June 2020. During 2021 this Regulation was once again modified by a resolution of the Board of Directors passed on 13 May 2021, to adapt it in accordance with the aforementioned Law 5/2021, of 12 April 2021.

II. FUNCTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE

In Article 3 of the Regulations of the Audit and Compliance Committee of Corporación Financiera Alba, S.A., as well as in the Regulations of the Board, in its Article 22, following the provisions of the Article 529 quaterdecies of the LSC, the following functions are entrusted to the Audit and Compliance Committee, without prejudice to those others that may be assigned by the Board of Directors:

a) Report to the General Shareholders' Meeting as to any issues raised in connection with those matters that lie within the competency of the Committee, and in particular the results of the audit, explaining how this has contributed to the integrity of financial information, and the function that the Committee performed in this process.

b) Supervise the efficacy of internal control of the Company, internal auditing and risk management systems, and discuss with the accounts auditor any significant weaknesses in the internal control system that might be detected in the development of the audit, all the above without undermining its independence. To this end, and as applicable, they may submit recommendations or proposals to the governing body, and the corresponding period for the follow-up thereof.

c) Supervise and evaluate the process of preparation and presentation of the required financial and non-financial information, and present recommendations or proposals to the governing body in order to safeguard its integrity.

d) Refer to the Board of Directors proposals as to the selection, appointment, re-election and replacement of the accounts auditor, taking responsibility for the selection process in accordance with the provisions of Articles 16, subsections 2, 3 and 5, and 17.5 of Regulation (EU) No 537/2014, of 16 April 2014, in addition to the contractual conditions, and regularly receive information from it as to the audit plan and execution thereof, while also maintaining its independence in the performance of its functions.

e) Establish the appropriate relations with the external auditor to receive information on those issues that may pose a threat to their independence, for examination by the Committee, and any others related to the process of carrying out the audit of accounts, and, where appropriate, the authorisation of services other than those prohibited, under the terms set out in Articles 5, Section 4, and 6.2.b) of Regulation (EU) No. 537/2014, of 16 April, and as foreseen in Section 3 of Chapter IV of Title I of Law 22/2015, of 20 July, on the Auditing of Accounts, on the independence regime, as well as those other communications provided for in the account auditing legislation and in the auditing standards. It must in all cases each year receive from the external auditors the declaration of their independence with regard to the organisation or organisations directly or indirectly related to it, in addition to detailed and individual information on additional services of any class that are provided, and the corresponding fees received from said organisations by the external auditor or the persons or entities related to it, in accordance with the provisions of the regulations governing accounts auditing operations.

f) Issue each year, prior to the issuance of the accounts auditing report, a report stating an opinion as to whether the independence of the accounts auditor or auditing firms has been compromised. This report must in all cases contain the evaluation of the performance of each and every one of the additional services referred to in the above section, taken individually and as a whole, other than the legal audit, and with regard to the regime of independence or the regulations governing accounts auditing operations.

g) Report to the Board of Directors in advance as to all matters set out in Law, the corporate bylaws and the Board Regulation, and in particular with regard to:

   1.º the management report and any financial information, and non-financial information where applicable, that the company would be required periodically to publish,

   2.º the creation or acquisition of stakes in special-purpose vehicles or any domiciled in countries or territories classified as tax havens, and

   3.º operations with related parties requiring approval by the General Meeting or the Board of Directors.

h) Supervise compliance with the rules of corporate governance, internal codes of conduct and the sustainability policy.

i) Supervise the application of the economic/financial and non-financial reporting policy, and the processes for relations and communication with shareholders, investors, proxy advisors and other stakeholders.

j) Supervise the internal procedure for those related-party operations the approval of which is delegated by the Board in accordance with the Law.

REPORT ON ACTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE

III. COMPOSITION

The Audit and Compliance Committee is an internal body of the Board and, therefore, is composed of Directors of the Company. The members are appointed by the Board of Directors and, in accordance with the provisions of the LSC, following the amendment made by Law 22/2015, of 20 July, all the members of this Committee must be external or non-executive directors, the majority of whom must be independent directors and at least one of whom must be appointed on the basis of his or her knowledge of accounting and/or auditing matters. As a whole, the members of the Committee must have the relevant technical knowledge in relation to the sector of activity to which the Company belongs.

The Chairman of the Committee must be an independent Director and, in accordance with the provisions of the Law and the Company Bylaws, the Chairman must be replaced every four years and may be re-elected after a period of one year has elapsed since his removal.

The composition of the Audit and Compliance Committee of Corporación Financiera Alba, S.A. fulfils the legal demands, as it comprises three Directors, all of whom are independent.

The composition of this Committee as of 31 December 2021 was as follows: Ms. Ana María Plaza Arregui, as Chair, and Ms. Claudia Pickholz and Ms. María Eugenia Girón Dávila, as Board Members. All of its members have the status of Independent Directors, with Ms. Plaza having been appointed in 2019 and Ms. Pickholz and Ms. Girón re-elected in 2020.

