ANNUAL REPORT 2022

ALBA
GRUPO MARCH

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BOARD OF DIRECTORS AND MANAGEMENT

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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

Coordinating Board Member
Mr. Antón Pradera Jáuregui

Board Members
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 María 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 27 March 2023, date of preparation of the 2022 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 27 March 2023, date of preparation of the 2022 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 this year to inform you about the progress of Alba and its main investee companies in the past financial year and in the first months of 2023.

Once the worst of the COVID-19 pandemic was overcome, 2022 was marked by the Russian invasion of Ukraine and a notable increase in inflation in major global economies, which prompted a substantial change in their monetary policies.

The **Ukraine** war, which started at the end of February last year, represents the first large-scale war in Europe since the end of World War II. Apart from a harrowing human tragedy, the conflict is having multiple geopolitical and economic consequences and poses a threat to European and global stability. It is also taking place in a context of increasing polarisation between the two great superpowers, the United States and China, with long-term implications such as increased trade and technological barriers and higher defence spending.

The increased geopolitical risk, the strong sanctions applied by Western countries against Russia and the direct and indirect effects of the war on the supply of certain raw materials had a very significant initial impact on energy prices, especially in Europe, where gas and electricity prices reached record highs in the middle of last year.

Although the price situation has moderated considerably in recent months, it should be noted that prices are still high compared to the average of previous years and that the war in Ukraine seems far from over, so the risk of further turbulence is still very high. In this sense, and if the conflict is not resolved sooner, the level of natural gas inventories for the coming winter, as well as access to alternative sources, mainly via methane carriers from the United States and the Middle East, could once again be key for Europe.

As indicated at the beginning, the second aspect of the year's development was the widespread increase in **inflationary tensions,** which were already detected in the second half of 2021 and which were exacerbated by the strong increase in energy costs mentioned above. In this sense, it should be noted that, apart from the conflict in Europe, these tensions originate both in the rapid post-pandemic economic recovery and in the expansive monetary and fiscal policies adopted by

many States and Central Banks to alleviate the effects of the pandemic.

These measures were necessary to avoid a major crisis in terms of liquidity and solvency, but have contributed to aggravating several of the imbalances previously existing in many countries, especially at the level of debt and public deficit, which have joined the significant increase in inflation.

Already in last year's Annual Report, dated at the end of March, we warned of a potential uptick in inflation, but its evolution has since far exceeded our expectations. Thus, the price increase was at record levels for the last thirty or forty years in many of the main global economies, reaching, for example, 10.8% year-on-year in Spain in July 2022.

While it is true that a relevant part of such inflation originates from junctures such as the substantial increase in prices of many raw materials – especially energy – and tensions in post-pandemic supply chains, there are other components, usually included in the underlying inflation rates, which are more concerning and which could indicate some constriction of inflationary trends in economic activity. An example of this phenomenon is the CPI data for the month of March 2023 in Spain, recently published by the National Statistics Institute, which shows a substantial moderation of the general inflation rate to 3.3% year-on-year, but a still high level of core inflation at 7.5% year-on-year.

As we also noted last year, this environment of high inflation has led to inevitable **interest rate** hikes. These have materialised in a very significant way since mid-2022, with large increases and, above all, speed, if we consider them from a historical perspective. Thus, the Federal Reserve raised the US interest rate from 0.25% in March 2022 to 4.75% in just one year, while the European Central Bank raised it from 0.50% in July last year to 3.50% in March of this year. In the case of the United States, interest rate hikes have been accompanied by other measures aimed at counteracting the monetary base expansion measures of recent fiscal years.

It seems important to us to note that, so far, this notable change in monetary policy is not translating into an economic or employment contraction. However, monetary measures, both expansionary and restrictive, always show some delay in making their impact on economic activity evident, and it is therefore too early to assess whether they will result in a moderation of growth or a deeper recession. In this regard, the impact of the measures taken is likely to begin to be seen in the coming months and, almost certainly, in the second half of the year.

It should not be forgotten that, although at a slower rate than in 2020 and 2021, many States still maintain expansive fiscal policies that are helping to alleviate the effects of the change in monetary policy. In any case, interest rate rises will gradually increase the financing costs of governments, which, together with higher debt levels than before the pandemic, will increase the pressure on public budgets, forcing many governments to raise the tax burden on companies and households and/or reduce public spending and investment, all of which are contractionary decisions.

In this regard, **macroeconomic data** for 2022 does not show an obvious slowdown in growth due to the factors indicated above, although substantial moderation is expected in 2023 and beyond. As for last year, we do not think it is worth focusing too much on specific data at the international level, beyond the fact that economic growth remained strong in most countries, albeit at a slower pace than in 2021, as it was driven by the reopening of business after the pandemic, except in certain countries such as China.

In the case of **Spain** real GDP grew by 5.5% in 2022, very similar to the previous year, after the 10.8% drop in 2020. In 2021, the recovery in Spain was slower than in other countries as a result of our high exposure to the tourism sector, the lower weight of export activity and the lack of flexibilities in our labour market. However, the Spanish economy was able to maintain high growth in 2022 despite the impact of the increase in energy costs: although it is true that final growth for the year was lower than expected before the war, it practically managed to recover the pre-pandemic level of GDP in 2019, and the cumulative growth for 2021-2022 is similar to that of the main European Union countries.

This economic growth has translated into a good performance of **employment,** with a substantial increase in the number of the employed and a reduction in the number of the unemployed, in both cases with better data than before COVID-19. According to the Active Population Survey, the unemployment rate at the close of 2022 was 12.9%, which is the lowest year-end level since 2007. However, changes in recruitment patterns may be distorting the historical comparison downwards.

Public debt in Spain stood at 116% of GDP at the end of 2022, slightly below the historical highs of 118-120% reached in the previous two years. Although this percentage benefited from the strong GDP growth already indicated, public debt continued to increase in 2022, to €1.5 trillion (+5.4%) with a public deficit of 4.8% of GDP, which is lower than that of previous years, but still very high. As we indicated in the last Annual Reports, the pandemic has only aggravated the situation of weakness in our public accounts, which we believe will start to become apparent once rate hikes have ceased to be a theoretical threat and become a reality. As explained above, the new monetary environment will significantly increase the pressure on public finances, making it even more necessary to adopt the far-reaching reforms that we have been suggesting for several years in terms of labour market flexibility, sustainability of public pensions and improvement and modernisation of our education system. In the current environment of higher interest rates and high indebtedness, these reforms will have to be structural and cannot be undertaken solely by increasing the tax burden on companies and households, especially if economic activity starts to falter.

Stock markets, meanwhile, underperformed in 2022, with widespread declines as a result of geopolitical uncertainties, strong rises in inflation and energy costs in Europe, lower economic growth prospects and, for the first time in many years, restrictive monetary policies.

Within major global equity markets, the negative performance of North American indices should be highlighted, after reaching all-time highs during 2021: the S&P 500 (-19.4%) and the Nasdaq 100 (-33.1%) presented the deepest downturns due to their strong exposure to technology companies, which have been heavily affected in valuation by higher interest rates and doubts about their growth, while the Dow Jones presented more moderate declines (-8.8%). The performance was similar in many European markets, such as the French CAC 40 (-9.5%), German DAX (-12.3%), Dutch AEX (-13.7%), Swedish OMX (-15.6%) or Italian Mibtel (-13.3%), while only the UK FTSE 100 performed positively among the main markets on the continent, with a revaluation of 0.9% in the year after having one of the worst performance in 2021. The Ibex-35 also performed negatively, but much more moderately than the rest of the European indices (-5.6%), thanks in part to its large exposure to the financial sector, one of the sectors that, a priori, will benefit most from the normalisation of interest rates.

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

One of the most striking features of 2022 in the markets is that the downturns occurred simultaneously in both equities and bonds, and also had an impact on unlisted assets, such as the valuations of technology start-ups.

This poor market tone appeared to be outpaced in equity markets in the first quarter of 2023, with increases above 10% in major European indices – the Ibex-35 rose 12.2% – while in the US the S&P 500 rose by 7.0% and the Nasdaq 100 by 16.8%, in the latter case in reaction to the sharp fall of the previous year. However, the indices appear to have entered a sideways trend in recent weeks, driven primarily by variations and expectations regarding interest rates, but with strong sensitivity to issues arising in the regional banking sector in the United States and in certain European entities. These turbulences should serve, in our view, as a note to investors of the implications that changing monetary policy may have on the economy and markets.

Alba remains particularly cautious in the current environment since, in addition to the aforementioned factors, there is also the impact that an economic slowdown would have on business results, as well as a potential further correction in valuation multiples in an environment of higher interest rates and lower growth. In this regard, companies with higher valuation multiples and/or higher levels of indebtedness could be especially vulnerable, especially if they have a need to refinance part of their debt in an environment of higher rates in which, in addition, a restriction of credit and liquidity can occur.

As on previous occasions, we would like to emphasise that 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 investing in equity markets over the medium to long term ultimately lies in the performance and cash generation of companies and we believe that Alba could find good investment opportunities, even in the current environment, thanks to its long-term vision, flexibility and zero debt, especially compared to more debt-intensive alternatives.

If we now focus on the performance of **Alba** in 2022, the Net Asset Value (NAV) fell by 2.7% in the year to €5,289 million at the end of the year. NAV per share decreased by 4.3%, ending the year at €89.27 per share. The difference in the annual performance of NAV and NAV per share is explained by the capital increase at the end of the year as a result of the flexible dividend.

By contrast, in the first months of 2023, until 31 March, the NAV and NAV per share increased by 6.3%, up to €5,624 million and €94.93 per share, respectively.

Alba's share price fell by 16.2% in 2022 to €43.15 per share at year-end, with a worse performance than the Eurostoxx 600 (-12.9%) and the Ibex-35 (-5.6%).

In the first quarter of 2023, Alba's share price rose by 6.6% to €46.00 per share, compared to increases of 12.2% for the Ibex-35 and 7.8% for the Eurostoxx 600.

In terms of **Alba's results,** in 2022 it achieved a consolidated net profit after tax of €436.4 million, compared to a profit of €302.7 million in the previous year. This strong increase in earnings was mainly due to the positive performance of financial investments at fair value, as well as capital gains on various asset sales, which offset the slightly lower contribution of profits from our associated companies.

As a result, Alba posted a net profit of €7.37 per share for the year, compared to a net profit of €5.20 per share in 2021.

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 main investee companies in the 2022 financial year.

In 2022, the volume of **investments** amounted to €268.8 million, compared to €964.0 million in 2021, a record year in both the volume of funds invested and the number of investments made. The main investments made in 2022 were as follows:

- The purchase of a 3.26% stake in Technoprobe for €115.2 million. Technoprobe is an Italian company, world leader in the design and manufacture of probe cards, complex electro-mechanical interfaces used in the testing of microchips in the production of integrated circuits.

- The acquisition of an additional 3.55% stake in Befesa, for €57.5 million, to reach 8.66% at the end of the year.

- The purchase, through Deyá Capital, of various interests in Spanish unlisted companies such as Facundo, Satlink (reinvestment), Gesdocument and Preving for a total of €46.8 million.

- The increase in the stakes in CIE Automotive (0.62%), Viscofan (0.28%) and Ebro Foods (0.08%) for a total of €23.7 million.

- Other financial investments for a total amount of €25.6 million.

On the other hand, **divestments** were made in 2022 for a total amount of €168.0 million, among which the following stand out:

- The sale of the entire stake in Indra Sistemas (3.21%), for €62.3 million.

- The sale, through Deyá Capital, of the 28.07% stake in Satlink, for €48.5 million. The sale and purchase agreement included the reinvestment of €9.4 million, for an 7.20% stake, which is included within the investments made in the fiscal year.

- The sale of several real estate properties for €24.5 million.

- Other sales of corporate shares for €32.8 million, including the sale of a stake valued at €3.3 million in Facundo to bring in various co-investors.

As a result of these asset purchases and sales, Alba's net cash, excluding the impact of the full consolidation of Nuadi, Facundo and Gesdocument (companies held through Deyá Capital), was reduced from €182.5 million at the end of 2021 to €110.2 million at the end of 2022. This cash position, together with Alba's 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 beyond.

Among the transactions announced or completed after year-end and up to 31 March 2023, the sale of the entire stake in the private equity fund manager **Artá Capital** to the rest of its shareholders should be highlighted. In this way, Alba continues as a reference investor in the funds managed by Artá Capital, including a commitment to contribute €100.0 million in its third fund, but without being a shareholder of the fund manager.

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.

With regard to internal regulation and policies, in 2022, firstly, as a result of a strategic reflection that began in 2021, the Investment Policy was modified, with the changes mainly affecting the reinforcement of Alba's values and differentiating factors, its commitment to sustainability, geographical diversification, the type of investment in companies and the investment management models. On the other hand, in order to adapt the Board's Remuneration Policy to the new requirements established by the Capital Companies Act, after its amendment by Law 5/2021, it was agreed at the General Meeting to amend it and, along the same lines, changes were made to the Basic Conditions of contracts and the remuneration policy for Alba's executives.

In the organisational area, the process of internal management of insider information has been updated in accordance with the Market Abuse Regulation and Alba's Internal Code of Conduct and the designation of the persons responsible for potential insider information.

During the year, the Company's Risk Map was reviewed and some new risks were added to the monitoring carried out, and progress was made in the area of sustainability, with new commitments being established, both as a "responsible company" (transparency, environmental and social) and as a "responsible investor" (in the pre-investment, participation and divestment phases).

As regards gender diversity in the composition of the Board, following Recommendation 15 of the Code of Good Governance for Listed Companies and at the proposal of the Appointments and Remuneration Committee, in 2020 the Board set a target of 40% representation of the under-represented gender on the Board of Directors and the guidelines for meeting it, with this target having been achieved at the General Meeting held in June 2021 and the same percentage being maintained in 2022 and at the present time.

Also at the proposal of the Appointments and Remuneration Committee, during 2022 a new matrix of competencies has been approved that will be taken into account for the next selections of Board Members and in the evaluations of the Board.

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

In relation to the evaluation of the Board, in accordance with recommendation 36 of the Code of Good Governance for Listed Companies, the Board of Directors has counted for the evaluation of its performance during 2022 with the collaboration of an external consultant, who has issued a report.

Also in relation to the recommendations of the Code of Good Governance for Listed Companies, it should be noted that, in 2022, Alba complied almost in its entirety with them. Specifically, out of a total of 64 recommendations, 54 were applicable, 52 of which were fully complied with and only two partially.

It is also worth mentioning that 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.

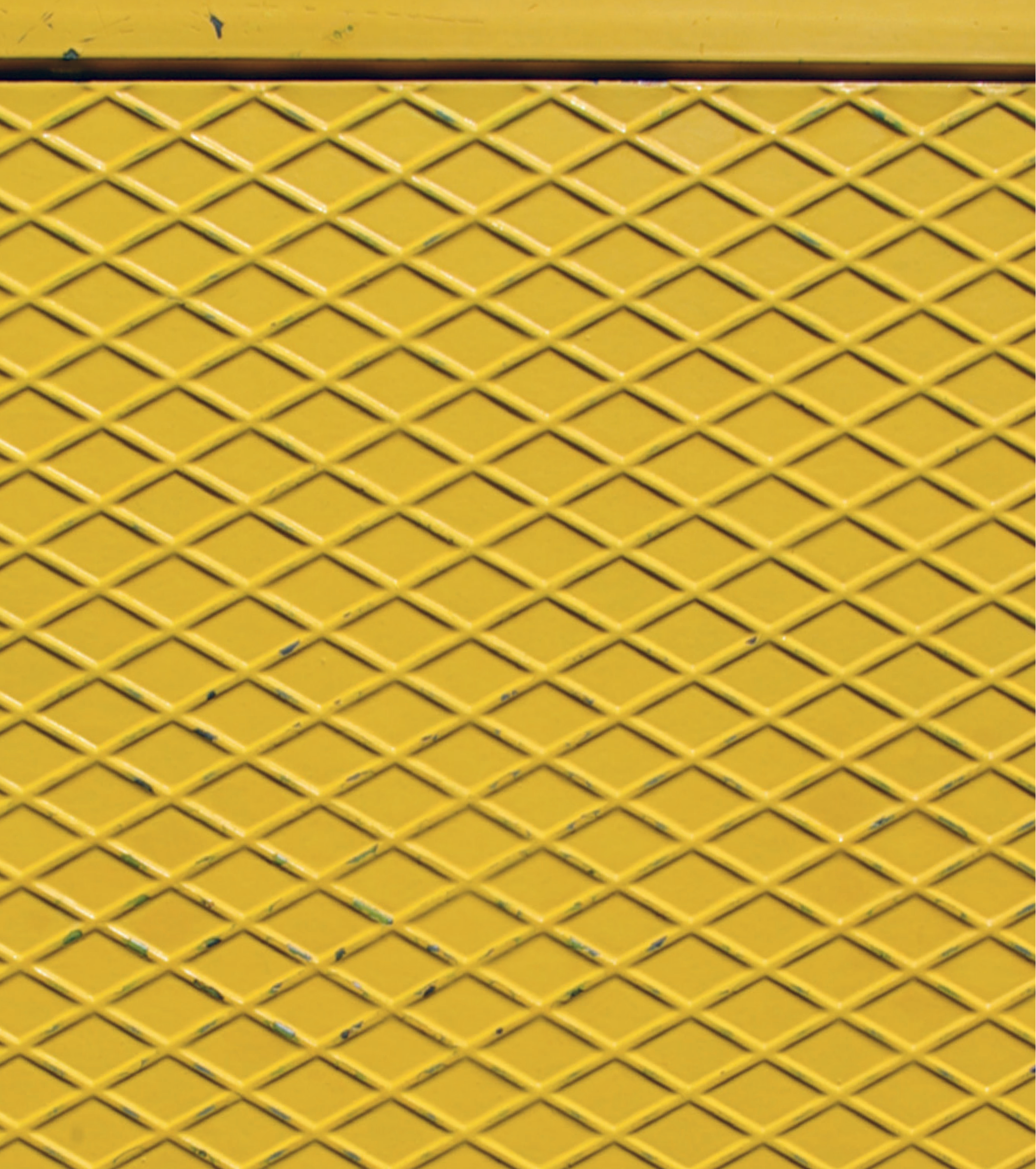
In relation to the **distribution of profits for the fiscal year,** at the end of 2022, a gross dividend of €0.993 per share was distributed, after approval of the Extraordinary General Shareholders' Meeting of Alba in the form of a flexible dividend or "scrip dividend". This dividend entailed a capital increase released for the delivery of 1,005,174 newly issued ordinary shares to shareholders who elected to receive such a dividend in shares. In total, in the financial year Alba distributed to its shareholders gross dividends equivalent to €1.493 per share, which translated into a disbursement of €41.0 million in cash and the delivery of the aforementioned shares of new issuance.

For 2023, the Board of Directors has proposed to the General Shareholders' Meeting a gross dividend of €0.98 per share, also in the form of a flexible dividend.

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

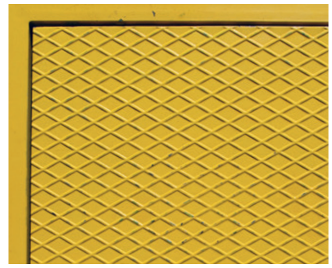


MOST SIGNIFICANT DATA

ECONOMIC – FINANCIAL

In millions of euros unless otherwise indicated	**2022**	2021	2020	2019
Share capital	59	58	58	58
Net equity	4,619	4,205	4,024	4,348
Shares outstanding (thousands)	59,245	58,240	58,240	58,240
Net income	436	303	(102)	179
Dividends[1]	87	58	58	58
Earnings per share in euros	7.37	5.20	(1.76)	3.08
Dividend per share in euros[1]	1.49	1.00	1.00	1.00

(1) Includes both cash dividends and share-based disbursements.



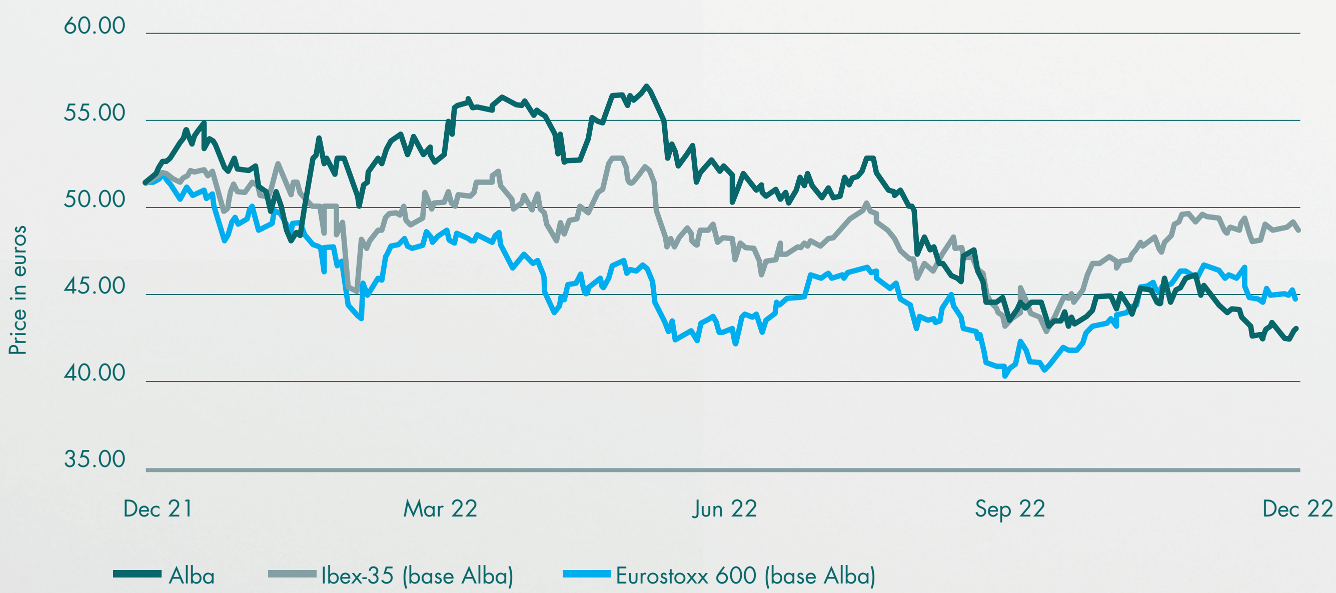
STOCK MARKETS

	2022	2021	2020	2019
Closing price in euros per share				
Maximum	57.00	51.50	48.55	49.75
Minimum	42.50	37.85	30.85	40.65
Last	43.15	51.50	38.95	48.55
Market capitalisation at 31/12 (millions of euros)	2,556	2,999	2,268	2,828
Volume traded				
Number of shares (thousands)	4,489	3,668	6,706	2,814
Millions of euros	225	167	244	129
Daily average (millions of euros)	0,9	0.7	0.9	0.5
Dividend yield (on last price)	3.5%	1.9%	2.6%	2.1%

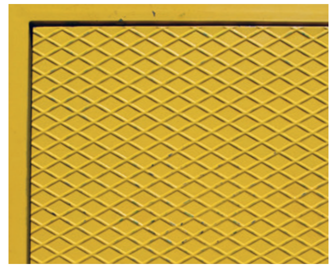
MOST SIGNIFICANT DATA

Alba's share price fell by 16.2% in 2022, a worse performance than that of the Ibex-35, which declined by 5.6%, and the Eurostoxx 600, which lost 12.9% over the year.

ALBA'S STOCK MARKET PERFORMANCE IN 2022 AGAINST IBEX-35 AND EUROSTOXX 50



Source: Bloomberg.



However, 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 lower than the performance of Eurostoxx 600. From December 2012 to the end of 2022, the price of Alba's shares rose by 22.2%, while during the same period the Eurostoxx 600 went up by 51.9% and the Ibex-35 marginally increased by 0.8%.

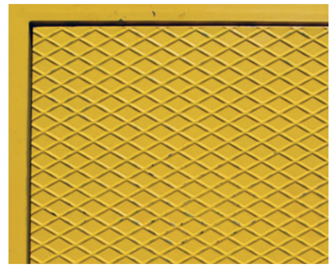
ALBA'S STOCK MARKET PERFORMANCE OVER THE LAST 10 YEARS COMPARED TO IBEX-35 AND EUROSTOXX 600

Source: Bloomberg.

MOST SIGNIFICANT DATA

NET ASSET VALUE

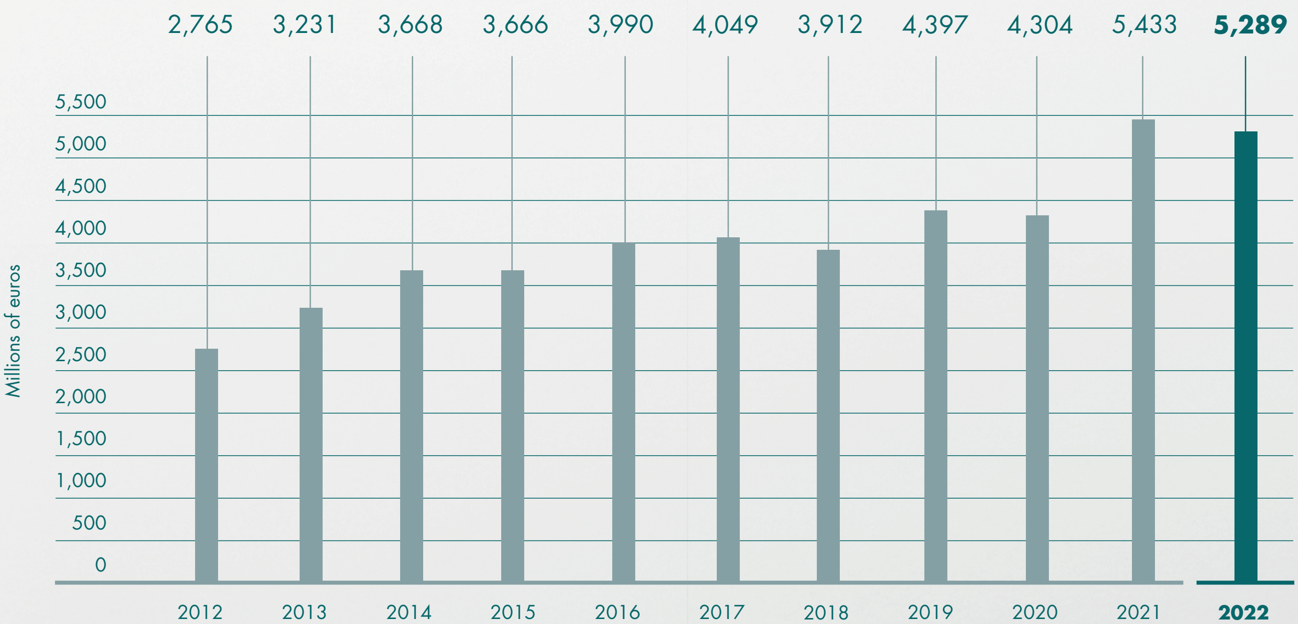
In millions of euros unless otherwise indicated	**2022**	2021	2020	2019
Data at 31/12				
Net Asset Value	5,289	5,433	4,304	4,397
Net Asset Value in euros per share	89.27	93.29	73.89	75.50



Considering the amounts at the end of each year, the Net Asset Value (NAV) decreased by 2.7% in 2022, making it the second highest in the last 10 years.