In accordance with the recommendations of the Unified Good Governance Code of Listed Companies, the information on the profile of all the Directors of Corporación Financiera Alba is made available on the company's website. In accordance with the recommendations of CNMV Technical Guide 3/2017, we would highlight that Ms. Plaza has considerable experience in the world of auditing and financial management at companies in a range of sectors, both nationally and internationally. Ms. Pickholz has held management positions at major multinationals in a range of sectors, with responsibilities in the areas of marketing and strategy. Lastly, Ms. Girón has considerable experience in the world of business, strategy design, brand building, international growth and sustainable development.

IV. FUNCTIONING AND ACTIVITY

The internal functioning of the Audit and Compliance Committee is governed by the provisions of Article 47 of the Bylaws and by the provisions of Articles 29 to 34 of the Regulations of the Board and Articles 12 to 18 of the Regulations of the Audit Committee and Compliance, which regulate everything related to its meetings, calls, quorum, adoption of resolutions, minutes, relations with the Board, with the Company's Management, and with the auditor and the internal auditor, and the powers to request information on any aspect of the Company and to seek the advice of external professionals.

During the year 2021, the Audit and Compliance Committee held eight meetings, in which it worked, within the functions mentioned above, in the areas indicated below, and for which it had the necessary information and documentation at its disposal:

- Review of the periodic financial information to be submitted to the National Securities Market Commission.
- External audit of the financial statements and relations with the external auditors.
- System of risk identification and internal control.
- Internal audits.
- Review of non-financial information.
- Compliance with the legal provisions and internal regulations.

The meetings of the Audit and Compliance Committee were attended, by invitation, by the external and internal auditors, the Chief Financial Officer and the Company's risk managers, to discuss the items on the agenda that were their responsibility. Likewise, during 2021 the external auditors of the Company were invited to participate at all meetings of the Audit and Compliance Committee, and the internal auditors at three.

In connection with the management of risks that may affect the Company, the Audit and Compliance Committee regularly includes a point in the agenda of its meetings dedicated to this matter, either to conduct the relevant monitoring of risks or to have the person in charge of this area within the company present it to the Committee. During 2021 issues connected with risk management and monitoring were addressed at all meetings of the Committee.

At the end of each year, the Audit and Compliance Committee approves its Activities Schedule for the next year, in relation to the areas mentioned above and follows these up accordingly.

a) Review of periodic financial information

In relation to the periodic financial information, the Audit and Compliance Committee has analysed, prior to its presentation, the quarterly and half-yearly financial information sent to the CNMV and made public, as well as the complementary information leaflets that are published, in accordance with the requirements established by Royal Decree 1362/2007, of 19 October (modified by Royal Decree 875/2015, of 2 October), and by CNMV Circular 3/2018, of 28 June.

In this analysis cooperates the Company's Chief Financial Officer, who is responsible for the preparation of the information mentioned above, in order to explain to the Commission the accounting process followed to prepare said financial information, and the decisions and criteria adopted.

The Committee gave its approval to this information, after the introduction of certain suggestions raised.

A meeting was also held to examine the financial statements prior to their preparation by the Board of Directors.

With regard to the quarterly financial information, it should be emphasised that following the approval of Law 5/2021, of 12 April 2021, repealing Article 120 of the Securities Market Law, publication became voluntary, although the CNMV may nonetheless demand such information in performing its periodic reporting inspection function (Article 234.2 Securities Market Law). The Committee appraised the situation and the contents of the information that had been published, and held that there was no reason why the quarterly information should continue to be published.

With regard to the application of the European Union Electronic Format ("EUEF"), the Parliament and European Council resolved in December 2020 to amend Transparency Directive 2004/109/EC to allow the deferral of the obligation for listed companies to produce and publish their annual financial reports in accordance with the EUEF. Corporación Financiera Alba, S.A. decided to take advantage of this deferral, although the required work has been performed to implement the new EUEF format, with the necessary software having been acquired, and the support of external advisors.

Finally, in accordance with the provisions of recommendation 43 of the CNMV 3/2017 Technical Guide, the Committee ensures that the financial information published on the company's website is up to date and in line with that prepared by the Board of Directors and made public.

b) External Audit of the financial statements and relations with the External Auditors

As regards the External Audit, it is worth mentioning that the Auditors attended the meetings of the Committee at which they examined the financial information corresponding to the close of the 2020 financial year and the financial statements for said year. The External Auditors reported at length to the Committee, as they did at the Board meeting in which annual accounts were drawn up, on their auditing work performed, the most important issues raised and the criteria followed. In particular, the financial statements were the subject of an unqualified report, without any significant risks being detected in the company, and the internal control of the company was considered adequate. The external auditors were assisted in the performance of their duties by the persons responsible within the Company. The planning of the audit work for 2021 was also explained.

External Auditors submitted to the Audit and Compliance Committee the limited review of the financial statements in the first half of 2021 and the Audit planning for the fiscal year 2021.

In addition, and in accordance with the provisions of Article 529 quaterdecies of the Capital Companies Law, the Audit and Compliance Committee received written confirmation from the Auditors of their independence from the related entity or entities and issued a report expressing its opinion on the independence of the auditors.

c) Risk identification and internal control system

With regard to the risk identification and internal control system, it should be noted that the Finance Department is in charge, within the Company, of the internal control of the same, which has a series of operating rules that establish the internal control criteria. These standards refer, among other matters, to: cash placements, accounting and reporting, management of real estate and accounts receivable, investments and divestments at investee companies, investments and divestments in real estate, and investments and divestments in private equity.

The Audit and Compliance Committee has powers in this area and evaluates whether the Company has the adequate organisation, personnel and processes to identify and control its main operational, financial and legal risks, and is authorised to investigate any aspect of the risk identification system and internal control that it considers appropriate.

In this regard, the Additional Report of the Auditor issued for Audit and Compliance Committee with regard to the 2021 financial year, in accordance with Article 36 of Accounts Auditing Law 22/2015, of 20 July 2015, and Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council, of 16 April 2014, on the specific requirements regarding the statutory audit of public-interest entities (EU Regulation No. 537/2014), indicated that in performing its risk appraisal consideration was given to relevant internal control for the preparation of annual accounts by the Company, and the accounting system, so as to design appropriate audit procedures and not to express an opinion as to the efficacy of the internal control of the Company. However, it was noted that there were no internal control deficiencies assessed as significant or which needed to be reported to the company.

Likewise, in 2015, following the recommendations of the Code of Good Governance of Listed Companies, the Board of Directors, at the proposal of the Audit Committee, resolved to establish a Risk Control and Management Unit as an advisory and control body at the service of the Audit Committee, independent of the business, and aimed at ensuring the establishment of adequate control and efficient and prudent risk management. The Risk Control and Management Function Statute was approved by the Board of Directors on 26 October 2015 and, in addition, a Risk Management Methodology and Monitoring Model have been adopted.

The Company has in this regard defined an Integrated Risk Management System with the following key functions: allow the identification and proactive and efficient evaluation of risks at the Company level, and the constant monitoring and follow-up thereof; integrate, coordinate and direct the various efforts being made by the Company in the field of risk management; allow responsible risk acceptance to be obtained, and underpin the responsibility of Company employees; ensure that the control systems are aligned with the real risks facing the Company; facilitate and streamline the application of corrective measures.

This Integrated Risk Management System has been implemented to mitigate the risks to which the Group is exposed, given the nature and degree of complexity of its operations and the environment in which it operates, and it consists of three key elements:

- The continuous process of risk management, understood as those activities carried out by all the people of the Company focused on identifying potential risk events that may affect them, managing the risks identified, and providing reasonable assurance on the achievement of the Company's objectives. In this regard, the Company's Risk Map has also been reviewed in order to confirm that it continues to represent the company's risk profile.

- An organisational approach with clearly defined roles and responsibilities, to ensure that although integrated risk affects and involves all staff of the Company, the main participants are: the risk supervisors, the Risk Management and Control Unit, the Audit and Compliance Committee and the Board of Directors.

- A monitoring model, which defines and provides the necessary and timely information so that all participants in the risk management process can make informed decisions regarding the same.

The Audit and Compliance Committee, as part of this Integrated Risk Management System, is responsible for supervising the effectiveness of the company's internal control, internal audit and risk management systems, assessing whether the Group has adequate organisation, personnel, policies and processes to identify and control its main risks and, in particular, operational, financial, non-financial and legal risks.

In relation to risk management processes, in addition to the Risk Control and Management Unit mentioned above, Corporación Financiera Alba has compliance processes, which are mentioned below, as well as the Internal Audit Service, to which reference has already been made.

REPORT ON ACTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE

In 2021, two Business Risk Monitoring Reports were prepared and presented (corresponding to the second half of 2020 and the full year, and the first half of 2021, respectively), in accordance with the approved Risk Management Methodology and Monitoring Model. These reports examine the aggregate risk situation and the individual analysis of the risks (the nine most critical risks, according to the Risk Map, reviewed in December 2019). To assist in their preparation, meetings are held with those responsible for the risks, the defined controls and indicators are checked, and the assessment being monitored is reviewed and analysed. The conclusion drawn from the reports is that the controls have been effective (although some did not apply during the stated periods), and those indicators requiring some attention gave rise to the relevant explanations or clarifications being obtained, with special action plans being proposed to increase the level of safety in certain fields.

Mention should lastly be made within this area of the review and analysis conducted together with the various risk owners as to the risk assessment (impact and probability), so as to ascertain if this remained valid during the year in question, essentially on the basis of the types of risk, the assessment scale, the inherent risks of the group (prior to control activities), residual risks (after the controls) and a comparison with the inherent and residual risks noted in 2021. Following this analysis, the conclusion reached was that the evaluation of critical risks properly reflects the position of the Company, and no modification or update is therefore required.

The Committee likewise analyses any taxation risks that could affect the Company, having analysed in this regard the Company's stake in a special purpose entity.