The following graph shows the evolution of NAV since the end of 2012, where it can be seen that, despite the slight drop experienced in 2022, Alba's NAV has experienced significant growth in the last 10 years:

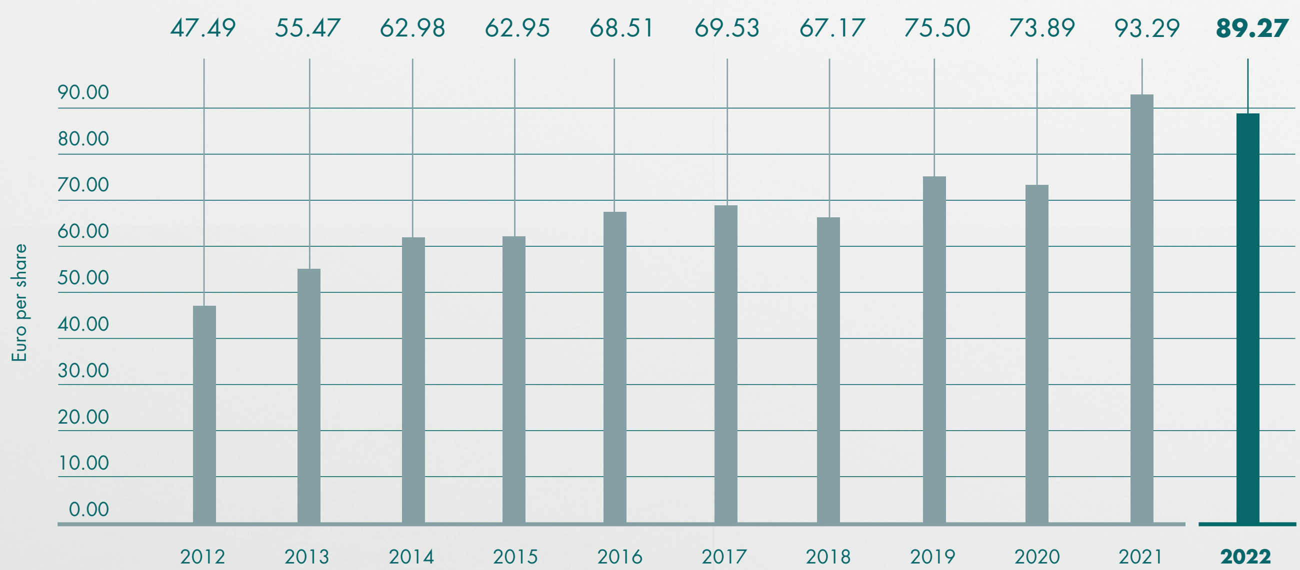
EVOLUTION OF THE NET ASSET VALUE BEFORE TAX (AT 31 DEC.)

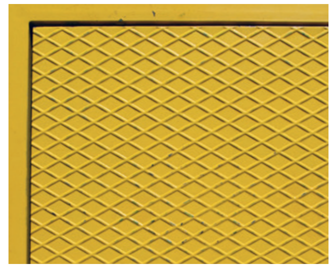


MOST SIGNIFICANT DATA

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:

EVOLUTION OF THE NET ASSET VALUE PER SHARE BEFORE TAX (AT 31 DEC.)





In the last 10 years, Alba's NAV per share increased by 88.0%, a much higher growth than that of the Eurostoxx 600 (+51.9%) and, especially significant compared to that of the Ibex-35 (+0.8%), both already mentioned. It should be noted that, in this period, Alba distributed dividends to its shareholders, both in cash and shares, totalling €10.49 gross per share. Taking these dividends into account, Alba's NAV per share would have increased by 110.1% over the past 10 years.

MOST SIGNIFICANT DATA

INVESTMENT PORTFOLIO

Structure of the main Investee Companies of Alba at 31 December 2022*:


Naturgy
5.44%


Verisure
6.23%


Acerinox
18.52%


Viscofan
14.25%


CIE Automotive
13.35%

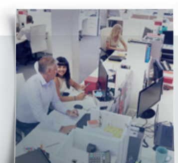

Ebro Foods
14.52%

CORPORACIÓN FINANCIERA ALBA

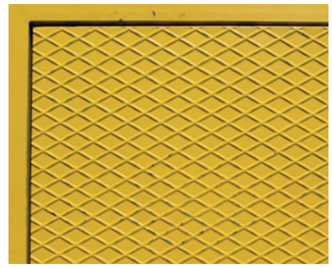
Through Deyá Capital IV:


Alvic
7.76%


Food Delivery Brands
3.13%


Gesdocument
46.79%

* Direct and indirect shareholdings in the operating Companies.



ERM

14.68%

Atlantic Aviation

9.47%

Parques Reunidos

24.98%

Befesa

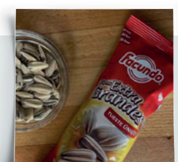
8.66%

Technoprobe

3.26%

Profand

23.71%



Grupo Facundo

31.92%

in-Store Media

18.89%

MonBake

3.70%

Nuadi

37.43%

Preving

21.41%

Topco Satlink

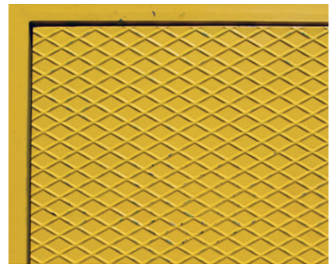
7.20%

MOST SIGNIFICANT DATA

Value of the portfolio at 31 December 2022:

	Market value on the Stock Exchange[1]		
Listed companies[2]	**Percentage of ownership**	**Millions of euros**	**Euros per share**
Naturgy	5.44	896.0	24.310
Acerinox	18.52	444.6	9.242
Viscofan	14.25	398.9	60.200
CIE Automotive	13.35	393.7	24.060
Ebro Foods	14.52	327.6	14.660
Befesa	8.66	156.0	45.060
Technoprobe	3.26	131.3	6.700
Others[3]		136.6	
Total stock market value		**2,884.8**	
Total book value		2,426.7	
Unrealised capital gain		**458.1**	
Unlisted companies[4]		**1,915.3**	
Real estate properties[4]		**335.0**	

(1) Prices at the last exchange rate in December.
(2) Shareholdings consolidated by the equity method, except for Befesa, Technoprobe and "Others", which includes financial stakes in listed companies, which are accounted for at fair value (among others, the stakes in Global Dominion).
(3) Includes Global Dominion, Inmobiliaria Colonial and Merlin Properties.
(4) 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 (%)			
	31-12-2022	**2022 Variation**	31-12-2021	31-12-2020
Listed companies				
Naturgy	5.44	-	5.44	5.44
Acerinox	18.52	0.74	17.78	19.35
Viscofan	14.25	0.28	13.97	13.03
CIE Automotive	13.35	0.62	12.73	12.73
Ebro Foods	14.52	0.08	14.44	14.00
Befesa	8.66	3.55	5.10	2.32
Technoprobe	3.26	3.26	-	-
Global Dominion	5.55	0.28	5.27	5.00
Indra	-	(3.21)	3.21	10.52
Euskaltel	-	-	-	11.00
Unlisted companies				
Verisure[1]	6.23	(0.01)	6.24	6.25
ERM	14.68	-	14.68	-
Atlantic Aviation	9.47	(2.81)	12.28	-
Parques Reunidos	24.98	-	24.98	24.98
Profand	23.71	-	23.71	-
Alvic[2]	7.76	-	7.76	7.76
Food Delivery Brands[2]	3.13	-	3.13	3.13
Gesdocument[2]	46.79	46.79	-	-
Grupo Facundo[2]	31.92	31.92	-	-
in-Store Media[2]	18.89	-	18.89	18.89
MonBake[2]	3.70	-	3.70	3.70
Nuadi[2]	37.43	-	37.43	37.43
Preving[2]	21.41	(3.40)	24.81	24.81
Topco Satlink[2]	7.20	(20.87)	28.07	28.07
Alvinesa[2]	-	-	-	16.83

(1) Shareholding, net of minority shareholders in Alba Investments, S.à r.l.
(2) Through Deyá Capital IV, a company managed by Artá Capital SGEIC, S.A.

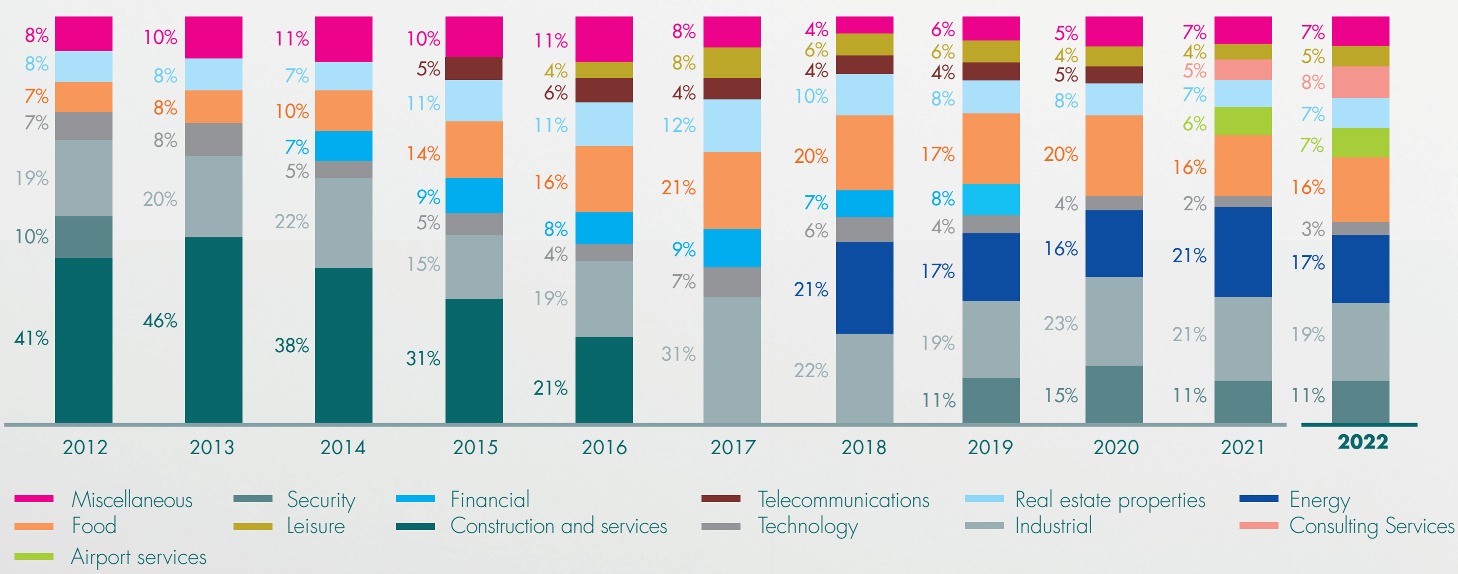
MOST SIGNIFICANT DATA

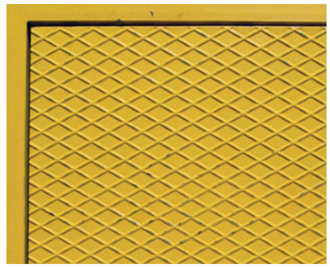
Apart from the already mentioned purchases and sales of shares, it should be noted that the increase in the stake in Acerinox and Global Dominion in 2022 was due to the amortisation of own shares carried out by these companies. On the other hand, the reductions in the stakes in Atlantic Aviation and Preving were due to the dilution following the mergers made by these companies with Ross Aviation and Cualtis, respectively.

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)

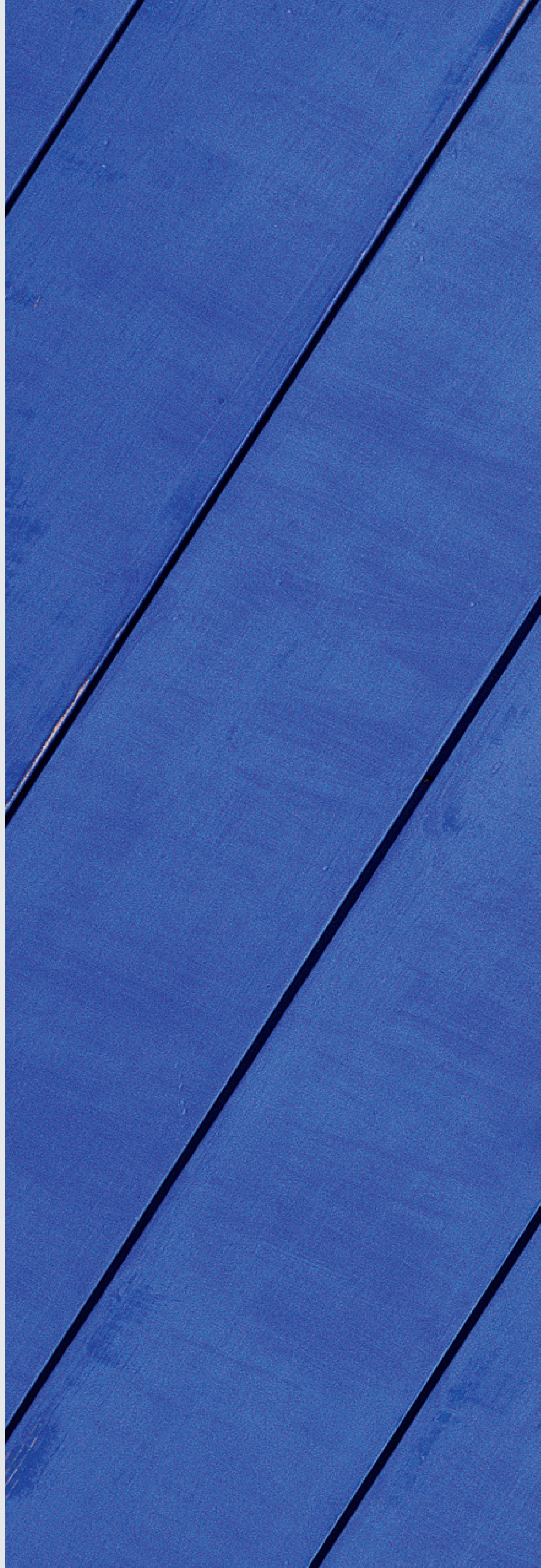




The composition of Alba's portfolio has changed substantially in recent years, significantly increasing its diversification by sector.

From 2012 to 2022, 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). 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. In the Technology sector, Indra was fully divested in 2022, but it invested in Technoprobe in the same year. 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).
- At 31 December 2022, the balance sheets of the investee companies of the private equity capital vehicles, Grupo Disfasa, S.L. ("Facundo"), Miralda Activos, S.L.U. ("Nuadi") and Gesdocument y Gestión, S.A. ("Gesdocument") are fully consolidated due to Alba's majority stake in the management company Artá Capital S.G.E.I.C., S.A.U. ("Artá").
- The consolidated profit and loss statement for 2022 includes the results for the first quarter of the Satlink, S.L. Group ("Satlink") and Marsala Activos, S.L.U. ("Preving"), the results as of July 1 of Facundo and Gesdocument and the results for the entire Nuadi fiscal year.

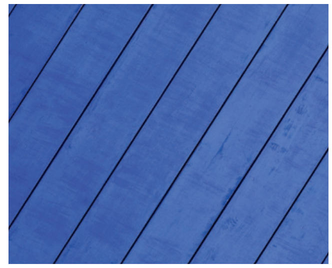
The final part of this report includes the Consolidated Financial Statements, audited by KPMG Auditores, S.L., with more detailed information.

CONSOLIDATED ECONOMIC AND FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEETS

ASSETS

In millions of euros	On 31 of December 2022	On 31 of December 2021	On 31 of December 2020
Real estate investments	317.5	334.8	287.1
Tangible fixed assets	22.5	31.5	29.7
Goodwill	75.3	79.6	78.6
Other intangible fixed assets	123.7	119.9	151.7
Investments in associate companies	2,651.7	2,453.3	2,844.9
Financial inv. at fair value with changes in P&L	1,364.2	973.3	171.0
Other financial assets	73.2	66.7	63.6
Non-current assets	**4,628.1**	**4,059.1**	**3,626.6**
Non-current assets held for sale	3.6	134.8	9.0
Cash and cash equivalents	572.3	709.5	676.0
Other current assets	119.1	104.7	104.6
Current assets	**695.0**	**949.0**	**789.6**
Total Assets	**5,323.1**	**5,008.1**	**4,416.2**



EQUITY AND LIABILITIES

In millions of euros	On 31 of December 2022	On 31 of December 2021	On 31 of December 2020
Share capital	59.2	58.2	58.2
Retained earnings and others	4,421.5	4,011.0	3,811.4
Interim dividend	-	(29.1)	(29.1)
Minority shareholders	138.4	164.5	183.0
Total net equity	**4,619.1**	**4,204.6**	**4,023.5**
Financial debt	161.7	247.2	202.2
Provisions and other debt	23.2	14.0	9.3
Other liabilities	55.6	61.9	69.7
Non-current liabilities	**240.5**	**323.1**	**281.2**
Financial debt	389.0	347.4	49.6
Other liabilities	74.5	133.0	61.9
Current liabilities	**463.5**	**480.4**	**111.5**
Total Net Equity and Liabilities	**5,323.1**	**5,008.1**	**4,416.2**

CONSOLIDATED ECONOMIC AND FINANCIAL INFORMATION

BALANCE SHEET

The changes in most of the items in Alba's consolidated accounts are largely due to the inclusion in the scope of consolidation of Facundo and Gesdocument, both fully consolidated like Nuadi, and the exclusion from the scope of consolidation of Satlink and Preving.

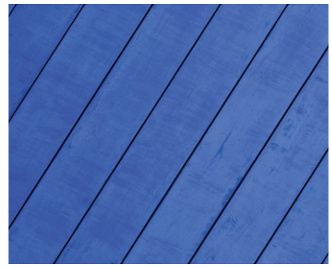
The *Real estate investments* account, which includes the properties intended for rent, decreased by €17 million in 2022 to €317 million, mainly due to the sale of a building in Madrid for €22 million. This sale generated a profit of €2 million. This decrease was partially reduced by a slight increase in the estimated fair value of the rest of the real estate asset portfolio, the purchase of various garage spaces and improvements made to the real estate properties 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 Profit and Loss Statement under *Changes in the fair value of real estate investments.*

Tangible fixed assets were reduced from €31 million to €22 million in 2022, mainly because the incorporation of Facundo and Gesdocument's tangible assets into the scope of consolidation do not offset the disposals of Preving and Satlink assets and the sales carried out by Nuadi in the year.

Variations in the *Goodwill* and *Other intangible fixed assets* headings are primarily due to changes in the consolidation scope already discussed above.

Investments in associate companies increased by €198 million in 2022. This increase is mainly explained by the results of the investees (€231 million), the variations in their consolidated net equity (€45 million) and the increases in participation in CIE Automotive, Ebro Foods and Viscofan (€24 million). Decreasing this account and, therefore, partially offsetting the aforementioned increases, are accrued dividends (€99 million) and impairment in the interest in Profand (€3 million).

Financial investments at fair value with changes in profit and loss increased from €973 million to €1,364 million in 2022, mainly due to the acquisitions of shares in Technoprobe (€115 million) and Befesa (€57 million), the increase in the fair value of financial investments (€164 million) and the classification in this heading of the shareholding in Preving after the loss of control mentioned above. In this regard, it should be remembered that, in 2022, this account included all the shareholdings in unlisted companies (except for those of Verisure, Parques Reunidos and Profand, which are included as *Investments in associate companies,* and those of Facundo, Nuadi and Gesdocument, which are fully consolidated)



and the shareholdings in other long-term listed companies (Befesa, Technoprobe, etc.).

Other financial assets increased by €6 million, largely thanks to the increase in the fair value of the put option held by the Group on its interest in Profand (€11 million). Likewise, third-party credit collections (- €9 million) and a net increase in other financial assets (€5 million) occurred.

The item *Non-current assets held for sale* was reduced by €131 million in 2022, due to the sale of the entire shareholdings in Indra and the Satlink Group, which were classified as held for sale in 2021. At 31 December 2022, all of the assets of Artá Capital, SGEIC, S.A.U. and Artá Partners, S.A. were classified in this section, which have been sold in March 2023.

The balance of *Cash and cash equivalents* decreased in 2022 from €709 million to €572 million, primarily due to the investments made. At 31 December 2022, Alba's net cash calculated as cash position minus short-term and long-term financial liabilities, excluding the full consolidation of Facundo, Nuadi and Gesdocument, was €110 million, compared with €181 million of net cash at the end of the previous financial year. Net cash including financial investments amounted to €216 million.

For its part, the heading *Other current assets* increased by €14 million mainly due to changes in the scope of consolidation.

Retained earnings and others increased by €410 million, due to the *Net income for the year* (€436 million) and positive changes in the reserves of the investee companies (€45 million). These increases were partially offset by the capital increase and dividend distribution carried out by Corporación Financiera Alba in the year.

During the 2022 financial year, no *interim dividends* were paid out of the net income for the year.

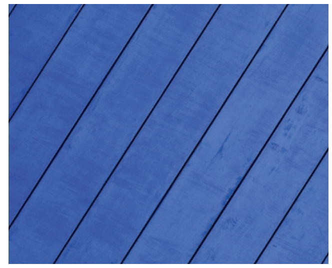
The Extraordinary General Shareholders' Meeting of Corporación Financiera Alba, S.A. held on 29 November 2022 approved a bonus share capital increase in the Company to implement a flexible dividend. On 15 December 2022, the trading period for the free-of-charge allocation rights ended, through which the company proceeded to purchase 12,001,907 free-of-charge allocation rights for an amount of €12 million; this option was accepted by 20.6% of the holders of these rights. The number of new common shares issued in the capital increase was 1,005,174. As a result of this capital increase, the share capital of Corporación Financiera Alba, S.A. at 31 December 2022 amounted to 59,245,174 shares with a par value of €1 each. In this respect, the new shares of the Company were admitted to trading on the Stock Exchange on 27 December 2022.

The item *Minority shareholders* was reduced from €164 to €138 million in the year as a result of the deconsolidation of Preving and Satlink (- €72 million), which was partially offset by the additions of Facundo and Gesdocument (€39 million) and the results generated in the year (€8 million).

As a result, *Net equity,* including *Minority shareholders,* increased by 9.9% in the year to €4,619 million.

Within the *Non-current liabilities,* the financial debt with a maturity of more than one year for €162 million stands out, which was reduced by €85 million during the year due to the short-term transfer of loans with maturity in 2023, and deferred tax liabilities for €56 million, which were reduced by €6 million mainly due to changes in the scope of consolidation.

Current liabilities, which include both bank loans with maturities of less than one year and other short-term debts (which include non-current liabilities held for sale), were reduced from €480 million at the end of 2021 to €463 million at the end of 2022 mainly due to the exit of Satlink's liabilities classified in 2021 as held for sale (€57 million) and the reduction of suppliers (€2 million). Partially offsetting the aforementioned decreases is the increase in debts with credit institutions, associated with the reclassification from the long term of debts due in 2023, the movements in the scope of consolidation and the credit amortisations carried out in the year (€42 million).



CONSOLIDATED PROFIT AND LOSS STATEMENT[1]

In millions of euros	**2022**	2021	2020
Share of profit of associated companies	231.4	245.0	(162.2)
Revenue and other income	166.9	235.9	185.9
Changes in the fair value of real estate investments	1.1	(0.8)	(2.8)
Financial income	21.5	17.6	25.5
Impairment of assets and change in fair value of financial instruments	173.4	66.1	17.6
Results from asset sales	47.5	1.0	24.1
Total	**641.8**	**564.8**	**88.1**
Procurement	(61.9)	(66.0)	(45.1)
Operating expenses	(110.3)	(138.0)	(112.5)
Financial expenses	(6.3)	(5.4)	(7.2)
Depreciation	(18.1)	(29.2)	(26.0)
Corporate income tax	(0.6)	(13.1)	(3.2)
Minority shareholders	(8.2)	(10.4)	3.5
Total	**(205.4)**	**(262.1)**	**(190.5)**
Net income	**436.4**	**302.7**	**(102.4)**
Net income per share (euros)	**7.37**	**5.20**	**(1.76)**

(1) This Profit and Loss Statement is presented grouped according to management criteria, which explains the differences between certain chapters and the data included in the Consolidated Annual Accounts.

CONSOLIDATED ECONOMIC AND FINANCIAL INFORMATION

PROFIT AND LOSS STATEMENT

Alba's *Net income* amounted to €436 million in 2022, 44.2% more than the previous year's result. The *Earnings per share* increased from €5.20 in 2021 to €7.37 in 2022.

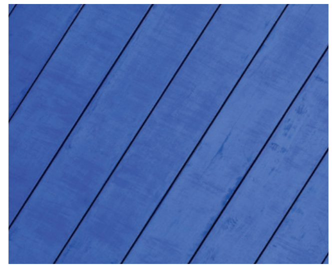
Income under *Share of profit of associated companies* decreased by 5.5% from €245 million in the previous year to €231 million in 2022. This decrease is mainly due to the lower results contributed by Ebro Foods, Parques Reunidos and Verisure and the non-incorporation of the results of the stake in Indra. This effect was partially offset by the greater contribution to the result of the shares in Naturgy and CIE Automotive and the incorporation, for the first time, of Profand's results.

Revenue and other income decreased by €69 million to €167 million in the year, mainly due to changes in the scope of consolidation of fully consolidated shareholdings. In 2022, only three months of Satlink and Preving sales were included (in 2021, all sales for the year were included), partially offset by the inclusion of sales from 1 July 2022 of Facundo and Gesdocument. This item also includes income from Alba's real estate investments, which increased by 6.6% to €13 million, due to the higher occupancy level of the real estate properties and the increase in average rent, partially offset by the reduction in rentable space during the year, as a result of the aforementioned property sales. Thus, at the end of 2022, the total leasable area amounted to approximately 42,420 square metres, with an occupancy level of 88.4%, compared with 77.9% at the end of 2021.

According to the assessment made by an independent expert, the estimated value of the real estate assets increased by €1 million in 2022, with this amount being recorded under the item of *Changes in the fair value of real estate investments.* At 31 December 2022, the fair value of the real estate investment was €317 million.

Financial income was €21 million in 2022 compared to €18 million the previous financial year, due to higher interest and dividends received.

The heading *Impairment of assets and changes in the fair value of financial instruments* showed a positive result of €173 million in the year, due to the increase in the valuation of *Financial investments at fair value with changes in profit and loss* (+€181 million) and other financial assets included in *Other non-current assets* (+€11 million), which were minimally offset by impairments made on Profand's shareholding (- €3 million) and the decrease in fair value of *Other current assets* (- €15 million).



The *Results from asset sales* includes income of €47 million in 2022 due to the capital gains obtained in the fiscal year in the sales of Satlink (€36 million), from the entire shareholding in Indra (€5 million), from a building in Madrid (€2 million) and from the sales of Nuadi fixed assets (€5 million). The previous year this item included the capital gains obtained from the sales of the shares in Euskaltel and Alvinesa, and the losses suffered in the partial divestitures in Indra and Acerinox.

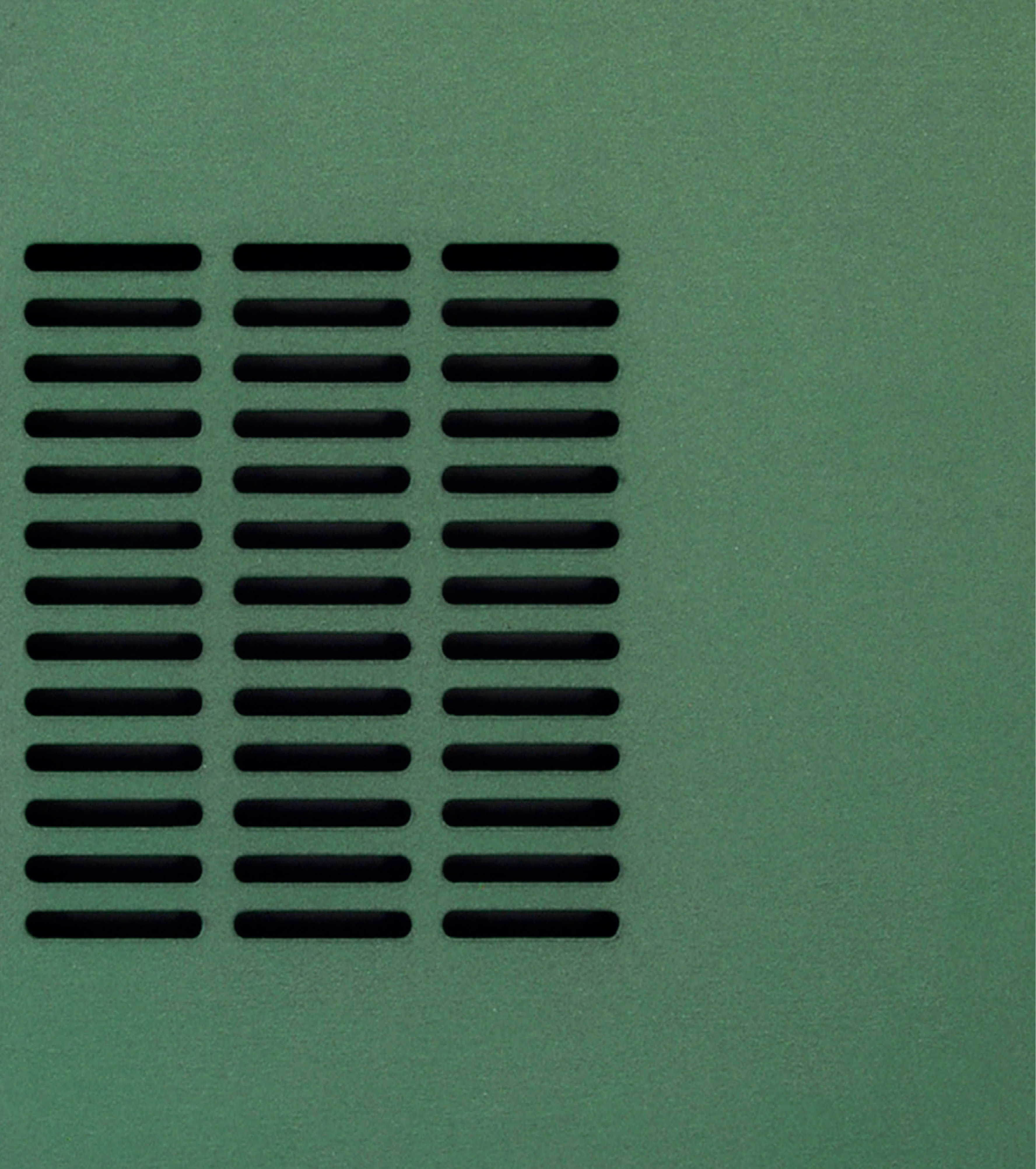
Provisions and *Operating Expenses* were reduced in 2022, to €62 million and €110 million, respectively, which is 6.2% and 20.1% less than in the previous year due to changes in the scope of consolidation mentioned in the heading *Revenue and other income.*

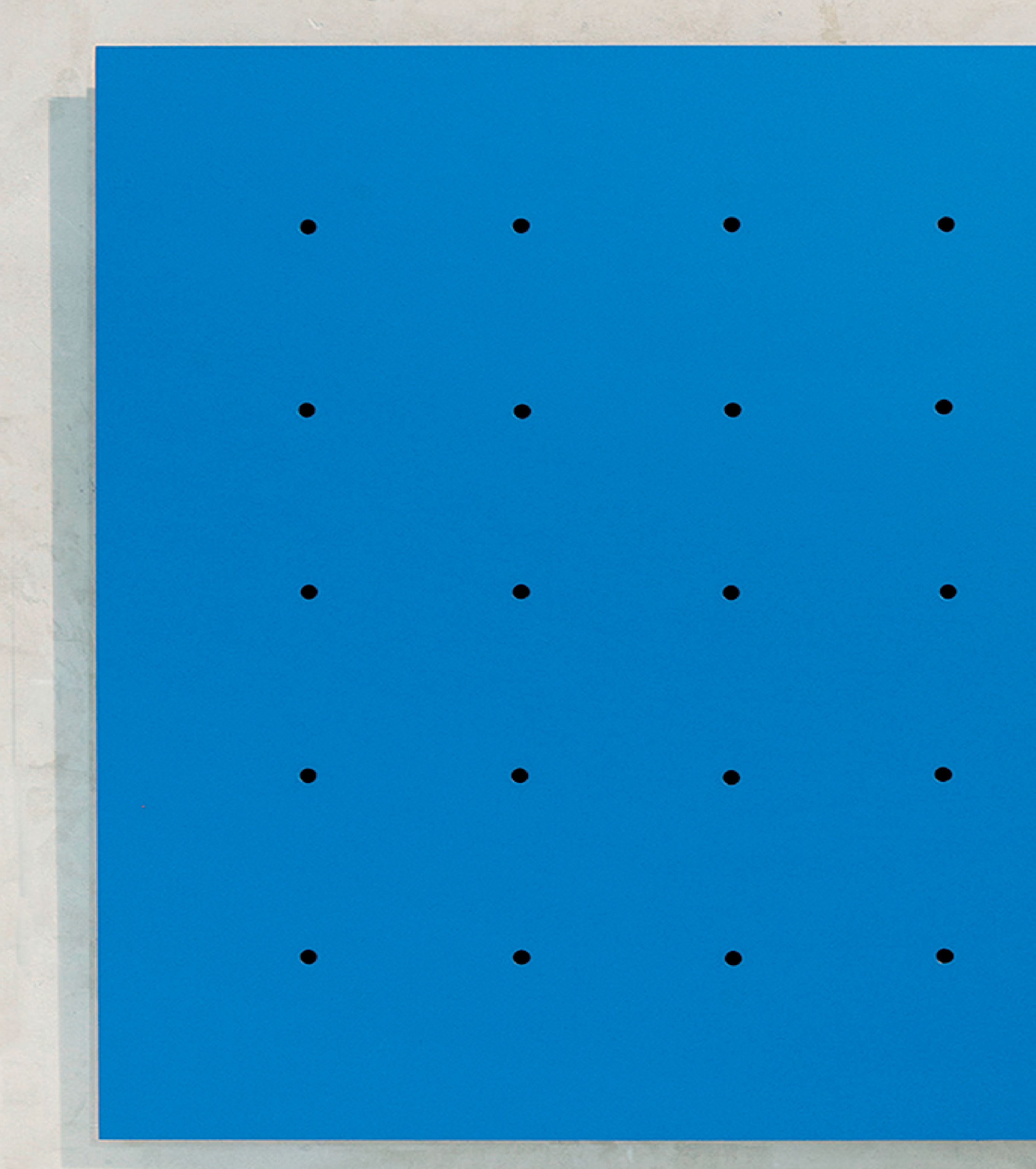
Financial expenses increased by €1 million in the year, to €6 million, due to the increase in interest rates in the second part of the year.

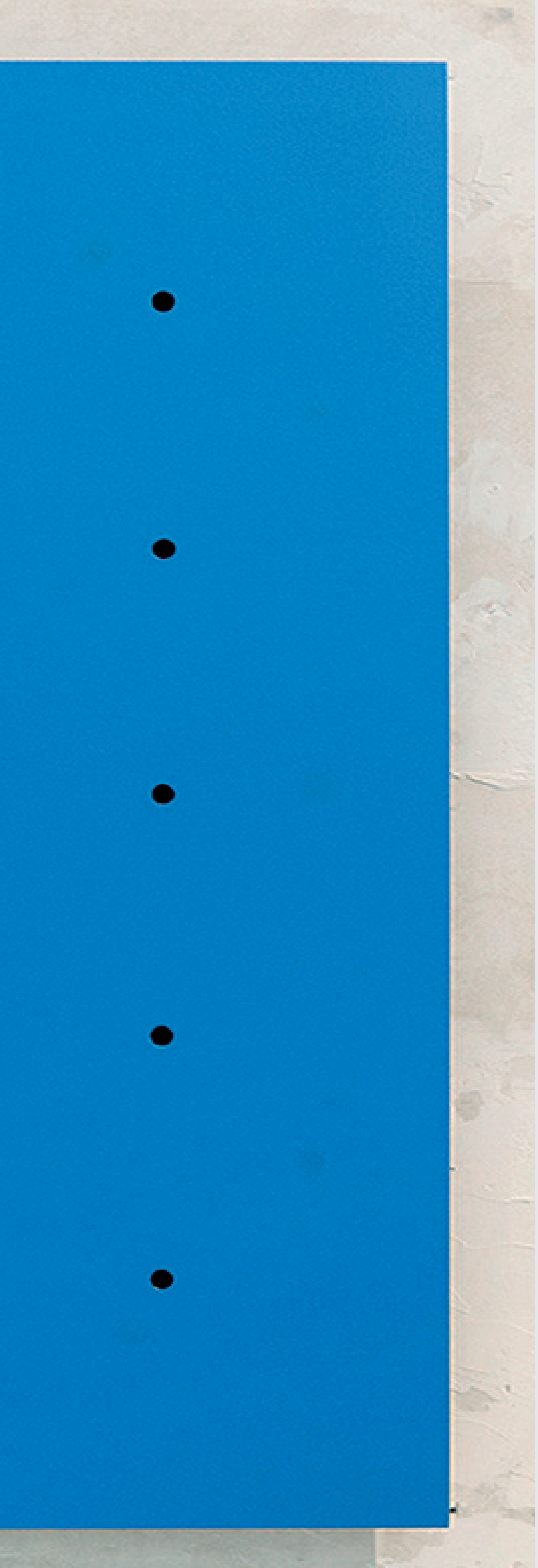
Changes in the scope of consolidation of our fully consolidated investee companies explain the change in the item *Minority shareholders* in the consolidated profit and loss statement for the year.

Corporate income tax amounted to €1 million in 2022, compared to €13 million in 2021.

INFORMATION ON INVESTEE COMPANIES







LISTED COMPANIES

INFORMATION ON LISTED COMPANIES

NATURGY

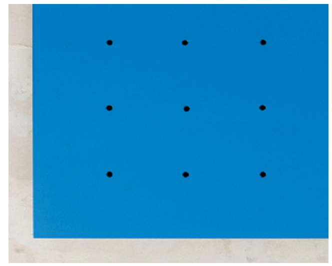
www.naturgy.com

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 10 February 2022, Naturgy announced the *Geminis Project* to spin-off the Company into two large, listed groups with clearly differentiated business profiles: *MarketsCo,* which in principle 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,* which will consist of businesses dedicated to the management of regulated energy distribution and transportation infrastructures. At year-end 2022, the project has been postponed, with no visibility on its execution schedule, due to



the current market environment and its volatility, the evolution of the European energy context and regulatory uncertainties.

COMMENT ON THE COMPANY'S ACTIVITIES IN 2022

The results in 2022 were marked by the good performance of liberalised activities supported by the global energy scenario and high raw material prices.

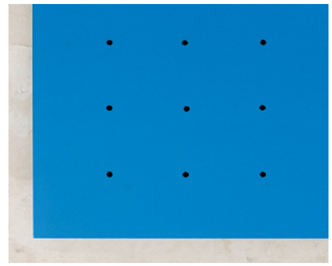
INFORMATION ON LISTED COMPANIES

MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2022**	2021	2020
Net sales	33,965	22,140	15,345
EBITDA	4,954	3,529	3,449
EBIT	3,083	2,101	466
Net income/(loss)	1,649	1,214	(347)
Total assets	40,390	38,249	39,545
Net financial debt	12,070	12,831	13,612
Net equity	9,979	8,873	11,265
Employees (31-Dec.)	7,112	7,366	9,335
Share price (closing 31-Dec.) (in euros per share)	24.31	28.63	18.96
Market capitalisation (closing 31-Dec.)	23,571	27,760	18,384
Gross dividend yield (on last price)	4.9%	4.6%	7.2%

Net sales reached €33,965 million in 2022, up 53.4% from the previous year, mainly as a consequence of the higher energy prices in the period.

Consolidated EBITDA reached €4,954 million, 40.4% more than in 2021, supported by the good performance of the liberalised businesses, with the Energy Management and Commercialisation businesses being those that contributed the most to the growth of the year, with Renewables and New Businesses affected by the low hydro production in Spain.



SALES BY GEOGRAPHIC AREA

- Spain **53.0%**
- Latin America **22.3%**
- Rest of Europe **14.5%**
- Other **10.2%**

ORDINARY EBITDA BY DIVISION

- Management of Energy and Networks **82.0%**
- Commercialisation **10.8%**
- Renewables and New Businesses **7.2%**

Note: breakdown of ordinary EBITDA before structural costs, consolidation adjustments and others.

Naturgy obtained a net income of €1,649 million in 2022, compared to €1,214 million the previous year, despite the negative impact of the conviction of Metrogas (a Chilean company in which Naturgy holds a 55.6% stake) brought by Transportadora de Gas del Norte, the tightening of financing conditions, particularly in Latin America, as a result of a substantial increase in interest rates, as well as higher taxes in the period.

The Company's net financial debt decreased in 2022 to €12,070 million, a ratio of 2.4 times EBITDA, compared to 3.6 times as at 31 December 2021, supported by higher cash generation and despite higher investments.

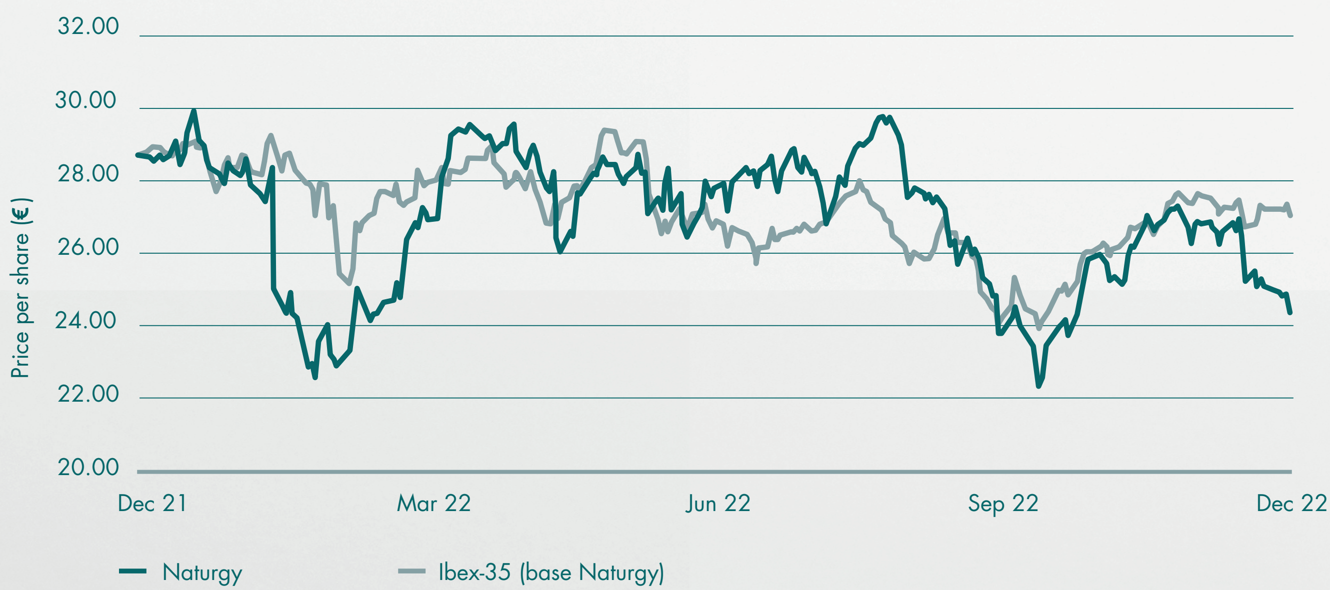
INFORMATION ON LISTED COMPANIES

ALBA SHAREHOLDING

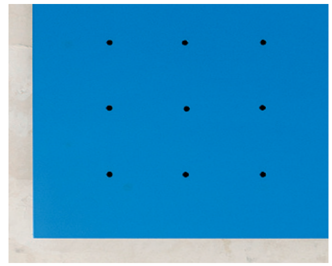
Alba is one of the Company's main shareholders, with a total direct and indirect stake of 5.44% of its share capital at 31 December 2022.

STOCK MARKET PERFORMANCE OF NATURGY IN 2022

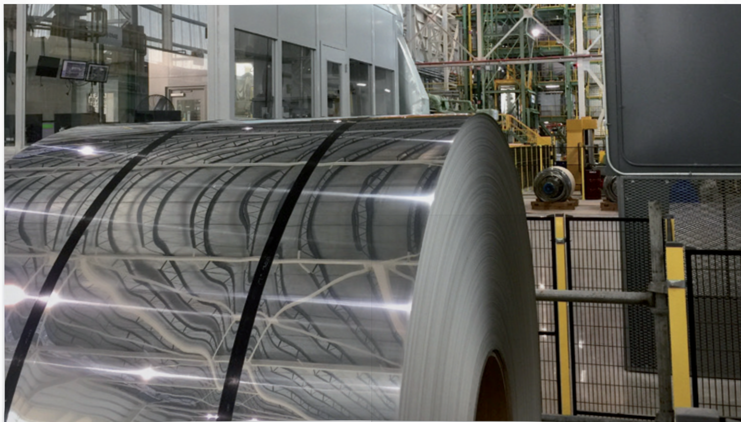
In 2022, the Company's share price fell by 15.1% to €24.31 per share, in a year in which the Ibex-35 fell by 5.6%. At 31 December 2022, the market capitalisation of Naturgy was €23,571 million.



Source: Bloomberg.



ACERINOX



www.acerinox.es

DESCRIPTION OF THE COMPANY

Acerinox is one of the world's leading stainless steel manufacturing companies, and a global leader in the production of special alloys through VDM Metals ("VDM").

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

INFORMATION ON LISTED COMPANIES

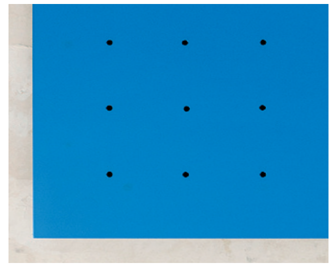
COMMENT ON THE COMPANY'S ACTIVITIES IN 2022

Acerinox achieved the best results in its history in 2022, despite complex market conditions and geopolitical uncertainty, especially in Europe.

MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2022**	2021	2020
Sales	8,688	6,706	4,668
EBITDA	1,276	989	384
EBIT	876	810	163
Net income	556	572	49
Total assets	6,318	5,984	4,733
Net financial debt	440	578	772
Net equity	2,548	2,215	1,615
Employees (31-Dec.)	8,201	8,206	8,195
Share price (closing 31-Dec.) (in euros per share)	9.24	11.39	9.03
Market capitalisation (closing 31-Dec.)	2,400	3,080	2,444
Gross dividend yield (on last price)	5.4%	4.4%	5.5%

Note: VDM results are consolidated as of 1 March 2020.



Acerinox sales increased by 29.6% in 2022 to €8,688 million, thanks to growth in its two divisions. By activity, Stainless Steel sales grew by 25.9% compared to the previous year, reaching €7,426 million, supported by the increase in sales prices. Sales in the Special Alloys segment increased 56.6% year-over-year, primarily due to a very positive demand evolution in the oil and gas sector.

SALES BY GEOGRAPHIC AREA

- America **50.1%**
- Rest of Europe **29.8%**
- Asia **7.8%**
- Spain **7.2%**
- Africa **4.9%**
- Oceania **0.2%**

SALES BY BUSINESS

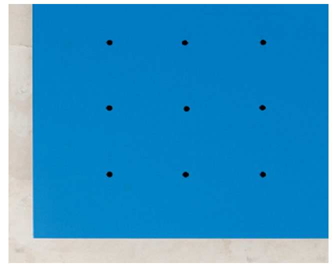
- Stainless Steel **85.5%**
- Special Alloys **14.5%**

INFORMATION ON LISTED COMPANIES

EBITDA increased by 29.0% in 2022 to €1,276 million, with a margin over sales of 14.7%, in line with 2021. Contributing to these results were, on the one hand, solid demand and good management of raw material purchases and, on the other, cost control and efficiency improvements, which more than offset the strong increase in operating expenses, including significant increases in energy costs, especially in Europe.

In 2022, the Company reported a net result of €556 million, slightly lower than the previous year's result due largely to the impairment of Bahru Stainless amounting to €204 million.

At 31 December 2022, Acerinox had an equity of €2,548 million and net indebtedness of €440 million (0.3 times EBITDA), compared to a net debt of €578 million the previous year.

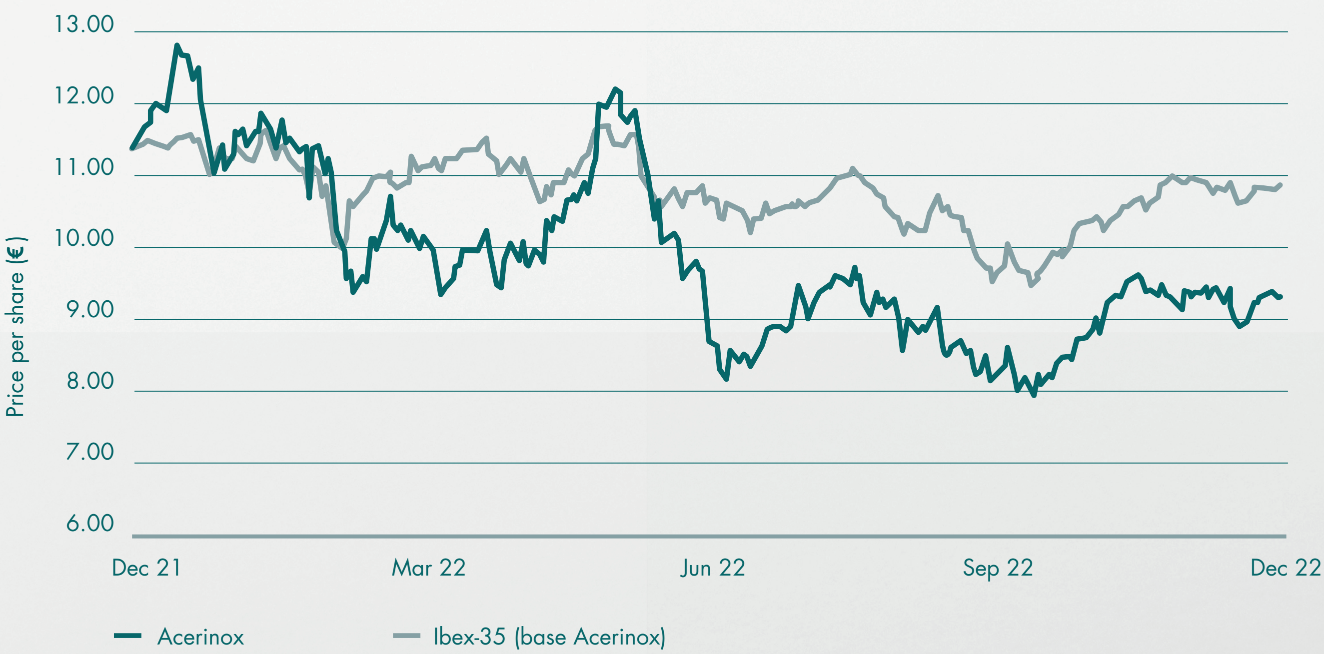


ALBA SHAREHOLDING

At 31 December 2022, Alba was the leading shareholder in Acerinox, with a stake in its share capital of 18.52%. During the year, the shareholding was slightly increased by 0.74% as a result of the amortisation of own shares carried out by the Company.

STOCK MARKET PERFORMANCE OF ACERINOX IN 2022

Acerinox's share price ended 2022 at €9.24 per share, representing a drop of 18.8% in the year, in which the Ibex-35 decreased by 5.6%. Its market capitalisation amounted to €2,400 million at the end of the year.



Source: Bloomberg.

INFORMATION ON LISTED COMPANIES

VISCOFAN

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.

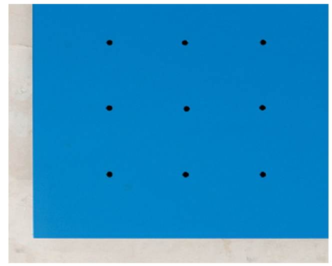
The Company's revenue is broadly diversified, with clients in 106 countries worldwide and an estimated 22% share of the total casing market.

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

COMMENT ON THE COMPANY'S ACTIVITIES IN 2022

2022 saw the start of the "Beyond25" strategic plan in which Viscofan anticipates an acceleration of the group's revenue growth through a differentiated strategy to capture growth opportunities in the Traditional Business and drive the New Business division.

During this first year of the plan, Viscofan made a major investment effort. On the one hand, it increased capacity in collagen casings with the installation of new lines in Spain, Serbia, China and Germany, to replace 5-7% of the



animal casing market in 2025. On the other hand, to improve the profitability of the US operations, the first cellulose casing lines under a new technology were commissioned at the Danville plant. Finally, to boost the development of New Business, a focal point has been the installation and start-up of a collagen hydrolysates plant in Germany, which has led to a significant increase in production capacity.

MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2022**	2021	2020
Sales	1,201	969	912
EBITDA	267	247	234
EBIT	189	174	163
Net income	139	133	123
Total assets	1,345	1,169	1,040
Net financial debt	142	38	82
Net equity	907	823	736
Employees (31-Dec.)	5,510	5,182	5,128
Share price (closing 31-Dec.) (in euros per share)	60.20	56.90	58.05
Market capitalisation (closing 31-Dec.)	2,799	2,646	2,699
Gross dividend yield (on last price)	3.0%	3.0%	4.1%

INFORMATION ON LISTED COMPANIES

Viscofan's sales grew by 23.9% in 2022 to €1,201 million, thanks to higher volumes in all casing technologies, an improved price mix, higher cogeneration sales and a positive contribution from the evolution of the main currencies against the euro. Excluding the impact of currency fluctuations, sales would have increased by 16.2% compared to 2021.

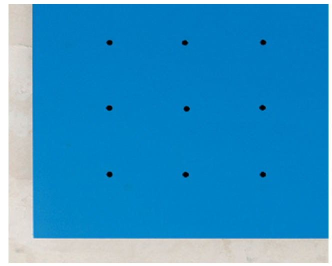
By activity, Traditional Business division sales grew 19.2% year-on-year to €963 million, due to the aforementioned factors. Revenue from the New Business division increased 23.4% from 2021 to €144 million and, finally, revenue from the Other Revenue from Energy segment increased 111.9% from the previous year to €93 million, due to the increase in electricity prices in the Spanish market.

SALES BY ACTIVITY

- Traditional Business **80.2%**
- New Business **12.0%**
- Other Revenue from Energy **7.8%**

SALES BY GEOGRAPHIC AREA

- EMEA **42.2%**
- North America **30.8%**
- APAC **14.1%**
- South America **12.9%**



For its part, EBITDA rose by 8.3% in 2022, to €267 million, with a margin over sales of 22.2% (compared to 25.4% in 2021). Revenue growth, commercial discipline, operating leverage and production efficiencies achieved offset the sharp increase in consumption expenses (+37.5% due to production cost inflation) and in other operating expenses (+33.1% vs. 2021, with significant rises in energy supply and transport expenses). Excluding the impact of currency fluctuations, EBITDA would have declined by 4.4% compared to 2021.

Net income increased to €139 million, which is 4.8% higher than in 2021, despite a slight reduction in the effective tax rate.

Net bank debt, excluding IFRS 16 and other net financial liabilities, increased to €101 million in December 2022, compared to €2 million at the end of the previous year, reflecting the strong investment pace in the year with a notable increase in capacity and the increase in working capital (increase in security stock in a context of shortages and inflationary environment). The reported net financial debt, including IFRS 16, was €142 million at the end of the period.