Lastly, at the proposal of the Audit Committee, the Company conducts a review and update of the Risk Map every two years, the last of these being in 2019. In the 2020 financial year, as a consequence of the pandemic there was periodic monitoring of the impacts of COVID-19, and a full appraisal report in response by the organisation to address the challenges generated by this situation for the Company's business model, and hence in connection with corporate risk management and compliance systems. The model was also again revised in 2021. The conclusion of both revisions is that the Alba Risk Map properly reflects its situation and exposure to critical risks, and the Committee therefore deemed it appropriate to postpone the revision until 2022.

d) Internal Audit

In 2011, and following the recommendations of the CNMV document "Internal Control Over Financial Information in Listed Companies" (June 2010), the Audit Committee proposed, and the Board of Directors agreed, to establish an Internal Audit service as an instrument for the better development of the functions entrusted to the Board of Directors and the Audit Committee, in relation to the control and management of risks and the monitoring of the internal information and control systems. The person in charge of this service was also appointed and it was decided that an audit firm would support the performance of the Internal Audit functions. In 2021, Deloitte Advisory, S.L., continued to perform the Internal Audit function, coordination between the firm and the Company being handled by the General Secretary, answering to this Committee, with approval by the Board of Directors. This contributes to the independence of Internal Audits.

With regard to Internal Auditing, we should in particular mention the fact that this function has a Statute approved by the Board (most recently by resolution of 27 February 2017). A Company Risk Map has likewise been drawn up (covering the inherent and residual level, and the degree of effectiveness of internal control) which has already been revised on four occasions, most recently in 2019, with a further special revision being conducted in 2020 as a consequence of the situation triggered by COVID-19, to ascertain its effectiveness in such situations also. Lastly, with regard to Internal Auditing, the Activities Plan approved by the Audit and Compliance Committee is followed.

In 2021, in accordance with the Internal Audit and Compliance Plan that was submitted to the Audit and Compliance Committee, some internal procedures were audited, no significant issues were found, and suggestions for improvement were made for some of them.

Likewise, in the 2021 financial year the Committee registered its approval of the ongoing application of the Manual on the Internal Financial Information Control System ("SCIIF") of the Company following examination of the certificates issued by those responsible for the SCIIF. During this financial year these provisions were followed and reported to the Audit and Compliance Committee, which in turn informed the Board of the outcome of the Internal Audits and compliance with the SCIIF.

e) Review of Non-Financial Information

The Audit and Compliance Committee has overseen the Sustainability Policy and in this area, pursuant to Recommendation 55 of the Code of Good Government of the Listed Companies, since 2016 the Company has been reporting on environmental, social and governance issues through the Sustainability Report, which is reported by the Audit and Compliance Committee prior to its approval by the Board of Directors and made available to the convening of the General Shareholders' Meeting.

Law 11/2018 of 28 November on Non-Financial Information and diversity, applying to the fiscal years started on 1 January 2018, amended several precepts of the Code of Commerce, the Capital Companies Law and the Audit Law were changed, entering the obligation to include a Non-Financial Reporting Statement for those companies that met certain requirements.

In the 2019 financial year, Corporación Financiera Alba, S.A. for the first time met the requirements established in the aforementioned Law 11/2018, and was therefore required to draw up the Non-Financial Reporting Statement established in said Law (replacing the Sustainability Report presented in previous financial years).

The Non-Financial Reporting Statement includes significant information regarding the following, in accordance with the terms of Law 11/2018: environmental matters; social and staff-related matters; respect for Human Rights; anti-corruption and anti-bribery; and society.

It has been prepared on the basis of the Global Reporting Initiative ("GRI") guidelines for the preparation of sustainability reports, this being the internationally recognised standard, fulfilling the principles and content defined by the most up-to-date version of the GRI Standards guide.

Consideration was likewise given to the context and regulations of the sectors in which the subgroups operate, sectoral trends and best practices, so as to determine those aspects that are not relevant for Alba. Consideration was also given to the following key aspects of relevance: talent attraction and retention; compliance and business ethics; diversity and equality; health and safety at work;

commitment to society; and energy efficiency and environmental management.

This Non-Financial Reporting Statement covers the activities of the Alba Group and those of the Satlink, Nuadi and Preving subgroups (its dependent companies).

Reference is likewise made to the monitoring of the Sustainability Policy approved by the Board of Directors on 12 November 2020 (to replace the Corporate Social Responsibility Policy approved on 17 June 2019, which have replaced the version originally approved on 26 October 2015), together with the corresponding information, in particular through the Non-Financial Reporting Statement.

f) Regulatory compliance and others

With regard to compliance with the legal system and internal regulations, a more detailed statement is made than in the previous points, since, in accordance with the provisions of both the Regulations of the Board of Directors and the Regulations of the Audit and Compliance Committee (Articles 26.c and 9.c, respectively), the Audit and Compliance Committee must prepare a report on this matter.

Internal regulations

First of all, it should be pointed out that the Company, in order to ensure compliance with the applicable regulations, has an appropriate organisation, which includes a Legal Department, a Tax Department and a Finance Department, each of which, in its own area of competence, ensures compliance with current regulations (external and internal). Likewise, within the scope of the Board, its Regulations provide that the Secretary shall be responsible for ensuring the formal and material legality of its actions, for the statutory regularity thereof and for compliance with its procedures and rules of governance.