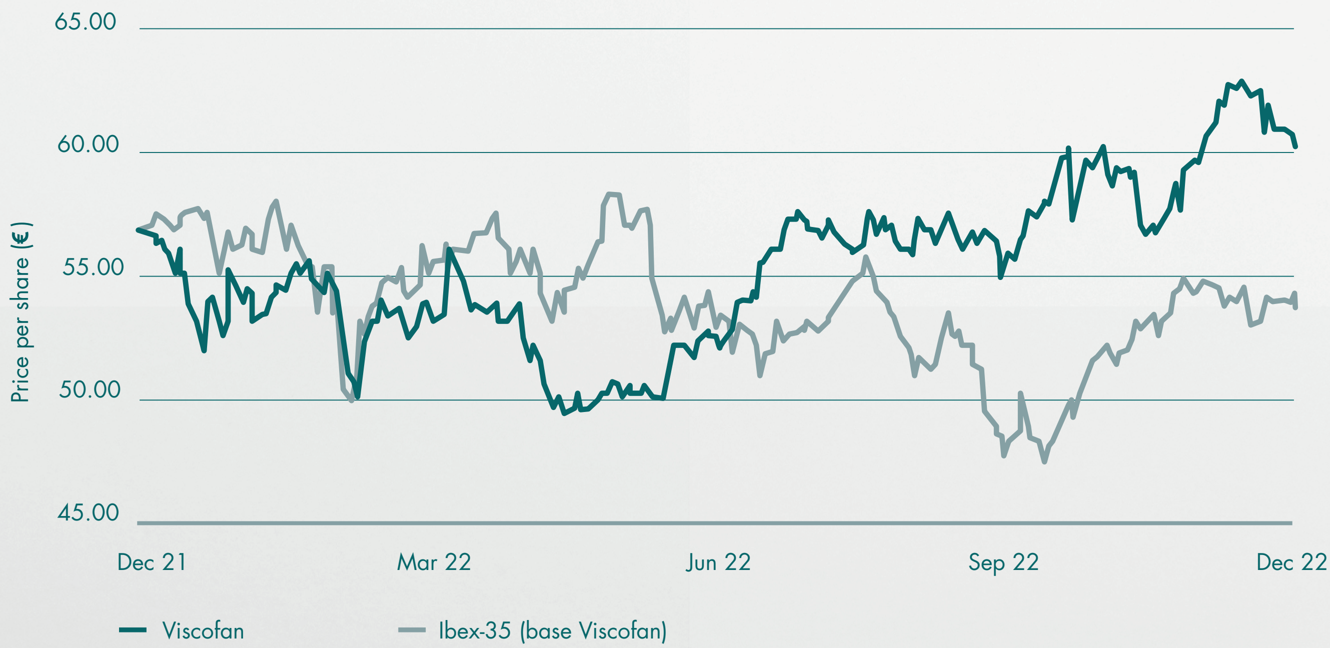
INFORMATION ON LISTED COMPANIES

ALBA SHAREHOLDING

During the year, Alba increased its shareholding in the share capital of Viscofan by an additional 0.28%, reaching a stake of 14.25% at 31 December 2022, and remaining as the top shareholder of the Company.

STOCK MARKET PERFORMANCE OF VISCOFAN IN 2022

Viscofan's share price rose by 5.8% in 2022 to €60.20 per share, giving it a market capitalisation of €2,799 million at the end of the year.



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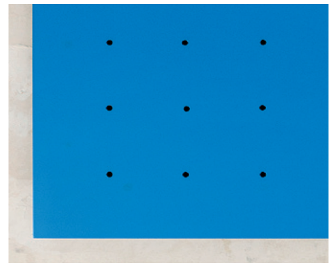


CIE AUTOMOTIVE

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 113 production centres and 10 R&D centres in 16 countries in the Americas (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 2022

In 2022, CIE Automotive faced a very difficult market environment, as the Russian invasion of Ukraine had a relevant impact

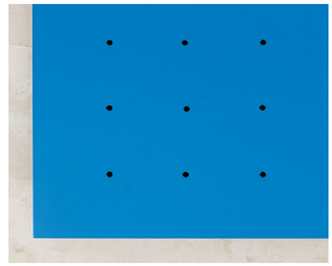
INFORMATION ON LISTED COMPANIES

on an automotive sector already undermined by the health and macroeconomic situation. On the supply side, persistent industry problems were exacerbated: shortages and rising supplies needed (i.e. semiconductors), rising energy prices and rising labour costs. On the demand side, automobile purchases were affected by economic uncertainty, high inflation and rising interest rates. Due to the above, the global automotive industry has not yet recovered its pre-pandemic production levels, closing the year with the production of 82 million vehicles (+6.7% vs. 2021, but -7.4% vs. 2019).

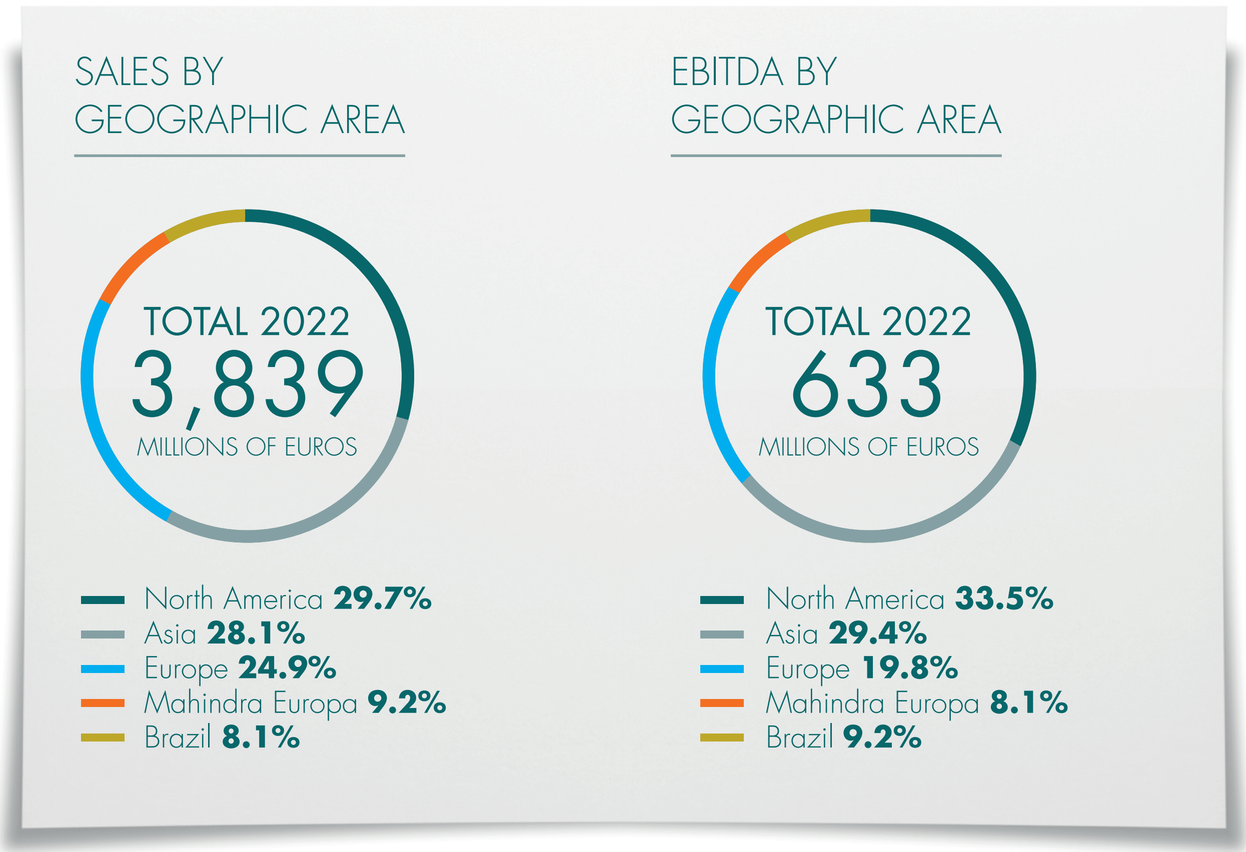
MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2022**	2021	2020
Sales	3,839	3,093	2,882
EBITDA	633	565	431
EBIT	447	402	283
Net income	300	268	185
Total assets	5,643	5,398	4,984
Net financial debt	1,290	1,395	1,595
Net equity	1,505	1,368	995
Employees (31-Dec.)	24,986	24,472	25,197
Share price (closing 31-Dec.) (in euros per share)	24.06	27.36	22.06
Market capitalisation (closing 31-Dec.)	2,949	3,353	2,703
Gross dividend yield (on last price)	3.0%	1.8%	3.4%

Note: 2021 results have been restated to reflect the reclassification of all forging business companies in Germany as held for sale.

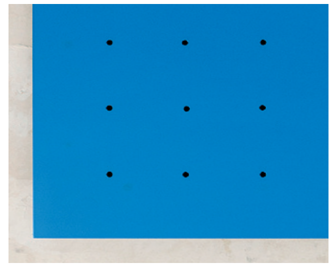


Despite a difficult year for the automotive sector, CIE Automotive posted growth well above the market in all the regions in which it operates, with the sole exception of China. The Company's sales increased by 24.1% in 2022, to €3,839 million, driven by market share increases and sales price increases due to the impact of higher operating costs. Eliminating the effect of exchange rate variations, sales would have increased by 16.4% compared to the previous year.



EBITDA and EBIT increased by 12.1% and 11.1% respectively to €633 million and €447 million, a margin of 16.5% and 11.6%, slightly lower than in 2021 due to the strong increase in operating costs mentioned above. Net income increased by 12.2% year-on-year to €300 million.

The Company's net financial debt was reduced by €105 million, to €1,290 million, due to the high level of cash generation during the year, reaching an operating cash generation greater than 66.1% of EBITDA. Consequently, the net debt to EBITDA ratio decreased to 2.0 times at the end of 2022.

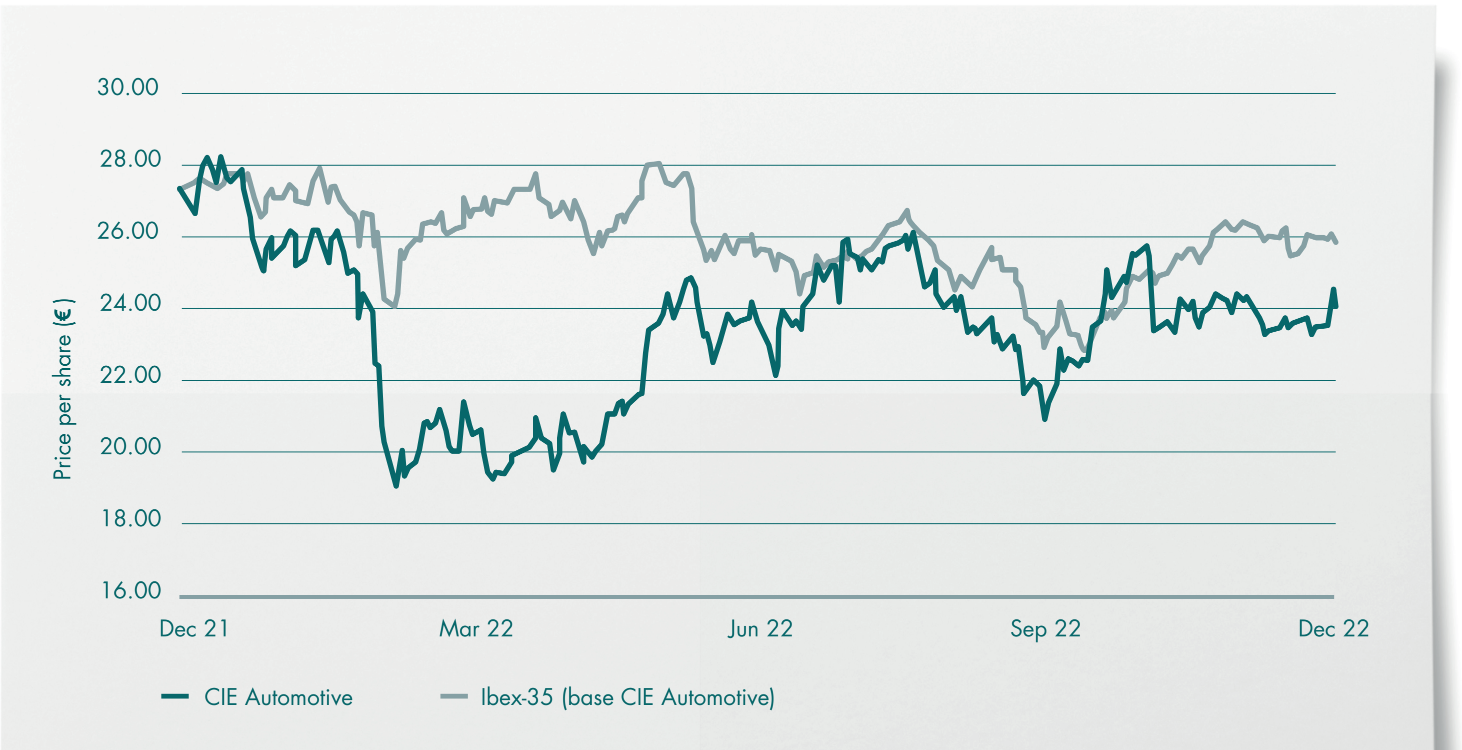


ALBA SHAREHOLDING

During the year, Alba increased its stake in the share capital of CIE Automotive by a further 0.62%, bringing its stake to 13.35% at 31 December 2022 and maintaining its position as the Company's second largest shareholder.

STOCK MARKET PERFORMANCE OF CIE AUTOMOTIVE IN 2022

During 2022, CIE Automotive's share price fell 12.1% to €24.06 per share, a lower performance than the Ibex-35, which fell 5.6%. As of 31 December, CIE Automotive's market capitalisation was €2,949 million.



Source: Bloomberg.

INFORMATION ON LISTED COMPANIES

EBRO FOODS

www.ebrofoods.es

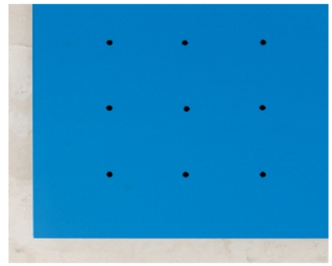
DESCRIPTION OF THE COMPANY

Ebro Foods is the leading Spanish multinational food company, a world leader in the rice sector and with a significant presence in fresh pasta and, to a lesser extent, in premium dry pasta globally. It has an extensive network of subsidiaries and brands, has a commercial or industrial presence in more than 70 countries in Europe, North America, Asia and Africa.

The main markets of Ebro Foods, as of December 2022, were the US, France and the UK, while Spain represented 7.7% of sales.

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 2022 Ebro Foods closed the purchase of the assets comprising the InHarvest business (a US company with a significant presence in rice, quinoa and grain premium specialities) for €45 million and the sale of Roland Monterrat (a French company engaged in the production of sandwiches) for €22 million.



COMMENT ON THE COMPANY'S ACTIVITIES IN 2022

Despite the complicated market environment as a result, among others, of the conflict in Ukraine, cost inflation (raw materials, transportation, energy, personnel cost, etc.) and the transport strike suffered in Spain, Ebro Foods sales increased by 22.3% to €2,968 million. This positive performance was due to i) increases in average selling prices to partly offset cost inflation, ii) higher volumes sold, iii) the positive contribution of exchange rate fluctuations and, iv) to a lesser extent, the inclusion of InHarvest in the scope of consolidation since April 2022.

Likewise, EBITDA and EBIT increased by 10.9% and 12.7%, respectively, to €335 million and €234 million, representing margins of 11.3% and 7.9%, slightly lower than in 2021 due to the sharp increase in operating costs mentioned above. However, the net income at comparable perimeter (excluding the contribution of the divested dry pasta businesses) decreases by 6.6%, affected by the losses generated in the sale of Roland Monterrat.

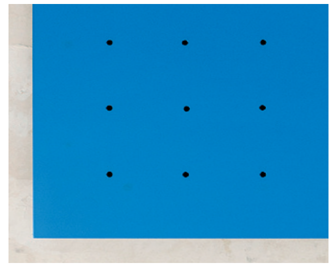
INFORMATION ON LISTED COMPANIES

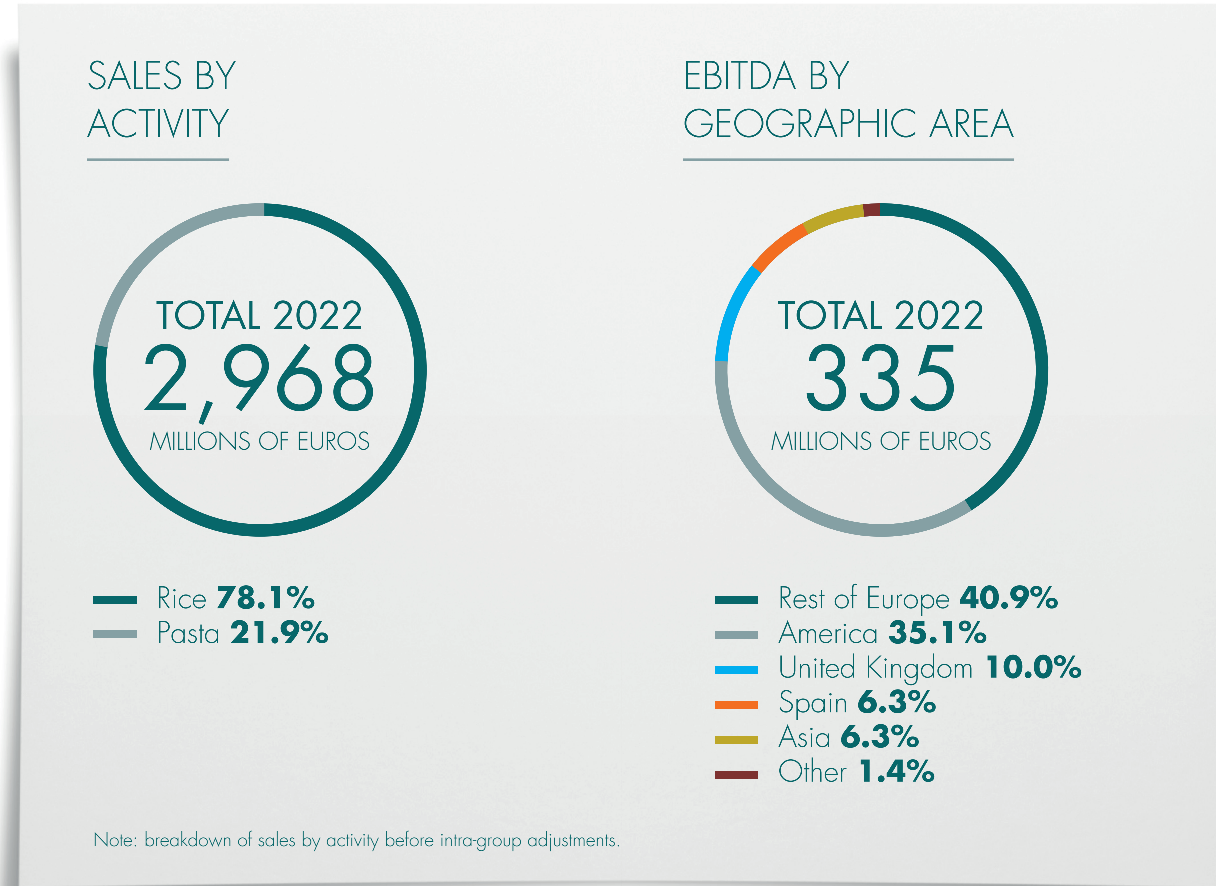
MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2022**	2021[1]	2020[1]
Sales	2,968	2,427	2,430
EBITDA	335	302	305
EBIT	234	207	212
Net result of continuing operations[2]	136	145	117
Total assets	3,900	3,939	4,036
Net debt[3]	763	505	951
Net equity	2,198	2,133	1,958
Employees (31-Dec.)	6,141	6,515	7,515
Share price (closing 31-Dec.) (in euros per share)	14.66	16.88	18.94
Market capitalisation (closing 31-Dec.)	2,256	2,597	2,914
Gross dividend yield (on last price)[4]	3.9%	6.8%	13.3%

Note 1: 2021 and 2020 results have been restated to reflect the sales of the dry pasta businesses. The net result corresponds only to that of continuing operations.
Note 2: the net profit attributable to the parent company of 2020, 2021 and 2022 amounts to €192 million, €239 million and €122 million, respectively.
Note 3: net debt includes IFRS 16 adjustments and put options with minority shareholders.
Note 4: gross dividend yield for 2021 and 2020 includes the extraordinary dividend payments in December 2021 and 2020 (€0.57 and €1.94, respectively).

By business areas, both Rice and Pasta experienced positive sales growth but a mixed performance in terms of EBITDA. Sales and EBITDA of the **Rice** division increased by 25.3% and 17.0%, to €2,329 million and €290 million, respectively, favoured by the increases in prices and volumes previously mentioned and, to a lesser extent, by the incorporation of InHarvest into the scope of consolidation since April, which more than offset the strong inflation suffered. On the other hand, sales of the **Pasta** division grew by 10.3%, to €652 million, but the EBITDA of the division decreased by 15.0%, to €58 million, due to the high inflation of the costs of fresh raw materials and the difficulty that Ebro Foods had to increase prices in a decreasing market.





The Company's net debt increased by 51.1% in 2022 (+€258 million), to €763 million, mainly due to the increase in working capital (€229 million), due to the higher inventories, growth investments made (€119 million in organic growth and €23 million net in inorganic growth) and taxes paid (€91 million). Consequently, the net debt to EBITDA ratio increased to 2.3 times at the end of 2022.

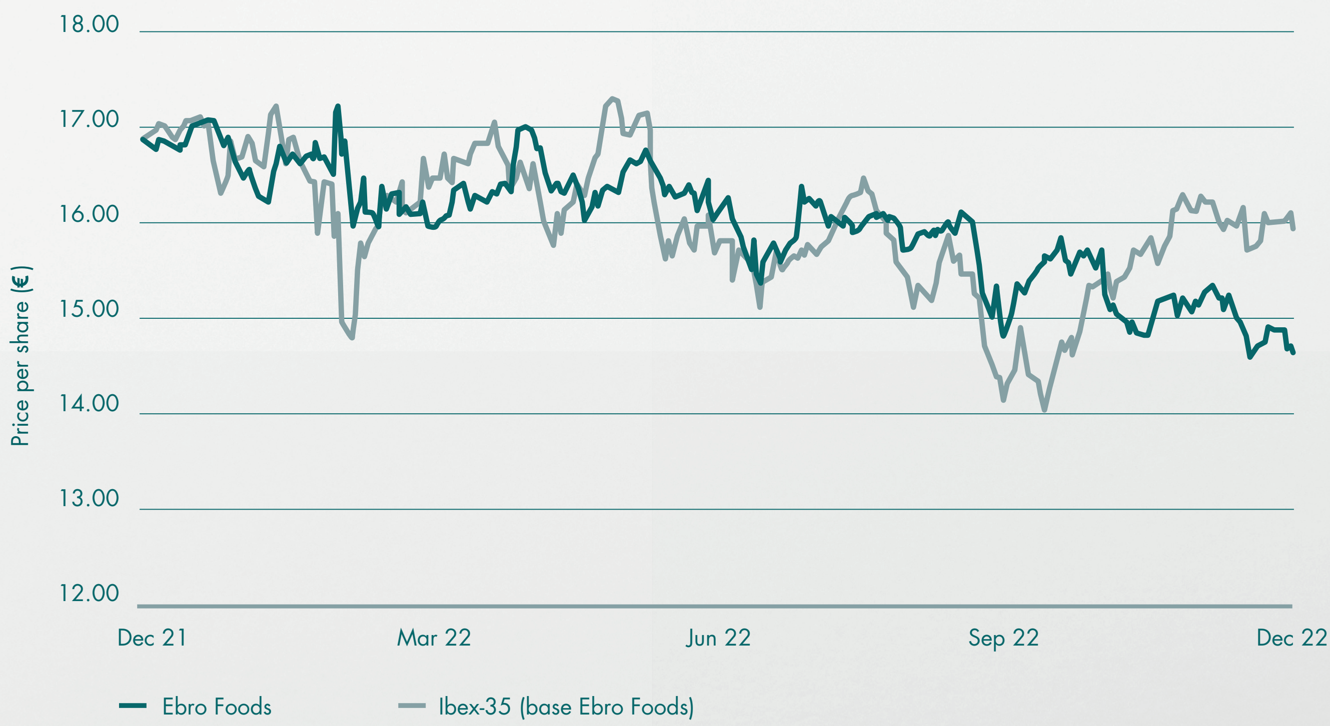
INFORMATION ON LISTED COMPANIES

ALBA SHAREHOLDING

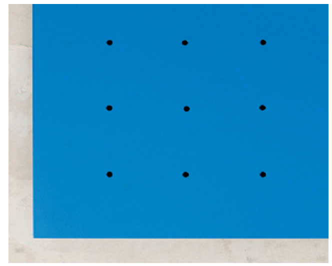
In 2022, Alba increased its stake in the share capital of Ebro Foods by 0.08% to 14.52%, being one of its main shareholders.

STOCK MARKET PERFORMANCE OF EBRO FOODS IN 2022

During 2022, Ebro Foods share price fell by 13.2% to 14.66 euro per share, a fall greater than that of the Ibex-35 (-5.6%). At 31 December, the market capitalisation of Ebro Foods was €2,256 million.



Source: Bloomberg.



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 24 recycling plants – 18 steel and 6 aluminium plants – in Europe (Spain, France, Germany, Sweden and Turkey), the United States and Asia (China and 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 organic entry into new countries and acquisitions. In 2022, Befesa introduced its new five-year strategic plan with which it expects to achieve an EBITDA between €340 and €370 million by 2027. As an early measure of the plan, during 2022, the acquisition of a zinc refining ("smelter") plant in the US was completed, the company initiated the refurbishment of the zinc recycling plant in Palmerton (US) and the process for expansion in a third province of China (it currently has two mill dust recycling plants in two Chinese provinces in total).

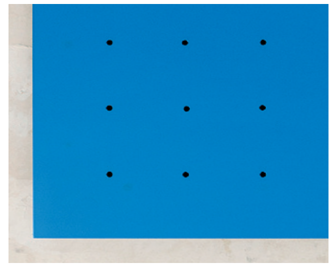
INFORMATION ON LISTED COMPANIES

COMMENT ON THE COMPANY'S ACTIVITIES IN 2022

Befesa achieved the best results in its history in 2022, despite the challenging market situation and the impact of Covid in China. The Company's sales increased by 38.3% in 2022, to €1,136 million, favoured by the addition of AZR (US) throughout the year (AZR only contributed 4 months in 2021) and by a sharp 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 2022, Befesa took advantage of the price increases for this mineral to extend its hedges until mid-2025.

EBITDA and net income increased by 8.6% and 4.1%, respectively, to €215 million and €107 million, supported by the factors mentioned above, which more than offset the strong increase in energy costs and in particular coke costs.



MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2022**	2021	2020
Revenue	1,136	822	604
EBITDA	215	190	123
EBIT	165	127	68
Net income	107	102	47
Total assets	1,977	1,796	1,100
Net financial debt	549	471	394
Net equity	819	632	328
Employees (31-Dec.)	1,847	1,550	1,137
Share price (closing 31-Dec.) (in euros per share)	45.06	67.40	51.70
Market capitalisation (closing 31-Dec.)	1,802	2,696	1,761
Gross dividend yield (on last price)	2.8%	1.7%	1.4%

By business area, sales and EBITDA of the **Steel Dust** division increased by 60.2% and 13.7% in 2022, to €730 million and €169 million, respectively, due to the increase in recycled volume (+34,8% mainly due to the incorporation of AZR throughout the year) and the increase in the zinc price (+29.8%) and despite the fact that the hedging prices (72% of the volume sold) were below the quoted price of the mineral.

The **Secondary Aluminium** division sales grew 13.9%, to €376 million, driven by the increase in aluminium prices (+15.5%) that more than offset the drop in volumes (-13.5%). EBITDA declined 32.7% to €19 million, as the aforementioned increase in sales did not offset the strong cost inflation.

Finally, sales of the **Salt Slags** division remained flat compared to the previous year at €77 million, as the growth in aluminium prices offset the drop in volume. In contrast, EBITDA grew by 31.6% to €27 million despite the increase in production costs.

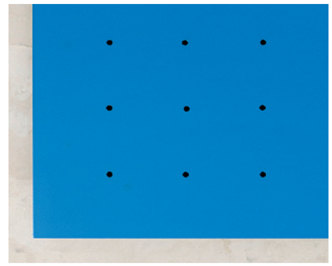
SALES BY SEGMENT

- Steel Dust **61.7%**
- Secondary Aluminium **31.8%**
- Salt Slags **6.5%**

EBITDA BY SEGMENT

- Steel Dust **78.6%**
- Secondary Aluminium **8.9%**
- Salt Slags **12.6%**

The Company's net financial debt increased 16.7% in 2022, to €549 million, mainly due to the acquisition of the "smelter" in the US, the expansion in China and the investment in operational improvements in the US. The net debt to adjusted EBITDA ratio for the year was 2.6 times in December 2022 compared to 2.4 times the previous year.



ALBA SHAREHOLDING

During the year, Alba increased its stake in Befesa's share capital by a further 3.55%, reaching a stake of 8.66% at 31 December 2022.

STOCK MARKET PERFORMANCE OF BEFESA IN 2022

During 2022, Befesa's price decreased by 33.1%, to €45.06 per share, a lower performance than that of DAX 40, which declined by 12.3%. At 31 December, the market capitalisation of Befesa was €1,802 million.

Source: Bloomberg.

INFORMATION ON LISTED COMPANIES

TECHNOPROBE

TECHNOPROBE

www.technoprobe.com

DESCRIPTION OF THE COMPANY

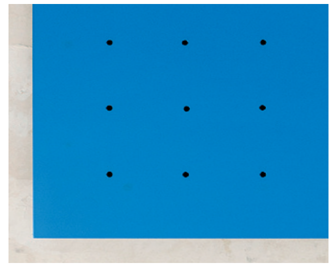
Technoprobe is the leading global provider of probe cards for non-memory chips, complex electromechanical interfaces that enable microchip testing during the integrated circuit production process.

The Company has a strong global presence including 5 manufacturing plants (3 in Italy and 2 in the US), 6 assembly plants and a commercial presence in 10 countries in Europe, Asia and North America, employing more than 2,700 people. In addition, the Company has 5 R&D centres located in Italy, Taiwan and the US and has more than 600 patents registered.

Technoprobe went public at Euronext Growth Milan in February 2022.

COMMENT ON THE COMPANY'S ACTIVITIES IN 2022

In 2022, Technoprobe achieved very positive results confirming its competitive advantage, as a result of its technological leadership and clear customer orientation.



MOST SIGNIFICANT DATA

In millions of euros unless otherwise indicated	**2022**	2021	2020
Net sales	549	392	317
EBITDA	245	175	151
EBIT	208	150	136
Net income	148	119	97
Total assets	867	537	436
Net cash	403	135	121
Net equity	737	446	324
Employees (average of the year)	2,120	1,536	627
Share price (closing 31-Dec.) (in euros per share)	6.70	n.a.	n.a.
Market capitalisation (closing 31-Dec.)	4,027	n.a.	n.a.
Gross dividend yield (on last price)	0.0%	n.a.	n.a.

Consolidated sales reached €549 million in 2022, 40.1% more than the previous year, driven by the growth of the probe card market for non-memory chips, the market share gain and the positive effect of the exchange rate variation.

INFORMATION ON LISTED COMPANIES

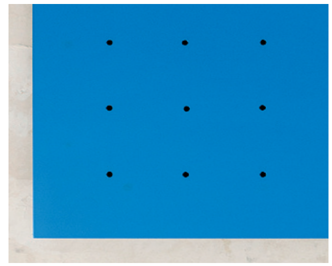
Consolidated EBITDA reached €245 million, up 40.0% from 2021. The margin over sales was 44.6%, in line with the previous year, despite being affected by the effect of inflation, mainly on the cost of raw materials and energy, and by the increase in costs related to the development of new production lines in Italy.

In 2022, the Company presented a net income of €148 million, which is 24.2% higher than the previous year.

At 31 December 2022, the Company's consolidated net cash increased to €403 million (1.6 times EBITDA), compared to net cash of €135 million the previous year, mainly due to cash generation from the business and proceeds from the listing.

SALES BY GEOGRAPHIC AREA

Asia **65.0%**
America **28.0%**
Europe (excl. Italy) **5.2%**
Italy **1.8%**

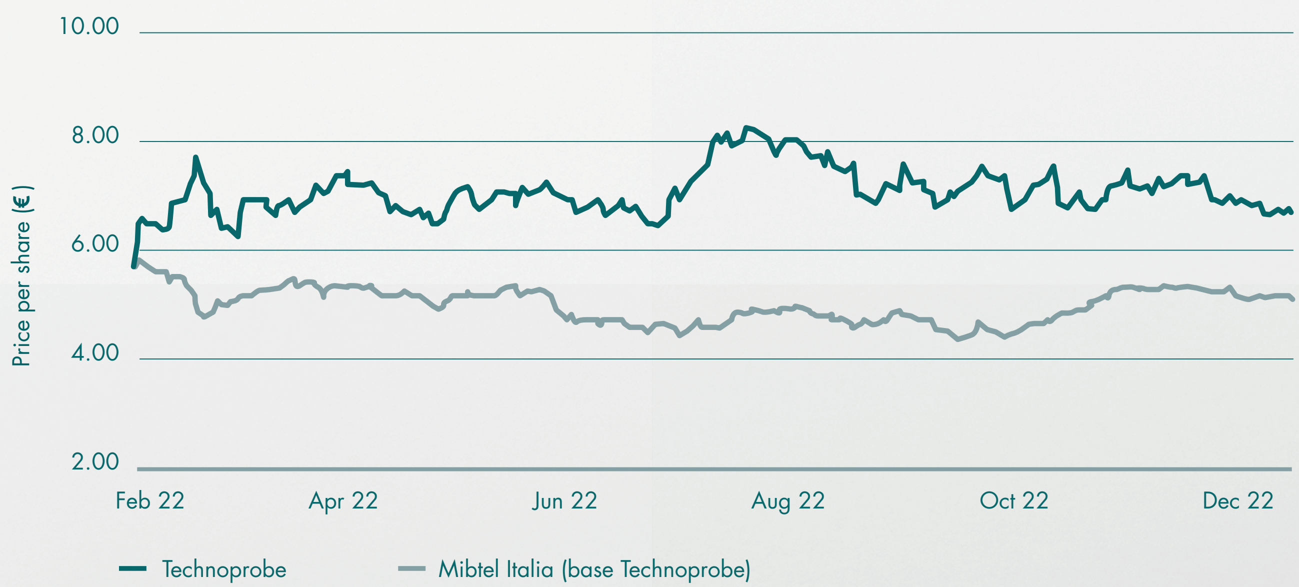


ALBA SHAREHOLDING

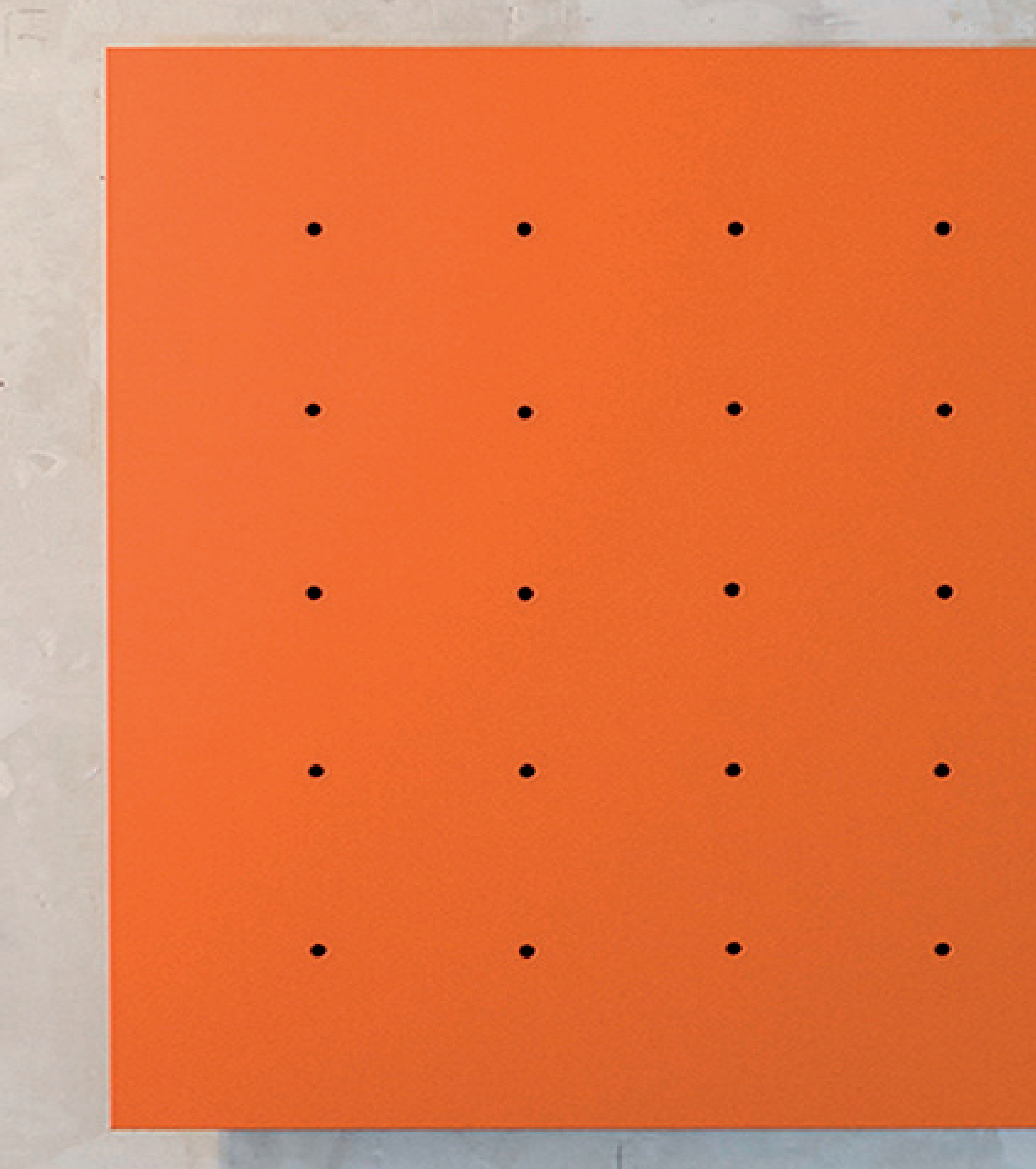
Alba has a total shareholding of 3.26% of its share capital as at 31 December 2022.

TECHNOPROBE'S STOCK MARKET PERFORMANCE SINCE ITS LISTING IN FEBRUARY 2022

Since its listing in February 2022, the Company's share price has increased by 17.5%, to €6.70 per share, in a period in which the Italian Mibtel decreased by 10.3%. At 31 December 2022, the market capitalisation of Technoprobe rose to €4,027 million.



Source: Bloomberg.



UNLISTED COMPANIES

INFORMATION ON UNLISTED COMPANIES

VERISURE

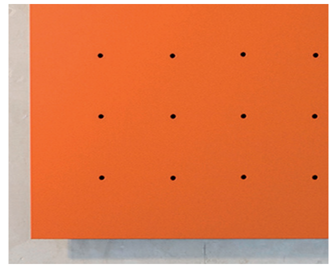
www.verisure.com

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 2022, Verisure provided services to more than 4.8 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 13 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 22,000 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 2022, Verisure reported revenues of €2,827 million, 12.7% higher than the previous year, mainly due to an increased number of customers as well as revenue per customer. The recurring EBITDA for the year amounted to €1,152 million, up 9.9% from 2021.

At 31 December 2022, Alba had an indirect stake of 6.23% in Verisure's share capital, after taking account of the minority shareholders in Alba Investments, S.à r.l.

INFORMATION ON UNLISTED COMPANIES

ERM

www.erm.com

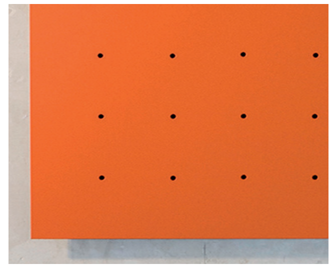
DESCRIPTION OF THE COMPANY

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 134 offices in 38 countries, as well as a team of more than 7,000 professionals serving more than 4,400 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 2022, Alba had an indirect stake of 14.68% in the share capital of ERM.



ATLANTIC AVIATION

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 more than 100 US airports through long-term contracts with an average duration of more than 20 years. Atlantic Aviation provides a wide range of services: refuelling, renting hangars, de-icing, aircraft management, passenger and crew services, amongst other.

In 2022, the Company has continued its strategy for national growth and expansion. Since Alba's investment in September 2021, Atlantic Aviation has completed the acquisition of Lynx, an operator with a presence in 9 US airports, the merger with Ross Aviation, an operator with presence in 21 US airports, as well as the acquisition of several assets complementary to its airport network.

As of 31 December 2022, Alba held an indirect stake of 9.47% in the share capital of Atlantic Aviation, after being diluted by 2.81% following the merger with Ross Aviation.

INFORMATION ON UNLISTED COMPANIES

PARQUES REUNIDOS

www.parquesreunidos.com

DESCRIPTION OF THE COMPANY

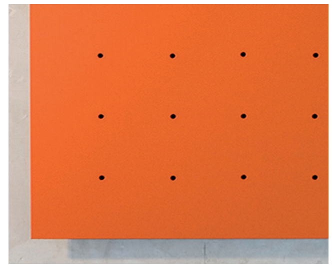
Parques Reunidos is one of the largest leisure parks operators in the world. It currently manages more than 50 theme parks in 10 different countries, including theme parks, water parks and animal parks.

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

Parques Reunidos is the second-largest operator in Europe and the eighth largest in the world in terms of traffic, and 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 Parques Reunidos's shares in December 2019.

At 31 December 2022, 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 it to have control over: the origin, through a fleet of 24 ships and local agreements, with access to the main fishing grounds worldwide; the processing, with 14 production plants; and the distribution of the final product, with sales in more than 60 countries. The Company has a significant presence in Spain, the 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 April 2022 the Group completed the acquisition of a majority stake in Kefalonia, the third operator of sea bass and sea bream fish farms in Greece.

At 31 December 2022, 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

PRIVATE EQUITY

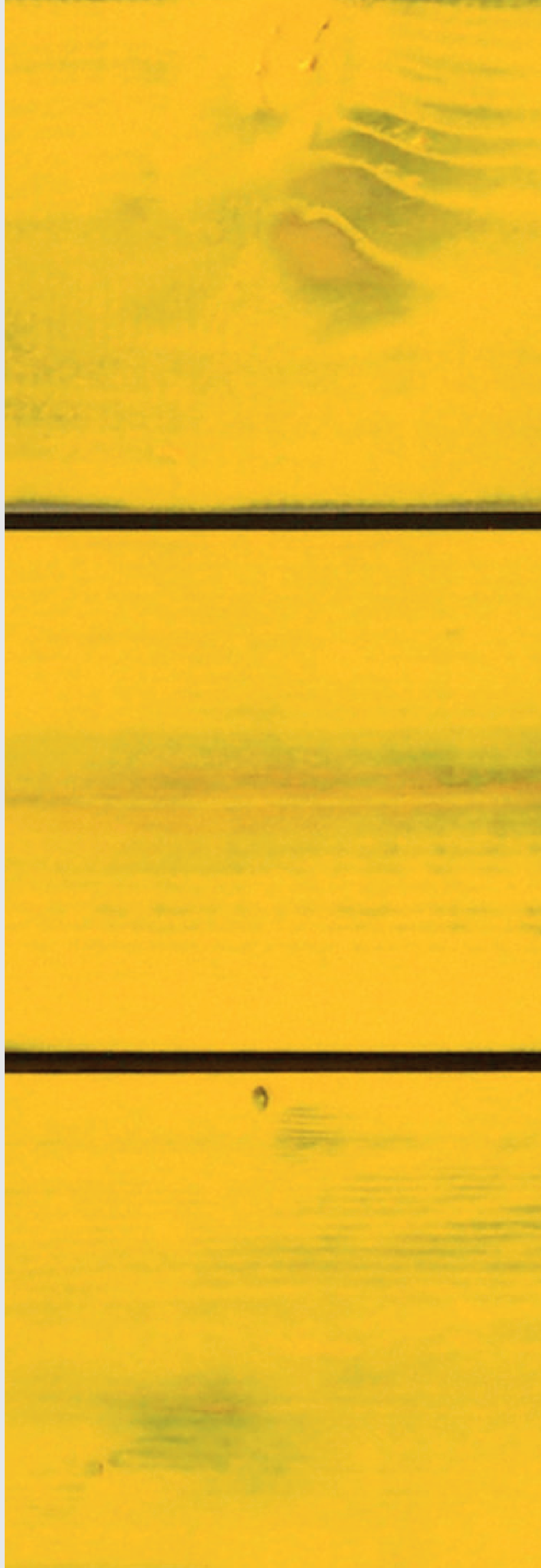
Alba's strategy focuses on direct investment and active management of minority interests in the share capital of companies – both listed and unlisted, Spanish or foreign –, considering investment through funds or vehicles managed by third parties in exceptional situations in which it is considered as the most appropriate option, usually by geography, size or sector specialisation.

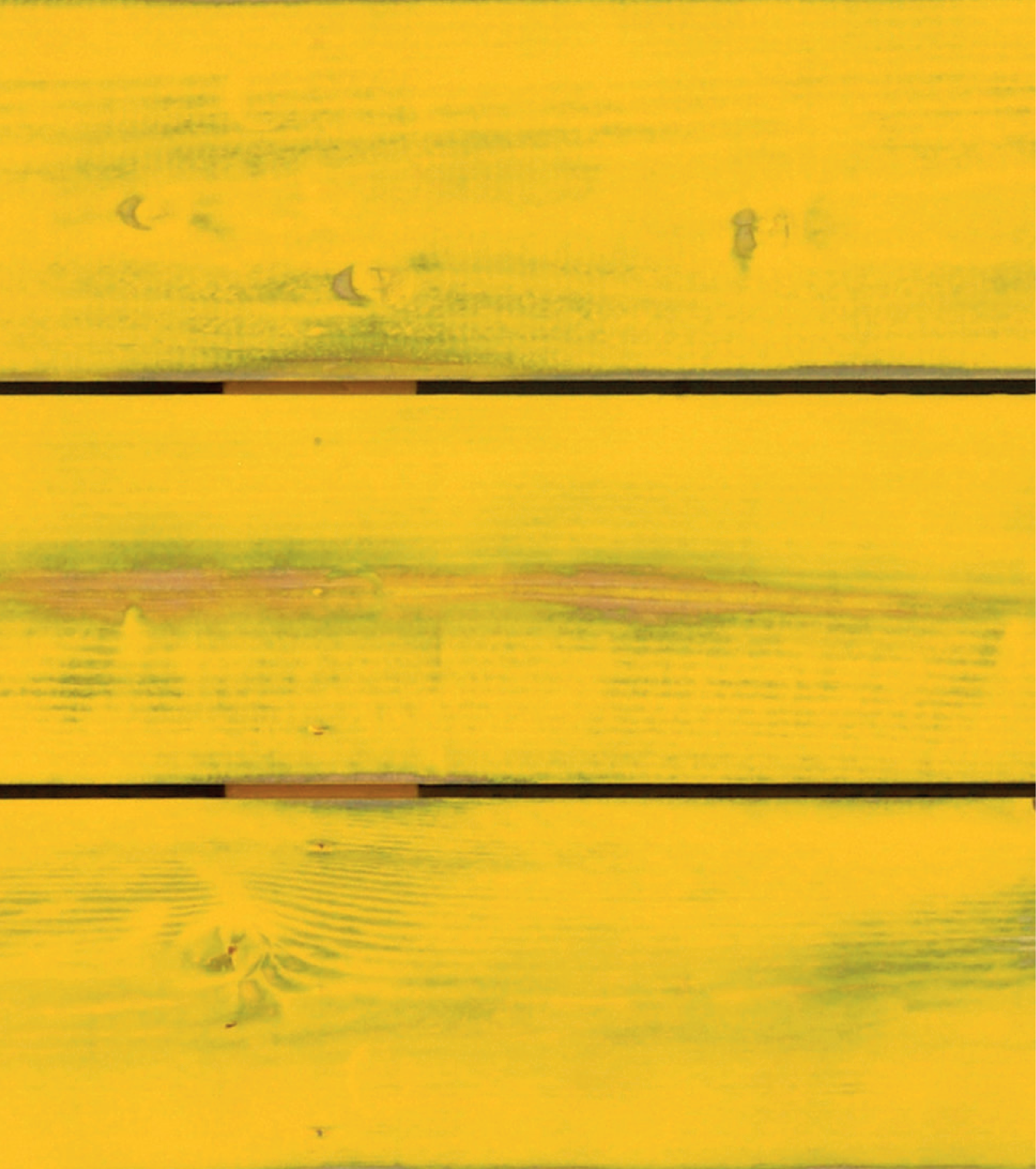
In this regard, Alba currently channels investments in private equity through the vehicles managed by Artá Capital SGEIC SCR and March PE Global: in the former case, these are private equity investments in medium-sized companies in Spain and Portugal, while in the latter they are international fund portfolios that combine various strategies (LBOs, venture capital, secondary, etc.) with, in certain underlying funds, specialisation in specific sectors such as technology or health.

Both strategies complement Alba's primary investment activity, without conflicting interest. Additionally, Alba also considers the possibility of co-investing directly with these managers, which would bring these investments closer to their central strategy.

In total, at the end of 2022, Alba had investments in private equity with a total estimated market value of €192 million and commitments pending contribution of approximately €152 million, including in this case the recent commitments signed with the third fund of Artá Capital and the second fund of funds of March PE Global.

REAL ESTATE ACTIVITY





REAL ESTATE ACTIVITY

The rise in inflation and interest rates in 2022 has led to corrections in the valuation of the portfolios of real estate assets: portfolios composed of prime, well-located, efficient and ESG-compliant real estate properties have not been significantly devalued, while those containing poorly located and/or lower quality assets have been corrected with a reduction in their value.

Despite the uncertainties, in 2022 the office rental market maintained a good pace of commercialisation and new contracts. Employees returned to the office, either permanently or in hybrid format, which caused the volume of occupancy of the buildings to range from 75% to 85% in Madrid.

The level of rental income per square meter, following the impact of the pandemic, has tended to climb higher, reaching levels in the prime zones of Madrid, of around €37 per square meter per month.

Alba's real estate investment strategy focuses on real estate properties for office use in prime zones of Madrid, entire buildings that are preferably rented to lessees of renowned solvency.

In 2022, Alba continued with its policy of divestment of non-strategic real estate properties. Office plants and various parking spaces were sold in two properties located in Madrid (Av. General Perón 38 and Plza. de Marqués de Salamanca 10). These sales generated cash for €24 million, yielding an IRR of 7.9% and 3.8% per annum, over a period of 21 and 15 years, respectively.

The leasable area as at 31 December 2022 was 42,420 m² and 1,038 parking spaces. The occupancy rate at year-end 2022 was 88.4%, 10.5% higher than the occupancy rate in December 2021.

The value of the real estate properties is updated every six months by an independent expert, valuing them as of 31 December 2022 at €335[1] million.

Income from leases of real estate properties in 2022 amounted to €13 million, which represents a 6.6% increase over 2021, despite having reduced the leasable area due to sales made in the year.

(1) Includes Corporación Financiera Alba's corporate headquarters.

During the financial year, €2 million were invested to update the rentable spaces, renovating real estate properties as required and modernising facilities, achieving greater efficiency, complying with ESG standards and thus adding value to them.

AUDITOR'S REPORT

AUDITOR'S REPORT

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. and subsidiaries for the year ended 31 December 2022)

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

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 CONSOLIDATED 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 2022, 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 2022 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.

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Paseo de la Castellana, 259C 28046 Madrid

On the Spanish Official Register of Auditors ("ROAC") with No. S0702, and the Spanish Institute of Registered Auditors' list of companies with No. 10.
Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
N.I.F. B-78510153

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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 associates with indications of impairment

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 2,651.7 million at 31 December 2022, which are accounted for using the equity method. There is a risk that the carrying amount associated with the net investment in the associates 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 these investments is determined 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 evaluated the criteria used by management when identifying indications of impairment of investments in associates. To this end, we contrasted the information on the share prices of the investments in associates used for this assessment. - In the case of investments showing indications of impairment: o We assessed the reasonableness of the methodology and assumptions used to estimate the recoverable amount of these investments, involving our valuation specialists in the process. o We contrasted the information contained in the pricing model with external information regarding the future performance of the industry to which these companies belong. o We evaluated the sensitivity of the estimated recoverable amount to changes in the relevant assumptions and judgements, such as the discount rate and the expected future growth rate, for the purpose of assessing its impact on the recoverable amount. - Lastly, we assessed whether the disclosures in the consolidated annual accounts meet the requirements of the

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Recoverable amount of investments in associates with indications of impairment See notes 4 e) and 10 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
	financial reporting framework applicable to the Group.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2022 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.

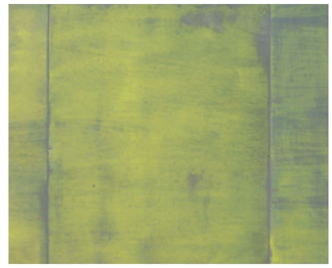
b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether 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 2022, 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



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

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.

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.

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

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.

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 2022 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 Company, which will form part of the annual financial report.

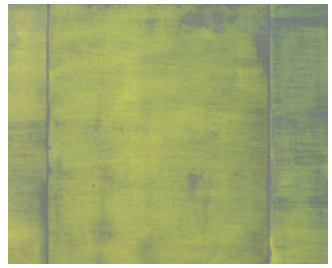
The Directors of Corporación Financiera Alba, S.A. are responsible for the presentation of the 2022 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this 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.

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 25 April 2023.