On 26 June 2020 the CNMV approved the partial reform of the Code of Good Governance of Listed Companies. During the 2020 financial year the committee analysed the Company's degree of compliance with the recommendations, as amended, and adopted the necessary measures for implementation.

REPORT ON ACTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE

During the 2021 financial year Law 5/2021, of 12 April 2021, was approved, amending the consolidated text of the Capital Companies Law and other financial standards as regards the encouragement of long-term shareholder engagement, as the transposition into Spanish law of Directive (EU) 2017/828. This Law makes changes to the Capital Companies, Securities Market and Accounts Auditing Law, and the Code of Commerce, as well as to the regulations governing private equity and collective investment undertakings. The Committee analysed the implications of these regulations for Corporación Financiera Alba and reported on the proposed modification to the following corporate documents to align them with the new rules: Regulation of the Board of Directors, Regulation of the Audit and Compliance Committee and Internal Regulation of Conduct in the Sphere of the Securities Market.

Meanwhile, one of the functions of this Committee is to ensure the existence of an effective internal system to monitor the Company's compliance with the laws and regulations governing its activity, and to verify that the necessary procedures have been established to ensure that the management team and the employees comply with the internal regulations. It should also be noted that the meetings of the Committee are attended, when required and at the invitation of the Chairman, by the Chief Financial Officer, responsible for the Company's internal control, who reports on developments relating to this matter.

In addition, as indicated above, the Company has an Internal Audit Service and a Risk Control and Management Unit, and a Risk Management Methodology and Monitoring and Crime Prevention Model have been adopted.

In the same sense, in 2016 the Company formalised and implemented a function of the Compliance Regulation, and in terms of health and safety it has a Crime Prevention Manual since 2015. More detailed information is provided in later sections of this Report.

The Company currently has in place the following policies as indicated in the various provisions or corporate good governance recommendations: Corporate Governance Policy; Sustainability Policy; Communication Policy; Dividends Policy; Treasury Stock Policy; Investments Policy; Tax Policy; Board Remuneration Policy; Policy for Selection of Candidates for Director; Risk Management Policy; and Criminal Risk Prevention and Anti-Fraud Policy. These Policies are periodically reviewed in case they might need to be amended. During the 2021 financial year, following a report by this Committee updates were applied to the Regulation of the Board of Directors, Regulation of the Audit and Compliance Committee, the Corporate Governance Policy and the Internal Regulation of Conduct in the Sphere of the Securities Market.

In 2017, the Audit and Compliance Committee approved a Policy for the Provision by the External Auditor of services other than Statutory Audit, in accordance with the provisions of article 529 quaterdecies. 4. e) of the Law on Capital Companies, as amended, which entered into force on 17 June 2016.

As regards the existence of internal procedures, as mentioned above, the Company has a series of operating rules that establish the internal control criteria, as well as the Manuals of the Internal Control over Financial Reporting System, Risk Management Methodology and Monitoring Model, and Crime Prevention.

A new Code of Ethics and Conduct was approved in 2018, taking into account in particular the evolution of the legal regulations regarding the liability of legal entities. In addition, given the importance of internal reporting channels, an annex to the Code of Ethics and Conduct approved in 2018 is now included, which outlines a more detailed procedure for handling reports that allows you to communicate, in a confidential manner, any acts or conduct committed that may be contrary to applicable regulations or the Code of Ethics and Conduct within the company, or in the performance of third parties that are in contract with the company. This modification was performed by resolution of the Board of Directors on 26 October 2020, in order to align this with the revision of the Code of Good Governance of Listed Companies approved by the CNMV on 26 June 2020, in particular to accept anonymous complaints in cases of particular accounting or financial significance.

Meetings of the Audit Committee received information as to the Whistleblowing Channel, with no such report having been received during 2021 financial year.

In addition, since 2016, the Company has had Internal Rules of Conduct related to the Securities Market, aligned with market abuse regulations. During the 2021 financial year, the Committee reported on the proposed modification to the internal Regulation of Conduct in the Sphere of the Securities Market, in order to adapt it to the elimination of the mandatory requirement to publish quarterly reports in connection with what are known as blockage periods, following the elimination of Article 120 of the Securities Market Law, by Law 5/2021, of 12 April 2020.

Compliance with regulations

In addition to the internal regulations mentioned in the previous paragraphs, Corporación Financiera Alba, as a complement to other actions that have been carried out in recent years to adapt to new requirements and best practices in corporate governance matters (such as, for example, the Internal Audit Service, the Financial Information Control System, the creation of the Risk Control and Management Unit, or the development of a crime prevention model and manual), in 2016, carried out the formalisation and implementation of a Regulatory Compliance function within the General Secretariat in order to coordinate, systematise and monitor the different actions and efforts it had been making in this area, with the collaboration of external consultants.