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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*)

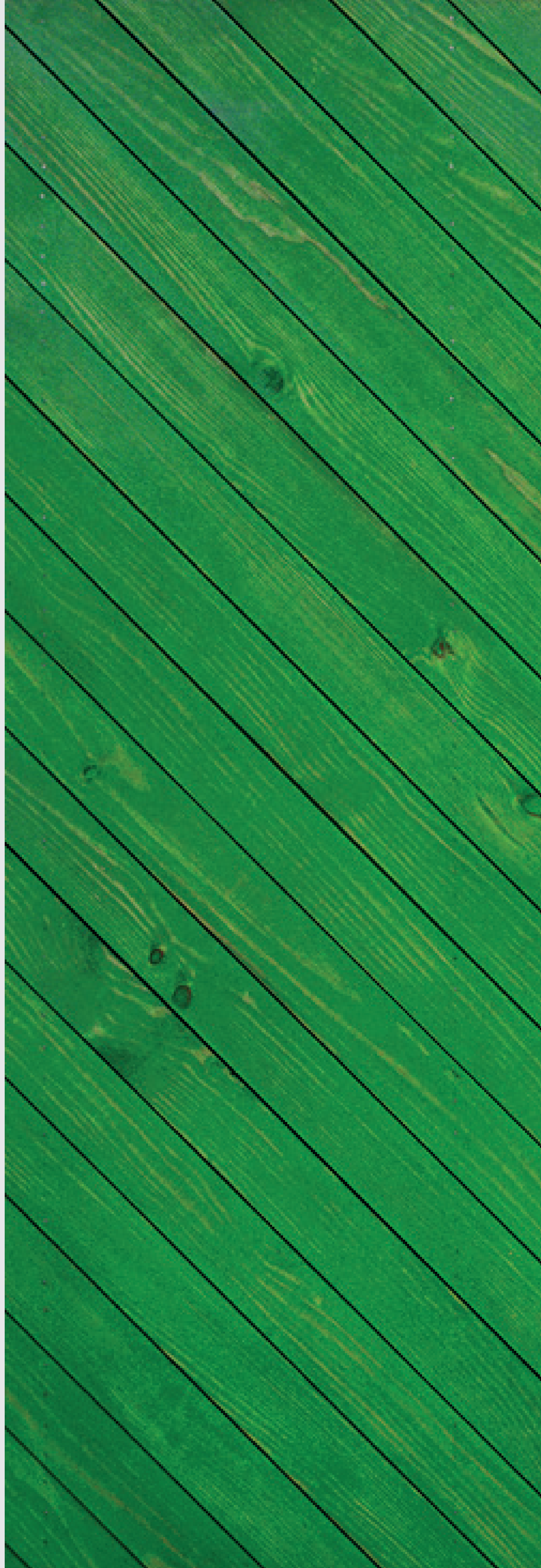
Begoña Pradera Goiri

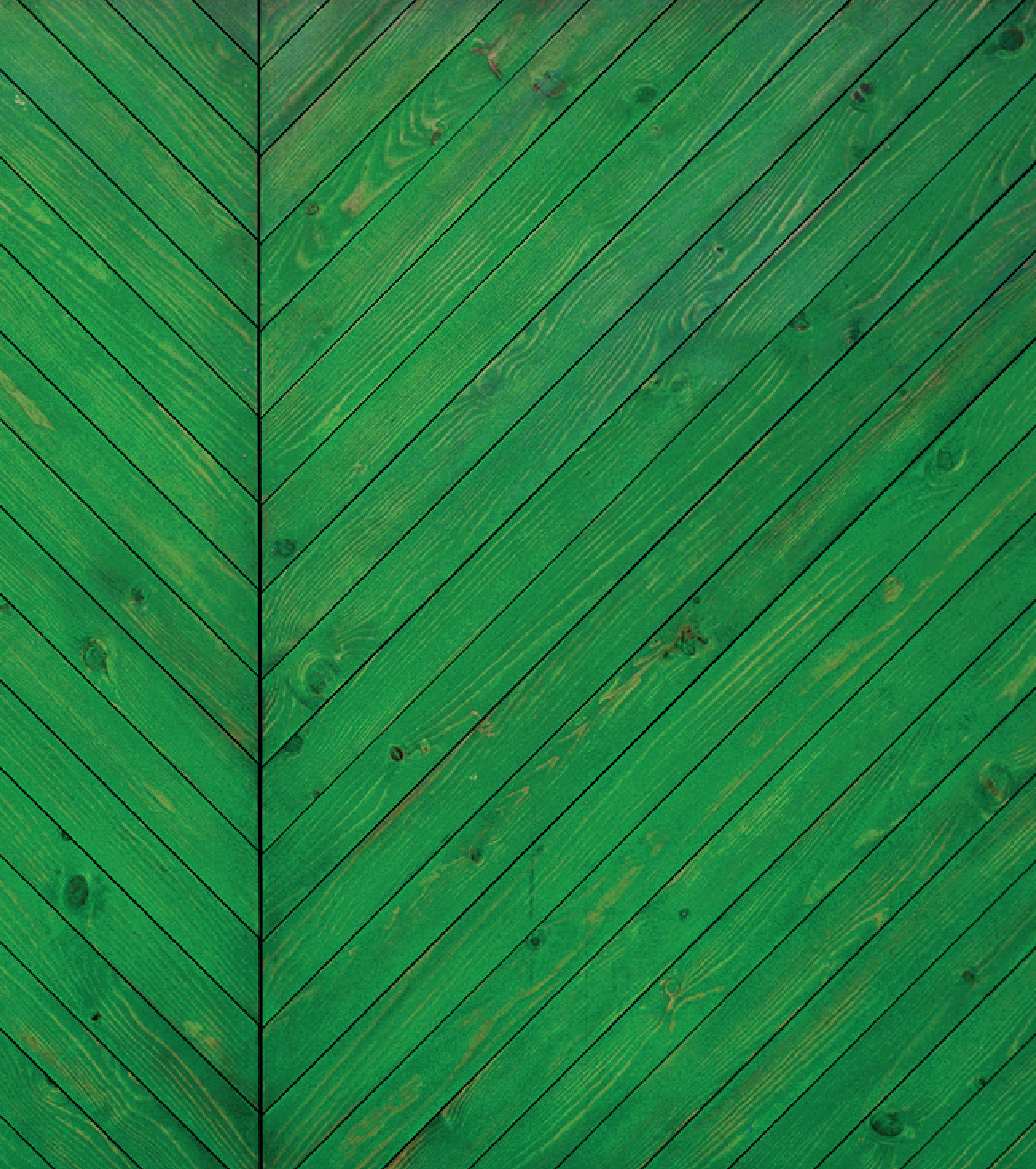
On the Spanish Official Register of Auditors ("ROAC") with No. 22,614

25 April 2023

CONSOLIDATED ANNUAL ACCOUNTS

OF CORPORACIÓN FINANCIERA ALBA, S.A. AND SUBSIDIARIES FOR THE 2022 FINANCIAL YEAR





CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2022 AND 2021

ASSETS

In millions of euros	Notes	**31-12-22**	31-12-21
Investment property	6	317.5	334.8
Property, plant and equipment	7	22.5	31.5
Goodwill	8	75.3	79.6
Other intangible assets	9	123.7	119.9
Investments in associates	10	2,651.7	2,453.3
Investments at fair value through profit or loss	11	1,364.2	973.3
Other financial assets	12	72.3	64.2
Deferred tax assets	22	0.9	2.5
Non-current assets		**4,628.1**	**4,059.1**
Non-current assets held for sale	11 and 30	3.6	134.8
Inventories		26.1	23.2
Trade and other receivables	13	93.0	81.5
Other financial assets	14	374.0	532.8
Cash and cash equivalents	14	198.3	176.7
Current assets		**695.0**	**949.0**
Total Assets		**5,323.1**	**5,008.1**

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2022.

EQUITY AND LIABILITIES

In millions of euros	Notes	**31-12-22**	31-12-21
Share capital	15	59.2	58.2
Retained earnings and other reserves		4,421.5	4,011.0
Interim dividend	3	-	(29.1)
Equity		**4,480.7**	**4,040.1**
Non-controlling interests	15	138.4	164.5
Total equity		**4,619.1**	**4,204.6**
Loans and borrowings	19	161.7	247.2
Other financial liabilities	12	22.8	13.4
Provisions	17	0.4	0.6
Deferred tax liabilities	22	55.6	61.9
Non-current liabilities		**240.5**	**323.1**
Non-current liabilities held for sale	30	1.4	57.5
Suppliers and other payables	18	73.1	75.5
Loans and borrowings	19	389.0	347.4
Current liabilities		**463.5**	**480.4**
Total Equity and Liabilities		**5,323.1**	**5,008.1**

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2022.

CONSOLIDATED ANNUAL ACCOUNTS

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

CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

In millions of euros	Notes	**2022**	2021
Share of profit/(loss) of associates	10	231.4	245.0
Revenues	24	166.4	235.4
Other income		0.5	0.5
Supplies		(61.9)	(66.0)
Changes in fair value of investment property	6	1.1	(0.8)
Proceeds from disposal and income from assets	6, 10 and 11	47.5	1.0
Impairment	10 and 30	(3.1)	(16.6)
Personnel expenses	25.a	(53.6)	(92.2)
Other operating expenses	24	(56.7)	(45.8)
Depreciation and amortisation	7 and 9	(18.1)	(29.2)
Operating profit/(loss)		**253.5**	**231.3**
Finance income	25.b	21.5	17.6
Finance costs and exchange differences		(6.3)	(5.4)
Change in fair value of financial instruments	11,12,14 and 25.c	176.5	82.7
Net finance income		**191.7**	**94.9**
Profit/(Loss) before tax from continuing operations		**445.2**	**326.2**
Income tax expense	22	(0.6)	(13.1)
Profit/(Loss) from continuing operations		**444.6**	**313.1**
Consolidated profit/(loss) for the year		**444.6**	**313.1**
Profit/(Loss) attributable to non-controlling interests	15	8.2	10.4
Consolidated profit/(loss) attributable to the Group		**436.4**	**302.7**
Earnings/(Loss) per share (Euros/share)	15	7.37	5.20

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2022.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

In millions of euros	Notes	**2022**	2021
Consolidated profit/(loss) for the year		444.6	313.1
Income and expense recognised directly in equity			
Items that will not be reclassified to profit or loss	10	7.0	-
Share in other comprehensive income from investments in associates		7.0	-
Items that will be reclassified to profit or loss		38.0	(48.2)
Share in other comprehensive income from investments in associates	10	38.0	(60.8)
Amounts transferred to the income statement		-	12.6
Total income and expense recognised directly in equity		489.6	264.9
Total comprehensive income		489.6	264.9
Attributable to the parent		481.4	254.5
Attributable to non-controlling interests		8.2	10.4

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2022.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

In millions of euros	Share capital	Retained earnings and other reserves
Balance at 1 January 2021	**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**
Changes in consolidated equity of associates (note 10)	-	45.0
Profit/(Loss) for the year	-	436.4
Total income and expense for the year	**-**	**481.4**
Interim dividend for the prior year (note 3)	-	(29.1)
Dividends paid in the year (note 3)	-	(41.0)
Capital increases (note 15)	1.0	(1.0)
Other changes	-	0.2
Balance at 31 December 2022	**59.2**	**4,421.5**

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2022.

Interim dividend	Equity	Non-controlling interests	Total equity
(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**
-	45.0	-	45.0
-	436.4	8.2	444.6
-	**481.4**	**8.2**	**489.6**
29.1	-	(0.8)	(0.8)
-	(41.0)	-	(41.0)
-	-	-	-
-	0.2	(33.5)	(33.3)
-	**4,480.7**	**138.4**	**4,619.1**

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

In millions of euros	Notes	**2022**	2021
Operating activities			
Profit/(Loss) for the year before tax		445.2	326.2
Adjustments for:			
Depreciation and amortisation	7 and 9	18.1	29.2
Changes in fair value of investment property	6	(1.1)	0.8
Share of profit of associates	10	(231.4)	(245.0)
Income from assets	6, 10 and 11	(47.5)	(1.0)
Impairment	10 and 12	3.1	16.6
Change in fair value of financial instruments and other	11, 12, 14 and 25.c	(176.5)	(82.7)
Finance income	25.b	(21.5)	(17.6)
Finance costs		6.3	5.4
Other cash flows from operating activities			
Dividends received		88.8	112.3
Working capital		25.2	30.2
Income tax payments on account		(14.2)	(3.1)
Interest received		10.1	17.6
Interest paid		(6.3)	(5.4)
Net cash flows from operating activities		**98.3**	**183.5**

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2022.

In millions of euros	Notes	**2022**	2021
Investing activities			
Acquisition of interests in associates and other investments	10	(23.8)	(150.7)
Acquisition of subsidiaries, net of cash	5	(20.7)	-
Sale of interests in associates and other investments	11 and 14	-	493.4
Acquisition of investment property	6	(2.0)	(59.7)
Sale of investment property	6	22.0	20.5
Acquisition of other investments	14	(243.0)	(946.9)
Receipts from other financial assets		175.4	74.5
Sales of property, plant and equipment and intangible assets		15.2	-
Purchases of property, plant and equipment and intangible assets	7	(20.7)	(11.9)
Sales of non-current assets held for sale		110.8	-
Net cash flows from/(used in) investing activity		13.2	(580.8)
Financing activities			
Dividends paid	3	(41.0)	(65.1)
Payments for loans and borrowings	16	(117.2)	(68.7)
Proceeds from loans and borrowings	16	70.0	411.5
Payments for other debts		(1.7)	-
Net cash flows from/(used in) financing activities		(89.9)	277.7
Net increase/(decrease) in cash		21.6	(119.6)
Cash and cash equivalents at 1 January	14	176.7	296.3
Cash and cash equivalents at 31 December	14	198.3	176.7

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2022.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 and holding interests in companies 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 2022 were authorised for issue by the Board of Directors in the meeting held on 27 March 2023. 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 2022, 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 2022, authorised for issue on 27 March 2023, will be approved with no changes by the shareholders at their annual general meeting.

Comparative information

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

The following change in the classification criteria of the statement of cash flows has been included in this comparative information to better present proceeds from and payments for loans and borrowings. These proceeds and payments had been presented net in the consolidated statement of cash flows for 2021 under financing activities, amounting to Euros 342.8 million. In the accompanying financial statements, this amount has been presented separately within financing activities under proceeds from loans and borrowings and payments for loans and borrowings, amounting to Euros 411.5 million and Euros 68.7 million, respectively. In addition, a change has been included in the consolidated balance sheet, specifically in non-current assets, in relation to the classification criteria of the sale option held by the Group for its ownership interest in Profand (see note 12). This option had been presented under investments in associates, amounting to Euros 23.2 million, and in these consolidated financial statements it has been presented under other non-current financial assets for the same amount.

New standards, amendments and interpretations of existing standards

a) Mandatory standards, amendments and interpretations for all years beginning on or after 1 January 2022

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 2021, except for the standards and amendments adopted by the European Union set out below and, therefore, applied for the first time this year, which are mandatory from 1 January 2022 onwards:

- 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.

None of the above-mentioned standards and amendments that came into effect in 2022 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 on or after 1 January 2023

- Amendment to IAS 1 – Amendments to adequately identify information on significant accounting policies that must be disclosed in the financial statements.

- Amendment to IAS 8 – Amendments and clarifications on the definition of accounting estimates.

- Amendment to IAS 12 – Clarifications on how companies account for deferred tax on leases and decommissioning obligations.

- Amendment to IFRS 17 – Amendments to the transition requirements of IFRS 17 for insurers that first apply IFRS 17 and IFRS 9 at the same time.

- IFRS 9 – This replaces IFRS 4 and lays down the principles for the recognition, measurement, presentation and disclosure of insurance contracts so that an entity may provide relevant and reliable financial information about the insurance contracts in the financial statements.

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

c) Standards and interpretations published by the IASB but not yet approved by the European Union

- Amendment to IAS 1 – Clarifications regarding the presentation of liabilities as current or non-current, particularly with settlement subject to compliance with covenants.

- Amendment to IFRS 16 – This amendment clarifies the subsequent accounting of lease liabilities arising from sale and leaseback 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 the 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 2022 and 2021 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	2022 2021	100.00 100.00	180.9 194.9	229.7 229.1	14.2 13.8
Alba Europe S.à.r.l. 46A Av. J.F.Kennedy L-1855 Luxembourg	Investment in transferable securities	2022 2021	100.00 100.00	1,306.5 1,156.3	1,484.7 1,226.9	44.3 117.9
Alba Investments, S.à.r.l. 46A Av. J.F.Kennedy L-1855 Luxembourg	Investment in transferable securities	2022 2021	82.09 82.09	358.0 358.0	546.8 546.9	(0.1) (0.1)
Artá Capital, SGEIC, S.A.U. Pza. Marqués de Salamanca, 10 28006 - Madrid	Management company of private equity entities	2022 2021	77.14 77.14	1.8 1.8	1.6 2.3	0.8 2.8
Artá Partners, S.A. C/ Castelló, 77, 5ª planta 28006 - Madrid	Investment in transferable securities	2022 2021	77.14 77.14	1.6 1.6	2.1 2.1	1.5 1.6
Deyá Capital IV, SCR, S.A.U. C/ Castelló, 77, 5ª planta 28006 - Madrid	Private equity firm	2022 2021	100.00 100.00	57.8 69.3	121.3 104.3	28.6 37.5
Alba KKR Core International, S.C.A. 2, rue Edward Steichen L-2540 Luxembourg	Private equity firm	2022 2021	99.99 99.99	562.1 561.7	737.1 561.7	152.8 -
Alba KKR Core International Blocker, S.à.r.l. 2, rue Edward Steichen L-2540 Luxembourg	Private equity firm	2022 2021	99.99 99.99	323.6 323.6	355.0 323.6	31.4 -
Subgrupo Nuadi (Nuadi Components)(1) Polígono industrial Arazuri-Orcoyen Arazuri - Navarra	Industrial supplies	2022 2021	37.43 37.43	20.5 18.3	43.6 37.8	2.1 0.8
Subgrupo Facundo (2) Ctra. N-611, Villamuriel 34190 - Palencia	Production and distribution of nuts, dried fruit and snacks	2022 2021	31.92 -	18.7 -	36.4 -	7.8 -
Gesdocument y Gestión, S.A. (3) Roc Boronat 147,10ª planta 08005 - Barcelona	Provision of legal, employment and financial advisory services	2022 2021	46.53 -	8.2 -	3.4 -	0.3 -
Subgrupo Preving (Marsala) (4) C/Joaquín Sánchez Valverde, 1-3-5 06006 - Badajoz	Occupational health and safety solutions	2022 2021	- 24.81	- 16.9	- 58.0	- 2.5
Subgrupo Satlink (5) Avda. de la Industria, 53 Nave 7 Alcobendas - Madrid	Technological solutions for the fishing sector	2022 2021	- 28.07	- 12.1	- 11.3	- 2.1

(1) This subgroup is made up of Nuadi Components, S.L., Nuadi Europe, S.L. and Shanghai Nuadi China, Co. Ltd.

(2) This subgroup is made up of Disfasa, S.A., Facundo Blancos, S.A.U., Los Girasoles, S.A.U., Incofasa, S.L.U. and PDV Gesfasa D.S.L.U.

(4) At 31 December 2021, this subgroup was made up of Preving Investments Group, S.L., Preving Investment, S.L.U., Preving Consultores, S.L.U. and related group, Formalia Salud, S.L.U. and related 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.

(5) At 31 December 2021 this subgroup is made up of 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) (4) (5) Alba's interests are held through Deyá Capital IV, SCR, S.A.U.

Additionally, at 31 December 2022, 53.21% of Gesdocument and 42.57% of the Nuadi subgroup and the Facundo subgroup (at 31 December 2021, 31.93% of the Satlink subgroup, 42.57% of the Nuadi subgroup and 28.13% of the Preving subgroup) belongs to other vehicles managed by Artá Capital, SGEIC, S.A.U., which exercises control over these vehicle and determines what investments are made; there are no restrictions regarding management and they are exposed to variable returns. As a result of the foregoing, Alba has considered that it has control over these subgroups.

The main changes in the scope of consolidation in 2022 relating to subsidiaries are as follows:

Sale of the entire ownership interest in the Satlink subgroup

On 31 March 2022, the sale of the Group's entire ownership interest in the Satlink Group, which at the time of the sale amounted to 28.07%, was completed. The sale amounted to Euros 48.5 million, giving rise to a gain of Euros 36.4 million recognised under proceeds from disposal of non-current assets.

At 31 December 2021 the assets and liabilities of the Satlink subgroup were classified as held for sale.

Loss of control of the Preving subgroup

In May 2022, the Preving Group acquired all the shares of Cualtis, S.L.U.; concurrent to the acquisition, a capital increase was carried out at Preving to allow new shareholders to join the subgroup. As a result of these transactions and the entry of new shareholders, the Alba Group's interest in Preving has been diluted from 24.81% to 21.41%, and it lost control over the Preving Group as a result of the loss of control of the majority interest by the private equity management company Artá Capital SGEIC, S.A.U. and the new shareholders' agreements between the parties.

Since the Alba Group's loss of control, the Group's 21.41% ownership interest in Preving has been recognised at fair value under investments at fair value through profit or loss (see note 11), giving rise to a gain of Euros 16.1 million.

Acquisition of 37.43% of the Facundo Group

In June 2022, through Deyá Capital IV, SCR, S.A., Alba acquired 37.43% of the share capital of Disfasa, S.A. (parent of the Facundo Group) for Euros 21.9 million. The Facundo Group is based in Spain, and its principal activity is the production and distribution of nuts, dried fruit and snacks. The main reason for control over this group was that the private equity management company Artá Capital SGEIC, S.A.U. manages a majority ownership interest (see business combination in note 5). Subsequently, in December, the Group sold its 5.51% interest in the Facundo Group for Euros 3.3 million, giving rise to a gain of Euros 0.1 million. At 31 December 2022, Alba held 31.92% of the Facundo Group.

Acquisition of 46.79% of Gesdocument y Gestión, S.A.

In June 2022, through Deyá Capital IV, SCR, S.A., Alba acquired 46.79% of the share capital of Gesdocument y Gestión, S.A. for Euros 8.2 million. Gesdocument y Gestión, S.A. has its registered office in Spain, and its principal activity is the provision of tax, economic, financial, administrative, employment and accounting advisory services. The main reason for control over this group was that the private equity management company Artá Capital SGEIC, S.A.U. manages a majority ownership interest (see business combination in note 5).

In 2022 and 2021 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., the Preving subgroup, and the Facundo 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.

The information in respect of 2022 and 2021 is as follows:

Associate/Auditor	Registered office	Activity	Percentage ownership			Representation on Board of Directors at 31-12-22
			At 31-12-22	At 31-12-21	Change	
Acerinox, S.A. Auditor: PWC	Santiago de Compostela, 100 (Madrid)	Manufacture and sale of stainless steel	18.52	17.78	0.74	3
Aegis Lux 2, S.à.r.l. (Verisure) [1] Auditor: PWC	15, Boulevard F.W. Raiffeisen L-2411 Luxembourg	Connected alarms	7.59	7.59	-	1
CIE Automotive, S.A. Auditor: PWC	Alameda Mazarredo, 69 (Bilbao)	Automotive industry	13.35	12.73	0.62	1
Ebro Foods, S.A. Auditor: E&Y	Paseo de la Castellana, 20 (Madrid)	Food	14.52	14.44	0.08	2
Profand Fishing Holding, S.L. Auditor: Deloitte	Avda. García Barbón, 62 Bloque 1, Vigo	Sale of fish and seafood products	23.71	23.71	-	2
Piolin II, S.à.r.l. (Parques Reunidos) [2] Auditor: KPMG	26A, Boulevard Royal L-2449 Luxembourg	Recreational and entertainment activities	25.09	25.09	-	1
Rioja Luxembourg, S.à.r.l. (Naturgy) [3] Auditor: E&Y	20, Avenue Monterey L-2163 Luxembourg	Businesses relating to gas, electricity and any other energy source	25.73	25.73	-	-
Viscofan, S.A. Auditor: PWC	Polígono Industrial Berroa (Tajonar-Navarra)	Manufacture of cellulose or artificial casings for cured meats	14.25	13.97	0.28	1

(1) Through this company, Alba holds a 7.59% indirect ownership interest in Verisure, which also operates under the trademark "Securitas Direct".
(2) Through this company, Alba holds a 24.98% indirect ownership interest in Parques Reunidos.
(3) Through this company, Alba holds a 5.33% indirect ownership interest in Naturgy; added to the 0.11% direct ownership interest held by Alba, this yields a total interest of 5.44% in Naturgy. Alba sits on the Board of Directors of Rioja Acqusition, S.à.r.l., a subsidiary of Rioja Luxembourg, S.à.r.l. and direct shareholder of Naturgy.

In 2022 Alba saw its ownership interest in Acerinox, S.A. increase as a result of Acerinox's redemption of own shares. As a result of this transaction, Acerinox, S.A. reduced its share capital by 4% and, therefore, Alba's ownership interest has increased by 0.74%. The ownership interests in CIE Automotive, S.A., Ebro Foods, S.A. and Viscofan, S.A. increased through new acquisitions.

In 2021, the ownership interests in Ebro Foods, S.A. and Viscofan, S.A. were increased by 0.44% and 0.94%, respectively, and the ownership interests in Acerinox, S.A. and Indra Sistemas, S.A. were reduced by 1.57% and 7.31%, respectively. In addition, a 23.71% ownership interest was acquired in Profand Fishing Holding, S.L., and the entire stake held in Euskaltel, S.A. was sold, in the context of a takeover bid launched by the MasMovil Group.

3. DISTRIBUTION OF PROFIT

The distribution of Corporación Financiera Alba, S.A.'s profit for 2022 to be submitted by the Board of Directors for approval by the shareholders at their general meeting, and the distribution of profit for 2021 approved by the shareholders at their general meeting, are as follows (in millions of Euros):

Basis of allocation	**2022**	2021
Profit for the year	41.2	28.7
Reserves	-	29.5
Total	**41.2**	**58.2**

Distribution	**2022**	2021
Reserves	41.2	-
Dividends	-	58.2
Total	**41.2**	**58.2**

The dividends paid by the Parent in 2022 and 2021 were as follows:

	No. of shares with rights	Euros/Share	Millions of Euros
2022			
Scrip dividend 2022 (note 15)	12,001,907	0.99	11.9
Final dividend for 2021	58,240,000	0.50	29.1
2021			
Interim dividend for 2021	58,240,000	0.50	29.1
Final dividend for 2020	58,240,000	0.50	29.1

In addition, Alba's Board of Directors plans to propose for approval by the shareholders at the Annual General Meeting in 2023 a scrip dividend of up to Euros 58,060,270.52 (equivalent to Euros 0.98 per share), whereby the Company's shareholders may choose between (i) receiving newly issued bonus shares; (ii) obtaining an equivalent amount in cash by transferring to the Company the free allotment rights they receive for the shares they hold; and/or (iii) obtaining the cash value by transferring such rights on the market.

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 market value. 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 for or 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 cash-generating units (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 cash-generating units (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 (cash-generating unit, 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 for 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 pursuant to IAS 28.18.

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 11 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 investment property 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 2022 and 2021 to measure defined benefit commitments were as follows:

	2022	2021
Mortality tables	PERM 2020_Col_1st. rank	PERM 2020_Col_1st. rank
Technical interest agreed in the policies	2.50%	2.00% – 3.70%
CPI growth	2.00%	1.00%
Pay rises	2.50%	2.50%
Changes in Social Security base	2.00%	1.50%
Discount rate of obligations and of assets intended to settle the commit-ments	3.74%	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 2022 and 2021 are as follows:

		Cost of commitments recognised in the income statement					
	1/1	Service cost	Interest income/ (expense), net	Subtotal included in profit/ (loss)	Obligations met (paid)	Actuarial gains/ (losses)	31/12
2022							
Obligations under defined benefit plans	(18.8)	(0.9)	(0.2)	(1.1)	4.2	4.8	(10.9)
Fair value of plan assets	18.8	1.3	0.4	1.7	(4.2)	(5.4)	10.9
(Obligations)/Rights under defined benefit plans, net	-						-
2021							
Obligations under defined benefit plans	(19.6)	(1.4)	(0.1)	(1.5)	-	2.3	(18.8)
Fair value of plan assets	19.6	0.1	0.4	0.5	-	(1.3)	18.8
(Obligations)/Rights under defined benefit plans, net	-						-

The contribution expected to be made in 2023 in relation to defined benefit plans is Euros 0.6 million.

Sensitivity analysis:

	Discount rate		Future salary increases	
Sensitivity level	+0.50%	(0.50%)	+0.50%	(0.50%)
2022				
Impact on the (obligations)/rights under defined benefit plans, net	(4.88%)	5.70%	1.05%	(1.16%)
2021				
Impact on the (obligations)/rights under defined benefit plans, net	(6.75%)	8.08%	4.71%	(4.89%)

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

p) Share-based payment transactions

At 31 December 2022 and 2021 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 represents amounts receivable for goods delivered and services rendered in the ordinary course of business, net of returns and discounts, and amounts received on behalf of third parties, such as value added tax. Revenue is recognised when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group. It is measured at the fair value of the consideration received or receivable.