In 2018, the Board of Directors of the Company, having received a favourable report from the Audit and Compliance Committee, approved the Statute of the Regulatory Compliance Function, entrusting the Secretary of the Board of Directors with management of the Regulatory Compliance Unit, reporting to the Audit and Compliance Committee, and currently receiving external support from Deloitte Advisory, S.L.

The purpose of this Function is to provide reasonable certainty that Alba complies with its key legal and regulatory requirements, with the following actions being taken to this end: (i) the main legislative and regulatory obligations that must be fulfilled by the Company have been identified; (ii) a compliance model has been designed (with activities and tasks to be performed, dates and owners); and (iii) a monitoring and follow-up model has been established for compliance activities, with early warnings and twice-yearly reviews, so as to avoid potential breaches.

In the monitoring reports, the identified requirements are verified, with details of which have been met, those that have not been applied, and, where appropriate, the opportunities for improvement.

During 2021, the Regulatory Compliance Monitoring Reports for the second half of 2020 and the full year were prepared, as well as for the first half of 2021. Of the 74 controls implemented for the nine risks, 57 proved favourable, 16 did not prove applicable during the period, and one was classified as favourable with a recommendation.

Crime prevention

As a result of the regulations on the criminal liability of legal persons, especially following the reform of the Criminal Code by Organic Law 1/2015, a new Manual on Crime Prevention was approved (26 October 2015) and, during 2015 and 2016, various initiatives were launched, particularly regarding the application of the new corporate regulations and the means of monitoring, detection and response. In this respect, monitoring reports have been drawn up analysing various risks and their controls in accordance with the activity plan, and general compliance with them has been observed, with only a few recommendations having been made. In the 2020 financial year an update to the Crime Prevention Manual was approved, in order to adjust it to the current situation of the company's governance model and related policies, and align it with best market practice.

In 2021, the effectiveness of the Crime Prevention Model was monitored accordingly, with two reports being submitted, one for the full year 2020 and another in the first half of 2021, resulting in an overall situation of compliance regarding the risks analysed, with some recommendations being put forward. The Audit and Compliance Committee has considered the monitoring to be satisfactory.

Related-party operations

In addition, within this area of regulatory compliance, reference should also be made to the examination of transactions with Directors, significant shareholders or their representatives, or persons linked to them, or with investees ("transactions with related parties"), which have been reported favourably, as they meet the conditions for doing so. In addition, in accordance with the provisions of the Good Governance Code of Listed Companies (recommendation 6), the Audit and Compliance Committee approved a report on the aforementioned transactions with related parties executed during the previous year and published it on the Company's website.

Other

The Audit and Compliance Committee also examined the draft Annual Corporate Governance Report, which was subsequently approved by the Board of Directors, and the monitoring reports prepared by the control bodies of the Internal Rules of Conduct, the Code of Ethics and Conduct and the Crime Prevention Manual on the actions taken to comply with them.

REPORT ON ACTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE

Specific mention should be made of the monitoring of tax risk, which prompted the Audit and Compliance Committee to examine the Company's tax situation with reference to its tax obligations in general, the most significant aspects with regard to Corporation Tax, and compliance with the various reporting obligations. In 2020 the Company signed up to the Code of Good Taxation Practice promoted by the Large Companies Forum (20 July 2010).

With respect to communications with the CNMV, which include the communications of financial information, inside information and other relevant information and other requests for information, all the necessary communications were made during the year.

The Audit and Compliance Committee kept track of the functionality and content of the website. Furthermore, during the 2021 financial year monitoring of the situation of the Information Technologies area continued, in particular in the sphere of cyber security and external hacking.

Assessment of the External Audit, the Internal Audit and the Audit and Compliance Committee

Following the Recommendation 71 of the CNMV Technical Guide 3/2017, the Audit and Compliance Committee evaluated the External Auditor, reviewing its submissions to the Committee and the various reports issued, with consideration given to the fact that during 2020 the External Auditor successfully completed its role in compliance with the plan established for the year, without any incidents and contributing to the integrity of the Company's financial information.

In connection with the Internal Audit, and following Recommendation 58 of the CNMV Technical Guide 3/2017, the Committee has assessed this area of the Company, and in view of the presentations made and the Annual Report of the Internal Audit Service, it considers that during 2020 the Internal Audit Service successfully completed its function, meeting the objectives of the Plan established for the year, and with no incidents occurring. It was likewise deemed that the head of Internal Auditing had properly performed his function.

Following Recommendation 76 of the CNMV Technical Guide 3/2017, as part of the Board's annual assessment (compiled in the Board's Evaluation Questionnaire and its Evaluation Report), the Audit and Compliance Committee evaluated its performance in 2021. The Board's Evaluation Questionnaire contained the opinion of all Directors on the performance of this Committee, informing the Board of the assessed aspects and the outcome thereof. The assessment of the Audit and Compliance Committee has not resulted in any changes to the internal organisation and procedures of company.

In addition, it considers the Company to have adequate mechanisms for the Audit and Compliance Committee to properly exercise the functions it has legally assigned and in the internal regulations of the company, in connection with periodic reporting of financial information, the External Audit, Internal Audit, non-financial information and the internal control and risk identification systems, and that compliance on behalf of the Company in relation to these matters is satisfactory.

V. CONCLUSIONS

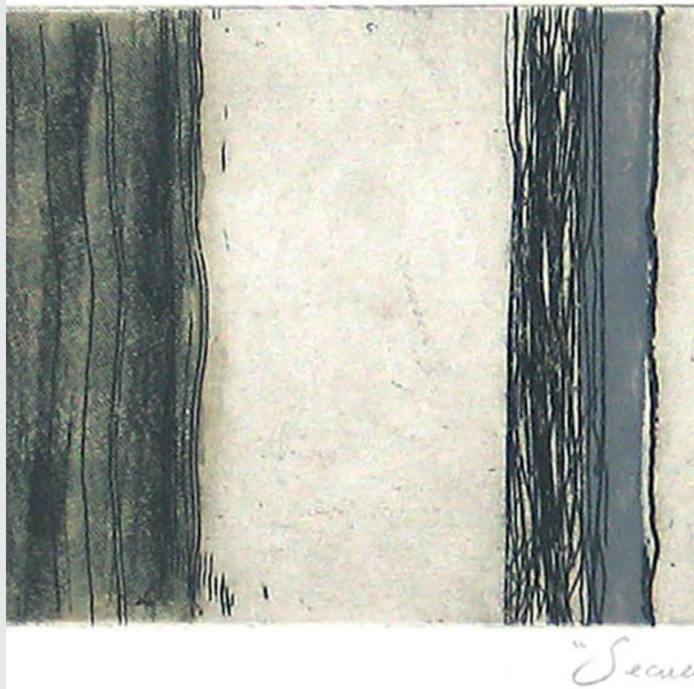
In view of the foregoing, the Audit and Compliance Committee considers that the Company has an adequate organisation and a sufficient regulatory framework to ensure satisfactory compliance with the regulations, and that effective compliance by the Company with the external and internal regulations applicable to it, as well as the provisions and recommendations on good corporate governance, is satisfactory.

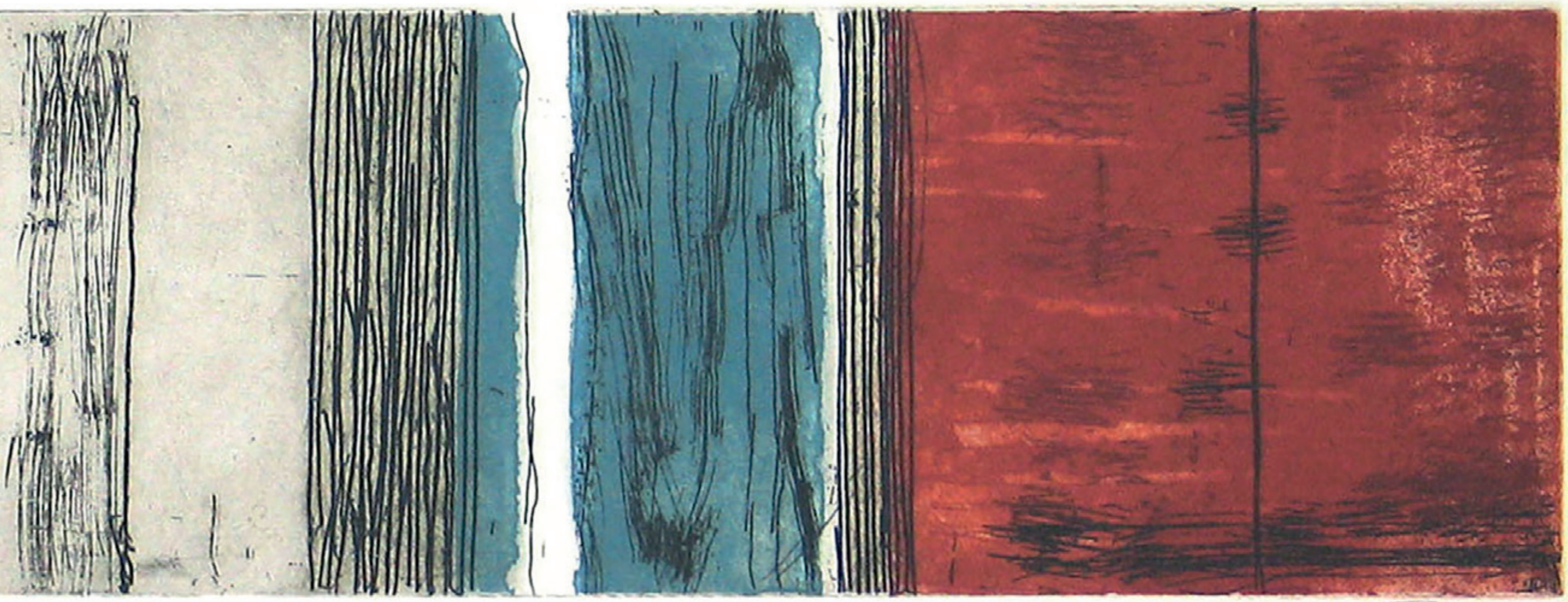
ANNUAL REPORT ON DIRECTORS' REMUNERATION

TO GO TO THE ANNUAL REPORT
ON REMUNERATION OF DIRECTORS
PLEASE CLICK ON THIS LINK

"Rosa y Oro"   M. Ferrer

PROPOSED RESOLUTIONS





ncia. I"