Revenue is recognised when the customer obtains control of the goods or services sold, i.e. when the customer has the ability to direct the use of and obtain benefits from the goods or services. Depending on the commercial terms of sale, the transfer of control and risk relating to the goods may occur when the materials are dispatched from the Group's facilities or delivered to the customer. The Group takes these terms of sale into account in determining the timing of revenue recognition. Revenue from the sale of goods is recognised when control over the goods is transferred to the customer. Revenues associated with the rendering of services are recognised by reference to the stage of completion of the service at the reporting date; this occurs when revenues can be estimated reliably, it is probable that the benefits of the transaction will flow to the company and the stage of completion and the costs already incurred can be measured reliably.

Purchases, consumables used and changes in merchandise and raw materials, as well as work carried out by other companies, are included under supplies.

The Group has not made any significant judgements in determining the recognition of the revenue any of its subgroups.

The Group uses the five-step model to determine when revenue should be recognised and how much revenue should be recognised.

1. Identify the contract with the customer.

2. Identify the performance obligations in the contract.

3. Determine the transaction price.

4. Allocate the transaction price to the performance obligations.

5. Recognise revenue when a performance obligation is satisfied.

Revenue associated with the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

Lease income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

Interest income is recognised applying financial criteria, based on the outstanding portion of the principal, the time to maturity and the applicable effective interest rate.

Dividend income from investments is recognised when the right to receive it is recognised.

In addition to the income from the lease of Alba's properties, the amount recorded under revenue includes the income contributed by the Satlink, Nuadi, Preving, Facundo and Gesdocument subgroups, over which Alba exercises control.

The nature of the revenue of each of these subgroups is as follows:

- Satlink subgroup: revenues are generated primarily from the sale of buoys for fishing activities and the provision of communications services.

- Nuadi subgroup: revenues are generated primarily from the sale of stamped metal components, plates, electrical wiring and other brake accessories in the automotive sector.

- Preving subgroup: revenues are generated primarily from the provision of occupational risk prevention services.

- Facundo subgroup: revenues are generated primarily from the sale of nuts, dried fruit and snacks.

- Gesdocument: revenues are generated primarily from the provision of legal, employment and financial advisory services.

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 2022

Acquisition of 37.43% of the Facundo Group

In June 2022, through Deyá Capital IV, SCR, S.A., Alba acquired 37.43% of the share capital of Disfasa, S.A. (parent of the Facundo Group) for Euros 21.9 million. The Facundo Group is based in Spain, and its principal activity is the production and distribution of nuts, dried fruit and snacks. The main reason for this business combination was that the private equity management company, Artá Capital, SGEIC, S.A.U., holds a majority interest.

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

Cash paid	21.9
Fair value of net assets acquired	19.0
Goodwill	**2.9**

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

	Carrying amount	Fair value adjustments	Fair value
Intangible assets (goodwill)	40.1	-	40.1
Other intangible assets	24.0	33.5	57.5
Other property, plant and equipment	2.1	-	2.1
Cash	5.0	-	5.0
Receivables and other assets	8.3	-	8.3
Total assets	**79.5**	**33.5**	**113.0**
Loans and borrowings	(42.5)	-	(42.5)
Deferred tax liabilities	(6.0)	(8.4)	(14.4)
Payables and other liabilities	(5.4)	-	(5.4)
Total liabilities	**(53.9)**	**(8.4)**	**(62.3)**
Net assets			**50.7**
Non-controlling interest			**(31.7)**
Net assets acquired			**19.0**

The intangible assets generated in the business combination relate in full to customer portfolios with useful lives ranging from 7 to 16 years.

The acquiree generated revenue of Euros 14.9 million and consolidated profit of Euros 1.2 million for Alba from the acquisition date to the reporting date. Had the acquisition taken place at 1 January 2022, the Group's revenue and consolidated profit for the year ended 31 December 2022 would have amounted to Euros 29.8 million and Euros 7.8 million, respectively.

The fair value of this business combination was estimated by an independent third party and should be considered as definitive at 31 December 2022, since at the date of preparation of these consolidated annual accounts the valuation has been finalised.

Kroll Advisory, S.L. has used the multiperiod excess earnings method (MEEM) to calculate the fair value of intangible assets, which determines the value of an asset based on the cash flows that are generated exclusively by the asset in question. The MEEM estimates value as the present value of the earnings anticipated from ownership of the intangible asset in excess of the returns required on the investment in the contributory assets necessary to realise those earnings. It is based on the theory that all operating assets contribute to a company's profitability. Accordingly, if the estimated earnings associated with a company's specific asset are dependent on the use of the company's other assets, then the estimated excess earnings of the asset should include charges for the use of these contributory assets. This method was applied for the valuation of the customer portfolio, using a discount rate of 11.50%.

Acquisition of 46.79% of Gesdocument y Gestión, S.A.

In June 2022, through Deyá Capital IV, SCR, S.A., Alba acquired 46.79% of the share capital of Gesdocument y Gestión, S.A. for Euros 8 million. Gesdocument y Gestión, S.A. has its registered office in Spain, and its principal activity is the provision of tax, economic, financial, administrative, employment and accounting advisory services. The main reason for this business combination was that the private equity management company, Artá Capital, SGEIC, S.A.U., controls the entire ownership interest in this company.

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

Cash paid	8.2
Fair value of net assets acquired	2.1
Goodwill	**6.1**

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

	Carrying amount	Fair value adjustments	Fair value
Intangible assets	4.3	-	4.3
Other property, plant and equipment	1.2	-	1.2
Cash	4.4	-	4.4
Receivables and other assets	3.1	-	3.1
Total assets	**13.0**	**-**	**13.0**
Loans and borrowings	(1.0)	-	(1.0)
Payables and other liabilities	(7.5)	-	(7.5)
Total liabilities	**(8.5)**	**-**	**(8.5)**
Net assets			**4.5**
Non-controlling interest			**(2.4)**
Net assets acquired			**2.1**

The acquiree generated revenue of Euros 7.3 million and consolidated profit of Euros 0.7 million for Alba from the acquisition date to the reporting date. Had the acquisition taken place at 1 January 2022, the Group's revenue and consolidated profit for the year ended 31 December 2022 would have amounted to Euros 13.8 million and Euros 0.2 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 financial statements at 31 December 2022 has been considered provisional, and any adjustments are to be made within one year from the date of acquisition.

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 were 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 was considered provisional, and any adjustments were to be made within one year from the

date of acquisition. In 2022 Company management did not modify the fair value of the assets acquired, considering such values as definitive.

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 comprised a customer portfolio amounting to Euros 7.1 million, with a useful life of 15 years.

The acquiree generated revenue of Euros 15.0 million and 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 was considered definitive; accordingly, it was not modified in 2022.

PKF Attest used the 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 fees 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%.

6. INVESTMENT PROPERTY

This line item comprises buildings intended for lease. CBRE Valuation Advisory, S.A., a specialist in appraisals of this type of investments, valued these properties at 31 December 2022 (Savills Consultores Inmobiliarios, S.A. carried out the valuation at 31 December 2021). The valuation was performed according to the Property Appraisal and Valuation Standards and Observations Guide published by the Royal Institution of Chartered Surveyors in the United Kingdom, and is based on the discounted cash flow and comparables method.

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.

All of the Group's investment property is located in Madrid.

Movement in this item is as follows:

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**
Balance at 1-1-22	**334.8**
Increases	2.0
Decreases	(20.4)
Change in fair value	1.1
Balance at 31-12-22	**317.5**

In 2022 the increases mainly related to improvements to the properties and the acquisition of several parking spaces amounting to Euros 0.2 million. In 2022 the Group sold a building in Madrid for Euros 22 million; this sale gave rise to a gain of Euros 1.6 million.

In 2021 the decreases related to the sale at the carrying amount of an office building and several parking spaces. The increases related to the purchase of a building in Madrid for Euros 54.5 million, as well as building improvements.

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

	2022	2021
Above ground surface area (m^2)	42,420	45,617
Rented area (m^2)	37,484	35,549
Occupancy rate (%)	88.4%	77.9%

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% BP	*Exit yield* (25%) BP	+10% rent
2022	(8.4%)	(6.4%)	4.9%	8.3%
2021	(11.9%)	(4.3%)	4.8%	11.9%

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 2022 and 2021 lease income relating to the non-cancellable period, calculated up to expiry of the lease, is as follows:

	2022	2021
Up to 1 year	11.4	14.7
Between 1 and 5 years	14.5	19.6
More than 5 years	2.1	0.7
Total	**28.0**	**35.0**

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 1-1-21	**29.4**	**28.7**	**58.1**
Increases	-	11.9	11.9
Transfer of Satlink CGU 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 Satlink CGU 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**

	Buildings	Other property, plant and equipment	Total
Cost			
Balance at 1-1-22	**29.4**	**37.3**	**66.7**
Increases	3.2	8.6	11.8
Disposals	(3.0)	(9.3)	(12.3)
Business combinations (note 5)	2.1	1.2	3.3
Other movements (loss of control of Preving) (note 5)	(20.1)	-	(20.1)
Balance at 31-12-22	**11.6**	**37.8**	**49.4**
Accumulated depreciation			
Balance at 1-1-22	**(18.5)**	**(16.4)**	**(34.9)**
Increases	(3.7)	(6.2)	(9.9)
Disposals	0.8	1.5	2.3
Other movements (loss of control of Preving) (note 5)	15.9	-	15.9
Balance at 31-12-22	**(5.5)**	**(21.1)**	**(26.6)**
Provisions			
Balance at 1-1-22	**(0.3)**	**-**	**(0.3)**
Balance at 31-12-22	**(0.3)**	**-**	**(0.3)**
Balance at 31-12-22	**5.8**	**16.7**	**22.5**

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 1-1-21	**78.6**
Entry of Preving Group CGU	7.1
Entry of Nuadi Group CGU	1.0
Transfer of Satlink CGU to non-current assets held for sale	(7.1)
Balance at 31-12-21	**79.6**
Acquisition of Gesdocument y Gestión, S.A. (note 5)	6.1
Acquisition of Facundo Group (note 5)	43.0
Loss of control of Preving subgroup (note 2.3)	(54.5)
Entry of Nuadi Group CGU	1.1
Balance at 31-12-22	**75.3**

Goodwill arising from new acquisitions in 2022 has been allocated to new cash-generating units (CGUs) arising as a result of these acquisitions. Acquisitions in 2021 were allocated to the Preving and Nuadi CGUs.

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 2022 and 2021.

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 Kroll Advisory, S.L. (formerly Duff & Phelps. S.L.U.) in 2022 and 2021. 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 comparable 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 it operates.

9. OTHER INTANGIBLE ASSETS (NOTE 5)

Movement in intangible assets is as follows:

	Trademarks	Customer portfolio	Other intangible assets	Total
Balance at 1-1-21	**9.1**	**118.4**	**24.2**	**151.7**
Additions	-	-	7.1	7.1
Due to business combination	-	7.1	0.3	7.4
Transfer of Satlink CGU to non-current assets held for sale	(2.7)	(12.9)	(11.5)	(27.1)
Amortisation	-	(11.1)	(8.1)	(19.2)
Balance at 31-12-21	**6.4**	**101.5**	**12.0**	**119.9**
Additions	-	-	8.5	8.5
Due to business combination	12.1	43.7	6.0	61.8
Other movements (loss of control of Preving)	-	(51.2)	(7.1)	(58.3)
Amortisation	-	(7.2)	(1.0)	(8.2)
Balance at 31-12-22	**18.5**	**86.8**	**18.4**	**123.7**

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 2022 and 2021.

Details of the movements in right-of-use assets during the years ended 31 December 2022 and 2021 are as follows:

Cost	
Balance at 1-1-21	**6.0**
Transfers to non-current assets held for sale	(6.0)
Balance at 31-12-21	**-**
Business combination	3.1
Additions	8.4
Balance at 31-12-22	**11.5**
Amortisation	
Balance at 1-1-21	**(1.5)**
Transfers to non-current assets held for sale	1.5
Balance at 31-12-21	**-**
Additions	(0.7)
Balance at 31-12-22	**(0.7)**

These transfer rights relate mainly to the rental of buildings and facilities of the Nuadi subgroup. The right of use has been defined based on the term of the lease in force for each asset.

Details of the movements in lease liabilities during the years ended 31 December 2022 and 2021 are as follows:

Balance at 1-1-21	**3.4**
Transfers to non-current assets held for sale	(3.1)
Balance at 31-12-21	**0.3**
Business combination	3.1
Additions	8.4
Disposals	(0.9)
Balance at 31-12-22	**10.9**

10. INVESTMENTS IN ASSOCIATES

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

	Assets		Liabilities				
	Current	Non-current	Current	Non-current	Revenues	Consolidated profit/(loss) attributable to the Parent	Other comprehensive income
Acerinox, S.A.							
2022	4,415.7	1,902.4	1,947.1	1,823.3	8,688.5	556.1	172.5
2021	3,916.8	2,067.4	1,967.6	1,801.8	6,705.7	571.9	139.8
Aegis Lux 2, S.à.r.l.							
2022	732.2	15,459.4	1,157.9	8,634.6	2,827.0	(239.7)	-
2021	567.1	15,825.0	1,086.3	8,445.4	2,508.8	(193.2)	-
CIE Automotive, S.A.							
2022	1,848.4	3,795.0	1,990.5	2,148.3	3,838.6	300.1	24.2
2021	1,644.6	3,753.5	1,849.0	2,181.5	3,093.3	267.5	167.7
Ebro Foods, S.A.							
2022	1,669.2	2,231.0	869.9	832.1	2,967.7	122.1	40.3
2021	1,733.3	2,205.3	923.8	881.7	2,427.1	238.6	113.7
Piolin II. S.à.r.l.							
2022	149.7	2,369.9	297.5	1,830.7	820.5	8.9	(4.1)
2021	168.8	2,310.8	271.4	1,822.5	585.3	53.0	-
Profand Fishing Holding, S.L.							
2022	385.6	338.6	278.6	269.6	929.0	14.6	-
2021	326.5	285.3	204.8	263.8	804.3	13.4	-
Rioja Luxembourg S.à.r.l.							
2022	100.0	2,818.0	28.0	1,576.0	-	260.0	249.0
2021	53.0	2,482.0	3.0	1,644.0	-	171.0	(427.0)
Viscofan, S.A.							
2022	720.5	624.2	325.7	112.1	1,201.0	139.4	40.8
2021	606.5	562.3	219.1	126.9	969.2	133.0	35.0

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 (%)	
	2022	2021	**2022**	2021
CIE Automotive, S.A.	0.62	-	-	-
Ebro Foods, S.A.	0.08	0.44	-	-
Profand Fishing Holding, S.L.	-	23.71	-	-
Viscofan, S.A.	-	0.93	-	-
Acerinox, S.A.	-	-	-	1.57
Euskaltel, S.A.	-	-	-	11.00
Indra Sistemas, S.A. (*)	-	-	3.21	7.32
Viscofan, S.A.	0.28	-	-	-

(*) In 2021 this interest was classified under "Non-current assets held for sale".

In addition, the Group has increased its interest in Acerinox, S.A. by 0.74% as a result of the company's redemption of own shares.

Variations in investments in associates in 2022 are as follows:

Company	Consolidated value at 1-1-22	Profit/(Loss) of investees	Dividends accrued
Acerinox, S.A.	583.9	98.4	(38.5)
Aegis Lux 2, S.à.r.l. (Verisure)	345.8	(18.2)	-
CIE Automotive, S.A.	366.2	39.5	(12.6)
Ebro Foods, S.A.	401.9	17.7	(12.7)
Piolin II, S.à.r.l. (Parques Reunidos)	104.2	2.1	-
Profand Fishing Holding, S.L.	77.8	3.4	-
Rioja Luxembourg, S.à.r.l. (Naturgy)	247.5	68.7	(22.8)
Viscofan, S.A.	326.0	19.8	(12.1)
Total	**2,453.3**	**231.4**	**(98.7)**

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

Acquisitions/ (Disposals) and transfers	Changes in consolidated equity of associates	Impairment	Consolidated value at 31-12-22	Stock market value at 31-12-22
-	(6.9)	-	636.9	444.6
-	(16.8)	-	310.8	-
14.9	(6.9)	-	401.1	393.7
1.9	4.1	-	412.9	327.6
-	(0.9)	-	105.4	-
0.4	2.7	(3.1)	81.2	-
-	65.4	-	358.8	896.0 (*)
6.6	4.3	-	344.6	398.9
23.8	45.0	(3.1)	2,651.7	

The variations in consolidated equity in 2022 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.

At 31 December 2022, Alba recognised an impairment loss of Euros 3.1 million on the ownership interest in Profand Fishing Holding, S.L.

Profand Fishing Holding, S.L. was valued by Kroll Advisory, S.L., an independent expert, which has issued its corresponding report. The method used by the independent expert to determine the recoverable amount of this investment is based on discounted future cash flows.

Financial projections (sales, EBITDA, investments, etc.) are based on the budgets and business plans of the company itself, approved by its Board of Directors. These projections are not published and are presented to Alba at board meetings. The financial projections used in the valuation were for five years. In addition, the reasonableness of the Company's projections has been tested against various market comparables.

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

- The WACC rate has been calculated using the capital asset pricing model (CAPM) adjusted by an additional risk premium. The discount rate was calculated after tax.
- The perpetual growth rate has been calculated on the basis of a normalised cash flow based on the explicit projection of the last year (2027).

The most significant assumptions used in the valuation of Profand Fishing Holding, S.L. in 2022 were as follows:

	Profand Fishing Holding, S.L.
Perpetual growth rate	2.0%
Discount rate (WACC)	9.3%
Capital structure	
Capital	63.0%
Debt	37.0%
Equity ratio	11.9%
Cost of debt after tax	4.7%
Estimated value in use (€/share)	15.78

In 2022, a variation of +0.5 and -0.5 points in the assumptions used to calculate the recoverable amount would have had the following effect on this value:

Change	Profand Fishing Holding, S.L.
Weighted average cost of capital (WACC)	
+0.5%	(13.5%)
(0.5%)	15.5%
Perpetual growth	
+0.5%	3.7%
(0.5%)	(3.2%)

The associates whose quoted price at 2022 year end is lower than their carrying amount are as follows: Acerinox, S.A., CIE Automotive, 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 2022 were as follows:

	Acerinox, S.A.	CIE Automotive, S.A..	Ebro Foods, S.A.
Perpetual growth rate	2.0%	2.0%	1.5%
Discount rate (WACC)	9.4%	8.6%	7.1%
Capital structure			
Capital	80.0%	80.0%	80.0%
Debt	20.0%	20.0%	20.0%
Equity ratio	10.6%	9.6%	7.8%
Cost of debt after tax	4.6%	4.8%	4.1%
Estimated value in use (€/share)	15.54	33.17	18.64

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.

- When the analysts' consensus sample is considered to be insufficiently representative because it consists of too few estimates. 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 2022 financial estimates with a time horizon of five years (2023-2027) 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 (2023-2027) for Acerinox, S.A., CIE Automotive, S.A. and Ebro Foods, S.A. is as follows:

- Revenue growth: CIE Automotive, S.A. and Ebro Foods, S.A. show moderate growth in the projected period. Their expected cumulative annual revenue growth in the explicit period is 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 higher initial growth at CIE Automotive, S.A. is due to the expected recovery in global car production, while at Ebro Foods, S.A. it is due to the strength of particularly resilient demand in periods of macroeconomic uncertainty, as well as the expected rise in prices in the first few years in an inflationary environment. On the contrary, Acerinox, operating in a cyclical sector and having reached its all-time sales record last year, expects a progressive fall in revenues until normal levels are reached.

- EBITDA margins: at Ebro Foods, S.A., after the drop in profitability recorded in 2022 in an environment of high raw material prices and other costs (energy, transport, etc.), slight growth is projected to reach a normalised level in line with the historical period (2015–2021) and at CIE Automotive, S.A., as it is currently at historical average profitability, margins are projected to remain stable. At Acerinox, S.A., the margin is expected to contract sharply in 2023 to a normalised level and remain stable in the following years.

- Investments (expressed as a percentage of sales): these are projected to remain stable in the explicit period in the three 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.

- The tax rate applied ranged from the general Spanish income tax rate of 25.0% to 27.5% at companies operating 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 calculation of the following parameters:

- The CAPM – a method generally accepted by the investment community to calculate the expected return on an investment in an asset based on the risk assumed – was used to calculate the equity ratio. The variables necessary to calculate the return on equity were determined as follows:

  - Risk-free rate: since the companies under analysis are of Spanish origin (CIE Automotive, Acerinox and Ebro Foods), the yield on the Spanish 10-year bond at the time of valuation was taken as reference.

  - Beta: calculated as the average of the betas of each of the companies with respect to the benchmark index (Ibex 35). The average of the betas calculated for different periods (one, three and five years) and different time frames (daily, weekly or monthly correlation) were used for the calculation.

- Market risk premium: historically calculated as a spread of 500 basis points over the risk-free rate used.

- Specific risk premium: an additional risk premium was added to the equity ratio in order to capture the higher risk of low liquidity of shares, for example. This additional risk premium is strictly based on Alba's internal estimates and contributes to raising the cost of equity to levels higher than would have resulted from the direct application of the WACC formula which, in Alba's view, would result in discount rates that are too low in an environment of rising interest rates and macroeconomic uncertainty. This risk premium has a similar effect to using an average historical return versus present value in the risk-free rate.

• The variables necessary to calculate the cost of debt after tax were calculated as follows:

- Risk-free rate: the greater of the yield of the Spanish 10-year bond or the Euribor 10-year swap is conservatively used to calculate the cost of debt. Both figures were obtained from public market sources (Bloomberg and/or Factset) when performing the valuations.

- Long-term credit spread: Drawing on its experience, Alba used a different spread for each company based on its level of risk. This spread ranges between 200 and 350 basis points depending on the company. In addition, the resulting cost of debt was compared with the actual data of the investees (always lower than Alba's estimates) and with the available analysts' consensus.

 - Tax rate: To calculate the cost of debt after tax, the same tax rate was used as the rate used to calculate the free cash flows and especially the terminal value of discounted cash flows. This rate is normally the general corporate income tax rate applicable to each company in Spain, adjusted in some cases for the estimated weight of activities in different jurisdictions.

- Based on the calculation of the equity ratio and the cost of debt after tax, the WACC is calculated by assuming a weighting of debt and equity following a target capital structure for each company.

In the valuations carried out at 31 December 2022, the cost of equity varies by company, between 7.8% (Ebro Foods, S.A.) and 10.6% (Acerinox S.A.), while the WACC rate ranges from 7.1% (Ebro Foods, S.A.) to 9.4% (Acerinox S.A.). In the case of CIE Automotive, S.A., both figures were within the indicated ranges, with a cost of equity of 9.6% and a WACC of 8.6%. 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 2022, 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 in the past. 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 2022, the following sensitivity analysis was performed:

	Acerinox, S.A.	CIE Automotive, S.A.	Ebro Foods, S.A.
Discount rate (WACC)			
Rate used in 2022	9.4%	8.6%	7.1%
Rate equal to carrying amount	10.9%	10.2%	7.1%
Perpetual growth			
Rate used in 2022	2.0%	2.0%	1.5%
Rate equal to carrying amount	(1.0%)	0.0%	1.4%
EBITDA margin used to calculate terminal value			
Rate used in 2022	9.0%	16.5%	13.0%
Margin equal to carrying amount	7.5%	13.8%	12.9%
Variation in total sales to equal carrying amount	(14.1%)	(15.9%)	(0.5%)
Variation in EBITDA margin to equal carrying amount	(1.0%)	(2.0%)	(0.1%)

In 2022, 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.	CIE Automotive, S.A.	Ebro Foods, S.A.
Weighted average cost of capital (WACC)			
+0.5%	(5.5%)	(9.6%)	(10.3%)
(0.5%)	6.3%	11.1%	12.4%
Perpetual growth			
+0.5%	3.7%	9.2%	8.3%
(0.5%)	(3.2%)	(7.9%)	(7.0%)
EBITDA margin			
+0.5%	5.1%	4.9%	5.5%
(0.5%)	(5.1%)	(4.9%)	(5.5%)

The variations in investments in associates in 2021 were as follows:

Company	Consolidated value at 1-1-21	Profit/(Loss) of investees	Dividends accrued and 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)	(129.2)
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**	**(241.4)**

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

Acquisitions/ (Disposals) and transfers	Changes in consolidated equity of associates	Consolidated value at 31-12-21	Stock market value at 31-12-21
(43.6)	26.0	583.9	547.6
-	(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	-
77.8	-	77.8	-
-	(112.1)	247.5	1,106.9 (*)
25.0	4.4	326.0	369.5
(334.4)	**(60.8)**	**2,453.3**	

The changes in consolidated equity in 2021 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 2021 year end was lower than their carrying amount are as follows: Acerinox, S.A. and Ebro Foods, 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 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%
Cost of debt after tax	2.7%	2.2%
Estimated value in use (€/share)	17.31	21.55

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 2021 financial estimates with a time horizon of five years (2022–2026) 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 (2022-2026) for Acerinox, S.A. and Ebro Foods, S.A. is as follows:

- Revenue growth: the expected cumulative annual revenue growth rate in the explicit period was negative for these two companies. In Acerinox, this was because significant revenue growth was forecast for 2022, before returning to normalised levels in subsequent years. In the case of Ebro Foods, S.A. revenue was 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 would fail to offset the effect of the divestments.

- EBITDA margins: these were 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, S.A., having posted a reduction in profitability in 2021–2022 against a backdrop of high commodity prices, slight growth was projected, which should take the margins to levels seen in the historical period (2015–2021).

- Investments (expressed as a percentage of sales): these were projected to remain stable in the explicit period in both companies, in line with the historical average. Historical averages did not include acquisitions and, likewise, the financial projections did not take into consideration acquisitions or sales of businesses.

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

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

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

- 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 between the Company's non-current debt and 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 were also post-tax rates.

In the valuations carried out at 31 December 2021, the cost of equity varied by company, between 7.5% (Ebro Foods, S.A.) and 10.0% (Acerinox, S.A.), while the WACC rate ranged from 6.5% (Ebro Foods, S.A.) to 8.6% (Acerinox, S.A.). These discount rates were 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 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 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 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 2022, 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 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%)

11. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The percentage ownership interest in investments at fair value through profit or loss at 31 December 2022 and 2021 is as follows:

	%	
	2022	2021
Non-current, unquoted		
Atlantic Aviation FBO Inc. (through Alba-KKR Core I., S.C.A.)	9.47	12.28
C. E. Extremadura, S.A.	1.01	1.01
ERM Group Limited (through Alba-KKR Core I., S.C.A.)	14.68	14.68
Food Delivery Brands, S.A. (through Tasty Topco, S.C.A.)	3.13	3.13
Grupo Alvic FR Mobiliario, S.A. (through Folkstone, S.L.)	7.76	7.76
In-Store Media Group, S.A.	18.89	18.89
March PE Global, SCR, S.A.	33.33	33.33
Marsala Activos, S.L.U. (Preving)	21.41	-
Monbake Grupo empresarial, S.A.A. (through Tarasios Investments, S.L.)	3.70	3.70
Topco Satlink, S.L.	7.20	-
Non-current, quoted		
Befesa Holding, S.à.r.l.	8.66	5.10
Global Dominion Access, S.A.	5.55	5.27
Technoprobe, Spa	3.26	-

Dividends amounting to Euros 7.8 million (Euros 4.3 million in 2021) were received from these listed and unlisted investments in 2022.

Movement during 2022 and 2021 was as follows:

Balance at 1-1-21	**171.0**
Additions	770.5
Disposals	(36.6)
Changes in fair value	68.4
Balance at 31-12-21	**973.3**
Additions	210.3
Changes in fair value	164.5
Other movements	16.1
Balance at 31-12-22	**1,364.2**

In 2022 the additions relate mainly to the acquisitions of shares in Technoprobe, Spa and Befesa Holding, S.á.r.l. for Euros 115.2 million and Euros 57.5 million, respectively. Other movements include the recognition of the ownership interest in the Preving subgroup as a result of the loss of control over it (see note 2.3).