"Secuencias IV"

PROPOSED RESOLUTIONS

The Board of Directors of Corporación Financiera Alba, S.A. submits to the Annual General Shareholders' Meeting the following proposal of resolutions for its consideration:

1. Approval of the annual accounts, both individual and consolidated, for the financial year ending 31 December 2021.

2. Approval of the management by the Board of Directors during the same financial year.

3. Approval of the Statement of Non-Financial Information, for the financial year ending 31 December 2021.

4. Approval of the distribution of profit and payment of dividends proposal.

5. Re-election of director and category: Mr. Santos Martínez-Conde Gutiérrez-Barquín, as "other external Directors".

6. Approval, in an advisory capacity, the Remuneration Report of the Board of Directors for the year 2021.

7. 7.1. Approval of the Remuneration Policy of the Board of Directors, to be applied as from its approval by the General Meeting and in the financial years 2023, 2024 and 2025.

   7.2. Approval of the maximum amount of the annual remuneration of the company´s directors (just in that capacity) in €3,000,000.

8. Approval, pursuant to Article 219 of the Spanish Corporate Enterprises Act and Article 39 of the Bylaws, of a multi-year variable remuneration linked to the evolution of the Company's net asset value ("NAV"), for the directors and personnel determined by the Board of Directors, in order to bind them directly to the shareholder value creation process.

9. Authorisation for the acquisition of treasury stock, within the maximum limits permitted at a given time and in compliance with the requirements established in the Spanish Corporate Enterprises Act, and the use of the shares acquired by virtue of this authorisation, for the allotment of remuneration plan of executive directors, executives and employees consisting of the delivery of shares or options thereon, and authorise the Board of Directors to reduce the share capital, where applicable.

10. Authorisation to the Board of Directors to execute the resolutions adopted at the General Meeting.

11. Approval of the minutes of the General Meeting.

MELA FERRER

Madrid, 1960

A sudden blossoming of each character,
Of living letters, sprung from nowhere

Charles Tomlinson

I studied Graphic Art at the Arts & Crafts Institute, Madrid (1982) and in San Fernando Fine Arts Faculty also in Madrid (1985),and graduated from both having specialised in etching.

I have been developing my artistic activity since 1984 and had exhibits in various spanish and international art galleries, both individual and collective. I have also done several collaborations with my illustrations for different institutions.

The path I follow in my work is through abstraction, from where I can express myself, capture my sentiments and let my imagination run free.

My work is an interior landscape of geometric forms, stains, lights and tonalities.

The journey of my profesional and artistic life is through the art of engraving. Etching is the medium I have worked in for many years and which I feel most identified wich.

I like working with different chalcographic techniques, such as, hard ground, soft ground, aquatint, dry point and others like photogravure…playing with the limits of form, color, superimposed planes, using transparencies and always searching for the nuances.

I also work with collage and others papers techniques. I like the immediacy of collage. The play between chance and certainty absorbs me. I use papers, found and searched for, different qualities and textures that I glue to cardboard, wood or paper and then continue to work with pastel, pencil and watercolors.

I am interested in the observation of nature, poetry and dreams and their transformation.

Mela Ferrer.2022

Art historian, Eloisa C. Maury comments:
"It's tempting to compare the work of Mela Ferrer with a theatre of lights and shadows, a series of juxtaposed scenes, where we're seductively swept into on an enigmatic and insightful journey. Large geometric surfaces tell us about the difficulty of every beginning of a journey, necessary difficulties to endure, taking us through a series of subtle, nuanced layers, to the place where the answer is hidden: light.

However, the compact forms are not opaque, they are worked tirelessly, they show the marks and scratches of any search, the signs of the solution that is being integrated through colour and matter, the intermittency of sensitivity and reflection that will lead us to a less arduous, more intelligible terrain, until each one reaches its truth guided by the artist's perceptiveness. Nothing attacks here, everything is an invitation, a suggestion".


M. Ferrer. 06
"Hora de estrellas"
M. Ferrer
"Secuencia I"
"Mercurio"

Edition:
CORPORACIÓN FINANCIERA ALBA, S.A.

L.D.: M-14846-2022

Design, layout and production:
laofficinacorporativa.es

Note on images:
All the images related to Participated Companies were ceded by the Companies themselves for the production of this Report.

CORPORACIÓN FINANCIERA ALBA, S.A.
77 Castelló, 5th floor
28006, Madrid, Spain
Tel.: +34 91 436 37 10
alba@corporacionalba.es
www.corporacionalba.es

ALBA
GRUPO MARCH

corporacionalba.es