Also, during the first half of 2022 the Group sold its entire 3.21% equity investment in Indra Sistemas, S.A. At 31 December 2021 this equity investment was classified under non-current assets held for sale. Up to the sale date, the change in the fair value of this equity investment amounted to Euros 3.5 million, and the sale generated a gain of Euros 4.8 million, which is recognised under proceeds from disposal of and income from assets.

Additions in 2021 primarily reflected the acquisition of interests in Atlantic Aviation FBO Inc. and ERM I Group Limited, the increased stake in Befesa Holding, S.à r.l., as well as other investments. In addition, in 2021 the entire investment in Alvinesa, S.A. was sold for Euros 48.4 million, at a gain of Euros 11.8 million.

The valuation in InStore Media Group, S.A. is prepared by the personnel responsible for this function in Artá Capital, SGEIC, S.A.U. and reviewed and approved by the Investment Committee, without any involvement of independent experts in the valuations.

Also, in relation to the other investments held by the Group through Deya Capital IV, SCR, S.A.U. and which are also managed by Artá Capital, SGEIC, S.A.U., in 2022 and 2021 the valuations were carried out by Kroll Advisory, S.L. (formerly Duff & Phelps. S.L.U.), an independent expert, which issued the related report. One exception is the ownership interest in Topco Satlink, S.L., which was acquired in 2022 and was valued at year-end at its acquisition value (which coincides with its fair value), since no events have taken place that have caused the value of the investment to change in the short period of time between the purchase and end of year.

In 2022, the method used by the independent expert to determine the fair value of these investments, with the exception of the valuation of Food Delivery Brands, S.A., is based on discounted future cash flows. In the valuation of Food Delivery Brands, S.A., since at year-end it is in talks for a possible restructuring process that could lead to a dilution of the shareholders' ownership interest, instead of a discounted cash flow valuation, the ownership interest has been valued using the Monte Carlo simulation valuation model.

In 2021 all investments were valued using 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 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 between the non-current debt of the Company and 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.	Marsala Activos, S.L.U. (Preving)	InStore Media Group, S.A.	Monbake, S.A.	Food Delivery Brands, S.A.
2022					
Perpetual growth rate	2.0%	2.0%	2.0%	2.0%	n.a.
Weighted average cost of capital (WACC)	11.7%	12.0%	12.6%	10.0%	n.a.
2021					
Perpetual growth rate	2.0%	n.a.	1.3%	2.0%	2.0%
Weighted average cost of capital (WACC)	11.0%	n.a.	7.5%	7.5%	9.3%

Sensitivity analysis

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

	Grupo Alvic FR Mobiliario, S.A.	Marsala Activos, S.L.U. (Preving)	InStore Media Group, S.A.	Monbake, S.A.	Food Delivery Brands, S.A.
2022					
Weighted average cost of capital (WACC)					
+0.5%	(6.0%)	(7.8%)	(7.5%)	(9.8%)	n.a.
(0.5%)	6.6%	8.6%	8.5%	11.1%	n.a.
Perpetual growth rate					
+0.5%	4.6%	5.7%	0.5%	8.2%	n.a.
(0.5%)	(4.1%)	(5.1%)	(0.5%)	(7.3%)	n.a.
EBITDA					
+5.0%	7.8%	9.3%	6.0%	11.1%	n.a.
(5.0%)	(7.7%)	(9.3%)	(7.0%)	(9.8%)	n.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%)

For the valuation of the investment in Food Delivery Brands, S.A. the independent expert used the Monte Carlo simulation valuation model, which consists of carrying out numerous simulations of price changes over time, and the average of these simulations is converted into the value of the underlying share discounted at the valuation date. The main assumptions used in the valuation were a volatility of 40% and an unleveraged beta of 0.77.

As regards the valuations held by the Group through Alba-KKR Core I., S.C.A., which have been performed by an external party, information relating to the methodology and assumptions used to calculate the fair value is shown below:

	Weighted average [1]	Range
2022		
Weighted average cost of capital (WACC)	10.5%	9.5% – 11.6%
Enterprise Value / LTM[2] EBITDA Exit Multiple	15.5x	15.0x –16.0x
2021		
Weighted average cost of capital (WACC)	n.a.	n.a.
Enterprise Value / LTM[2] EBITDA Exit Multiple	n.a.	n.a.

(1) Data is weighted by the fair value of the investments included in the range.
(2) LTM means "Last Twelve Months".

In determining these variables, a number of factors have been considered and evaluated, including economic conditions, industry and market performance, market valuations of comparable companies and Company performance, including exit strategies and realisation opportunities.

12. OTHER NON-CURRENT FINANCIAL ASSETS AND LIABILITIES

Details of these items at 31 December 2022 and 2021 are as follows:

	2022	2021
Other non-current financial assets		
Loans to third parties	30.0	38.8
Guarantees deposited with public entities	1.6	1.5
Other financial assets	40.7	23.9
Balance at 31 December	**72.3**	**64.2**
Other non-current financial liabilities		
Other financial liabilities	20.6	11.3
Guarantees received from customers	2.2	2.1
Balance at 31 December	**22.8**	**13.4**

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 companies, 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 bps. It is expected to be collected through a cash sweep and early repayments that are mandatory if certain liquidity events occur. Euros 8.8 million and Euros 4.4 million were collected on these loans in 2022 and 2021, respectively.

As shown in note 10, in 2021 the Group acquired 23.71% of the share capital of Profand Fishing Holding, S.L. As a result of this transaction, Alba and the other shareholder of Profand Fishing Holding, S.L. – the previous

holder of Alba's current ownership interest – entered into a shareholders' agreement setting out a number of binding covenants and conditions relating to their rights and obligations, the terms on which Profand would be managed and governed and the arrangement to transfer the shares. In relation to the latter, among other agreements, Alba was granted a put option on all of its shares in Profand Fishing Holding, S.L., such that from 28 October 2029, if Alba continues to hold an ownership interest in Profand, it will have a unilateral put option on this interest vis-à-vis the other shareholder of Profand Fishing Holding, S.L. for an amount agreed in advance. This put option will remain in force for a period of 24 months as from when it can be exercised, i.e. until 28 October 2031. This option was valued at year-end by an independent expert, Kroll Advisory, S.L., and is recorded under other non-current financial assets in the consolidated balance sheet amounting to Euros 33.9 million (Euros 23.3 million at 31 December 2021), which generated an impact on the consolidated income statement for 2022 of Euros 10.6 million, recognised under change in fair value of financial instruments.

13. TRADE AND OTHER RECEIVABLES

Details at 31 December 2022 and 2021 are as follows:

	2022	2021
Trade receivables	23.9	32.7
Income tax withholdings and payments on account	45.1	39.2
Accrued dividends receivable	21.1	5.6
Other receivables	0.2	0.8
Prepaid expenses	2.7	3.2
Balance at 31 December	**93.0**	**81.5**

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:

	2022	2021
Corporate promissory notes	267.6	392.8
Other financial assets	106.4	140.0
Balance at 31 December	**374.0**	**532.8**

All the promissory notes are issued by Spanish entities.

Details of cash and cash equivalents at 31 December 2022 and 2021 are as follows:

	2022	2021
Cash on hand and at banks	47.9	126.1
Highly liquid current investments	150.4	50.6
Balance at 31 December	**198.3**	**176.7**

Current 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.

The change in fair value of the financial assets recognised in these categories amounts to an expense of Euros 14.7 million.

15. EQUITY

At 31 December 2022 the share capital comprised 59,245,174 shares (58,240,000 shares at 31 December 2021), all of the same class and represented by book entries. The par value of each share is Euros 1, they are subscribed and fully paid, and have all been listed on the Spanish Stock Exchange Interconnection System (SIBE).

At their extraordinary meeting held on 29 November 2022, the shareholders of Corporación Financiera Alba, S.A. approved a bonus share capital increase at the Company to implement a scrip dividend. On 15 December 2022, the trading period for the allotment rights ended, through which the Company purchased 12,001,907 free allotment rights for Euros 11.9 million. This option was accepted by 20.6% of the holders of these rights.

The final number of ordinary shares of Euros 1 par value each that were issued in the capital increase was 1,005,174 shares. As a result of this capital increase, the share capital of Corporación Financiera Alba, S.A. at 31 December 2022 is 59,245,174 shares of Euros 1 par value each. In this respect, the new Company shares were admitted to trading on the stock exchange on 27 December 2022.

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 2022 are as follows:

Shareholder	% ownership
Mr. Carlos March Delgado	21.05%
Mr. Juan March Delgado	20.56%
Banca March, S.A.	15.03%
Mr. Juan March de la Lastra	8.76%
Mr. Juan March Juan	5.10%
Ms. Catalina March Juan	4.63%
Ms. Gloria March Delgado	3.72%

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.

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.

	2022	2021
Profit/(Loss) attributable to ordinary shareholders of the Parent		
Continuing operations	436.4	302.7
Discontinued operations	-	-
Profit/(Loss) attributable to ordinary shareholders of the Parent in respect of basic earnings	**436.4**	**302.7**
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	**436.4**	**302.7**
Number of ordinary shares for basic earnings per share (*)	59,245,174	58,240,000
Dilution effect	-	-
Number of ordinary shares adjusted for dilution effect (*)	**59,245,174**	**58,240,000**
Earnings/(Loss) per share (Euros/share)	**7.37**	**5.20**

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

Details of movement in non-controlling interests in 2022 are as follows:

	Balance at 31-12-2021	Business combination	Profit/ (Loss)	Dividends	Loss of control	Other	Balance at 31-12-2022
Alba Investments, S.à.r.l.	64.9	-	(3.3)	-	-	1.3	62.9
Arta Partners, S.A.	0.5	-	0.5	(0.8)	-	-	0.2
Nuadi subgroup	32.0	-	4.6	-	-	-	36.6
Preving subgroup	55.0	-	2.8	-	(57.8)	-	-
Facundo subgroup	-	31.7	0.7	-	-	3.5	35.9
Gesdocument y Gestión, S.A.	-	2.4	0.4	-	-	-	2.8
Satlink subgroup	12.1	-	2.5	-	(14.6)	-	-
Total	**164.5**	**34.1**	**8.2**	**(0.8)**	**(72.4)**	**4.8**	**138.4**

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 2022 and 2021 year ends was as follows:

	2022	2021
Loans and borrowings	550.7	594.6
Cash and cash equivalents	(198.3)	(176.7)
Total net debt	**352.4**	**417.9**
Equity	4,480.7	4,040.1
Equity + net debt	4,833.1	4,458.0
Leverage ratio	7.29%	9.37%

17. PROVISIONS

Movement in this item in 2022 and 2021 is as follows:

	2022	2021
Balance at 1 January	0.6	1.0
Applications and releases	(0.2)	(0.4)
Balance at 31 December	0.4	0.6

18. SUPPLIERS AND OTHER PAYABLES

Details at 31 December 2022 and 2021 are as follows:

	2022	2021
Suppliers	54.4	47.1
Public entities, other (note 22)	8.6	17.1
Salaries payable	10.1	11.3
Balance at 31 December	73.1	75.5

Details of payments for commercial transactions made during the year and outstanding at year end in relation to the maximum legal payment terms established in Law 15/2010, amended by Law 11/2013 and Law 18/2022 are as follows:

	2022	2021
Days		
Average supplier payment period	56	57
Transactions paid ratio	59	60
Transactions payable ratio	45	48
In millions of euros		
Total payments made	91.7	136.9
Total payments outstanding	61.8	63.2

In thousands of euros	**2022**
Amount of invoices paid within 60 days	46,162
Number of invoices paid within 60 days	16,712
Number of invoices paid within 60 days as % of total invoices paid	56.73%
Amount of invoices paid within 60 days as % of amount of invoices paid	66.38%

19. LOANS AND BORROWINGS

Current and non-current

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

	At 31-12-22		At 31-12-21	
Bank	Maturity	Balance drawn down	Maturity	Balance drawn down
Current loans and credit facilities (current)				
Loans and credit facilities	2023	389.0	2022	347.4
		389.0		**347.4**
Non-current loans and credit facilities (non-current)				
Syndicated loans and credit facilities	2024 to 2028	161.7	2023 to 2028	247.2
		161.7		**247.2**

Principal and interest payments are settled every six months. Bank borrowings cost from 0.2%–5.0% per annum.

Alba also has undrawn lines of financing at 31 December 2022 for a total amount of Euros 116.6 million.

An analysis of the maturities of non-current loans and borrowings (including interest) at 31 December 2022 and 2021 (in millions of Euros) is as follows:

In millions of euros	2023	2024	2025	2026	2027	2028	2029	Total
2022	-	21.2	97.5	3.9	14.3	10.9	13.9	**161.7**
2021	80.2	16.2	146.1	0.2	0.2	10.0	-	**253.0**

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 1-1-21	**251.8**
Cash flows from (used in) financing activities	342.8
Balance at 31-12-21	**594.6**
Balance at 1-1-22	**594.6**
Additions to/exits from the consolidated Group	3.3
Cash flows from (used in) financing activities	(47.2)
Balance at 31-12-22	**550.7**

20. FAIR VALUE MEASUREMENT

Details of assets and liabilities and their fair value measurement hierarchy at 31 December 2022 and 2021 are as follows:

	Total	Quoted price in active markets (Level 1)	Significant unobservable inputs (Level 3)
2022			
Assets measured at fair value			
Investment property (note 6)	317.5	-	317.5
Investments at fair value through profit or loss (note 11)	1,364.2	317.7	1,046.5
Assets whose fair value is disclosed			
Investments in associates (note 10)	3,483.6	2,460.8	1,022.8
Other non-current financial assets (note 12)	72.3	-	72.3
Trade and other receivables (note 13)	93.0	-	93.0
Other current financial assets (note 14)	374.0	106.4	267.6
Liabilities whose fair value is disclosed			
Loans and borrowings (note 19)	550.7	-	550.7

	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 non-current financial assets (note 12)	64.2	-	64.2
Trade and other receivables (note 13)	81.5	-	81.5
Other current financial assets (note 14)	532.8	132.8	400.0
Liabilities whose fair value is disclosed			
Loans and borrowings (note 19)	594.6	-	594.6

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 (financial and non-financial) faced. 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 2022 and 2021 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 2022 and 2021 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 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 2022 the Group's cash position amounted to Euros 198.3 million, of which Euros 47.9 million comprised cash in hand and at banks, and Euros 150.4 million reflected current deposits and investments that are readily convertible into cash and not subject to 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.

The Group's exposure to liquidity risk at 31 December 2022 and 2021 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 2022 and 2021, by type of asset and maturity, are as follows (in millions of Euros):

	2022		2021	
	Amount	Maturity	Amount	Maturity
Trade receivables	23.9	2023	32.7	2022
Other non-current financial assets	72.3	2023-2029	64.2	2022-2029
Other receivables	21.3	2023	6.4	2022

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 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 2022 and 2021 are as follows:

	2022	2021
Income tax for the year		
Income tax expense for the year	0.6	5.8
Adjustments to income tax from prior years	-	-
Deferred tax		
Source and reversal of temporary differences	-	7.3
Income tax expense recognised in the income statement	**0.6**	**13.1**
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 accounting profit multiplied by the tax rate applicable to Alba for the years ended 31 December 2022 and 2021 is as follows:

	2022	2021
Pre-tax accounting profit from continuing operations	93.3	201.7
Pre-tax profit/(loss) of discontinued operations	-	-
Pre-tax accounting profit	93.3	201.7
Consolidation differences	-	9.1
Permanent differences (article 21 of LIS)	(146.3)	(206.1)
Change in deferred tax assets and liabilities	(6.1)	7.3
Income tax expense/(income) in the consolidated income statement	0.6	13.1
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 associates, dividends received from associates, 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:

	1-1-21	Additions/ (Derecognitions)	Business combination	31-12-21	Additions/ (Derecognitions)	31-12-22
Deferred tax assets						
Retirement plans and other expenses	2.8	0.2	(0.5)	2.5	(1.6)	0.9
Total deferred tax assets	**2.8**			**2.5**		**0.9**
Deferred tax liabilities						
Gains on investment property	28.9	2.5	-	31.4	(5.2)	26.2
Other deferred tax liabilities	40.8	4.6	(14.9)	30.5	(1.1)	29.4
Total deferred tax liabilities	**69.7**			**61.9**		**55.6**

At 31 December 2022 and 2021 tax loss carryforwards amounting to Euros 23.8 million and Euros 26.2 million, respectively, have not been recognised in the accompanying balance sheet.

While 2022 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:

	2022	2021
Payment on account	1.0	4.2
Corporate income tax	3.7	11.7
Personal income tax withholdings	0.9	1.0
VAT and other	3.0	0.2
Total	8.6	17.1

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:

	2022			2021		
	Male	Female	Total	Male	Female	Total
Executive board members	-	-	-	-	-	-
Directors	34	7	41	43	12	55
Heads of department	67	19	86	122	22	144
Administration and other	436	499	935	848	1,101	1,949
Total	**537**	**525**	**1,062**	**1,013**	**1,135**	**2,148**

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

	2022			2021		
	Male	Female	Total	Male	Female	Total
Executive board members	-	-	-	-	-	-
Directors	32	7	39	44	11	55
Heads of department	58	22	80	120	24	144
Administration and other	350	356	706	844	1,107	1,951
Total	**440**	**385**	**825**	**1,008**	**1,142**	**2,150**

At 31 December 2022 the Company has 13 employees with a disability rating of 33% or more.

24. SEGMENT REPORTING

Details of the revenues, profit/loss, assets and liabilities of the business segments for the years ended 31 December 2022 and 2021 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 entailing control: business segment defined as the sum of the various activities carried out by the companies over which the Group has control. Specifically, they relate to the activities carried out by companies in which the Group has a direct ownership interest and which belong to vehicles managed by Artá Capital, SGEIC, S.A.U., which exercises control over said vehicle and determines what investments are made, whether there are no restrictions on management and whether they have exposure to variable returns.

No transactions are carried out between the different segments.

Segment reporting 2022

In millions of euros	Rental of buildings	Investment property	Private equity investments entailing control	Income and expenses not allocated to segments	Total Group
Direct income and expenses of the segment					
Revenues	12.9	-	153.5	-	166.4
Supplies	-	-	(61.9)	-	(61.9)
Gains on disposal	1.8	9.3	36.4	-	47.5
Share of the profit/(loss) for the year of associates	-	231.4	-	-	231.4
Changes in fair value	1.1	191.6	-	(15.1)	177.6
Depreciation and amortisation	-	-	(17.0)	(1.1)	(18.1)
Impairment	-	(3.1)	-	-	(3.1)
Personnel expenses	-	-	(35.5)	(18.1)	(53.6)
Other operating expenses	(6.3)	-	(42.0)	(8.4)	(56.7)
Other income/(expenses)	-	-	-	0.5	0.5
Net finance income	-	-	(6.1)	21.3	15.2
Profit/(Loss) before taxes and non-controlling interests	**9.5**	**429.2**	**27.4**	**(20.9)**	**445.2**
Income tax					(0.6)
Profit/(Loss) from continuing operations					**444.6**
Profit/(Loss) attributable to non-controlling interests					(8.2)
Consolidated profit/(loss) for the year attributable to the Group					**436.4**
Assets and Liabilities					
Segment assets	319.0	3,759.4	264.1	-	4,342.5
Unallocated assets					980.6
Total assets					**5,323.1**
Segment liabilities	2.2	-	179.0	-	181.2
Unallocated liabilities					522.8
Total liabilities					**704.0**

Segment reporting 2021

In millions of euros	Rental of buildings	Investment property	Private equity investments entailing control	Income and expenses not allocated to segments	Total Group
Direct income and expenses of the segment					
Revenues	12.1	-	223.3	-	235.4
Supplies	-	-	(66.0)	-	(66.0)
Gains on disposal	(1.0)	(9.8)	11.8	-	1.0
Share of the profit/(loss) for the year of associates	-	245.0	-	-	245.0
Changes 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**	**252.5**	**33.3**	**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**

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.

Ordinary income relates to revenues from customer contracts. The breakdown of Group revenue by line of business for 2022 and 2021 is as follows:

In millions of euros	2022	2021
Rentals	12.8	12.1
Electronic equipment and buoy communication in the fishing sector	16.1	56.1
Automotive brake accessories	90.0	77.4
Occupational risk prevention	25.3	89.8
Food	14.9	-
Consulting services	7.3	-
Total	**166.4**	**235.4**

The breakdown of Group revenue by line of business and geographical market for the 2022 and 2021 is as follows:

	2022		2021	
In millions of euros	Spain	Rest of the world	Spain	Rest of the world
Rentals	12.8	-	12.1	-
Electronic equipment and buoy communication in the fishing sector	12.0	4.1	16.9	39.2
Automotive brake accessories	28.6	61.4	23.2	54.2
Occupational risk prevention	25.3	-	89.8	-
Food	14.9	-	-	-
Consulting services	7.3	-	-	-
Total	**100.9**	**65.5**	**142.0**	**93.4**

25. OTHER INCOME AND EXPENSES

Details for 2022 and 2021 are as follows.

a) Personnel expenses

In millions of euros	**2022**	2021
Salaries and wages	46.6	74.9
Social Security payable by the Company	5.7	16.3
Alternative pension plan schemes	1.3	0.5
Other employee benefits expenses	-	0.5
Balance at 31 December	53.6	92.2

b) Finance income

In millions of euros	**2022**	2021
Interest, dividends and other	21.5	17.6
Balance at 31 December	21.5	17.6

c) Change in fair value of financial instruments

At the 2022 and 2021 year ends this item reflects the change in fair value of investments at fair value through profit or loss (see note 11) and other financial assets recognised at fair value (see notes 12 and 14).

26. RELATED PARTIES

Details of transactions carried out in 2022 and 2021 are as follows:

Description of the transaction	Amount 2022	Amount 2021	Related party
With significant shareholders of the Company			
Services	0.8	1.4	Banca March, S.A.
Dividends	5.9	8.7	Banca March, S.A.
With other related parties			
Dividends and other distributions	12.6	9.5	CIE Automotive, S.A.
	22.8	38.2	Rioja Luxembourg, S.à.r.l.
	38.5	25.2	Acerinox, S.A.
	12.7	25.0	Ebro Foods, S.A.
	12.2	11.0	Viscofan, S.A.
	-	3.3	Euskaltel, S.A.
	-	1.7	InStore Media Group, 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
2022				
External proprietary directors	3	915	1,450	-
External independent directors	6	-	835	-
Other external directors	1	915	145	-
Senior management	7	5,227	-	678
Total		**7,057**	**2,430**	**678**
2021				
External proprietary directors	3	292	1,075	-
External independent directors	6	-	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**

(*) 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 2022 and 2021 the Board of Directors comprised 10 members.

No loans were extended to members of the Board of Directors or Senior Management in 2022 or 2021.

Details of the remuneration accrued by each board member in 2022 and 2021, including those who stepped down before 31 December are as follows:

2022 In thousands of euros	Fixed remuneration	Variable	Alba Group board meetings	Total remuneration
De Colmenares Brunet, Ignacio	-	-	130	130
Girón Dávila, Mª Eugenia	-	-	150	150
Guibert Ucin, María Luisa	-	-	130	130
March de la Lastra, Juan	-	549	455	1,004
March Delgado, Carlos	-	-	540	540
March Juan, Juan	-	366	455	821
Martínez-Conde Gutiérrez-Barquín, Santos	-	915	145	1,060
Pickholz, Claudia	-	-	140	140
Plaza Arregui, Ana María	-	-	135	135
Pradera Jáuregui, Antón	-	-	150	150
Total Board	**-**	**1,830**	**2,430**	**4,260**

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
Plaza Arregui, Ana María	-	-	135	135
Pradera Jáuregui, Antón	-	-	140	140
Total Board	**421**	**818**	**2,147**	**3,386**

In 2022 and 2021 no remuneration was paid to individuals representing Alba on boards or committees of companies in which Alba acts as a director company. In 2022 and 2021, Euros 170 thousand and Euros 178 thousand, respectively, were paid in respect of public liability insurance premiums on behalf of the directors.

There were no changes in the Board of Directors in 2022. 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. Jose Domingo de Ampuero y Osma stepped down from the board.

At the general meetings held in 2022, 2021 and 2020 the shareholders of Alba approved a variable remuneration scheme linked to the net asset value of the shares for executive board members (as appropriate), 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	20/6/22	21/6/21	18/6/20
Maturity	30/6/25	30/6/24	30/6/23
Units assigned	164,050	204,500	246,500
Initial net asset value	89.37	80.42	64.97
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 of 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 2022 and 2021 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, nor did any parties related to them.

28. AUDIT FEES

In 2022 KPMG Auditores, S.L., the auditor of the Group's annual accounts, accrued fees totalling Euros 117 thousand, of which Euros 96 thousand were for audit services and Euros 24 thousand for the limited review of the half-yearly consolidated financial statements, the agreed-upon procedures report on the ICOFR description and translations of annual accounts previously authorised for issue by the Board of Directors and for which an audit opinion had already been issued. In addition, in 2022 other affiliates of KPMG invoiced fees of Euros 3 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

At 31 December 2022, the Group has classified all the assets and liabilities of Artá Capital, SGEIC, S.A.U. and Artá Partners, S.A. as non-current assets and liabilities held for sale. Although the sale took place in the first quarter of 2023, the decision was taken earlier.

The disposal group consisted of assets of Euros 3.6 million (of which Euros 2.9 million was in cash and Euros 0.7 million in trade and other receivables) and liabilities of Euros 1.4 million (entirely composed of trade and other payables). The Group has not recognised any impairment losses due to the carrying amounts being lower than fair value less costs to sell.

At 31 December 2021 the Group classified the assets and liabilities of the Satlink Group as held for sale, as the decision to sell was made in 2021 even though the transaction took place in the first months of 2022. The disposal group comprised assets amounting to Euros 80.9 million and liabilities totalling Euros 57.5 million. Thus, the carrying amounts of the assets held for sale at 31 December 2021 was Euros 23.4 million without including non-controlling interests. On 31 March 2022, the Group's entire ownership interest in the Satlink

Group was sold. The sale amounted to Euros 48.5 million, giving rise to a gain of Euros 36.4 million recognised under proceeds from disposal of non-current assets.

31. EVENTS AFTER THE REPORTING PERIOD

In March 2023, the Group sold all shares it held in the subsidiary Artá Partners, S.A., the owner of 100% of the shares of Artá Capital, SGEIC, S.A.U., for Euros 6 million. At 31 December 2022 the assets and liabilities of these two companies were classified as held for sale (see note 30). As a result of the sale, the Group no longer exercises control over the Nuadi, Facundo and Gesdocument subgroups and, from the date of the sale onwards, these subgroups will no longer be fully consolidated.

DIRECTORS' REPORT

1. BUSINESS PERFORMANCE AND POSITION OF THE COMPANY

The consolidated annual accounts at 31 December 2022 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 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 2022, 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.

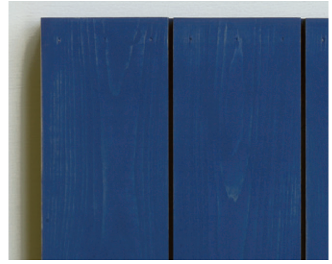
- Promotion and holding of interests in companies.

- Operation of buildings through lease or sale.

Consolidated net profit net amounted to Euros 436 million in 2022 compared to Euros 303 million in the previous year. This improvement mainly stems from the increase in investments carried at fair value and the gains obtained on the disposal of investments. These results are partially offset by the downturn in profit of certain investees.

Net asset value (NAV) decreased by 2.7% in the year to Euros 5,289 million at 31 December 2022, equivalent to Euros 89.27 per share. Alba's share price ended the year at Euros 43.15 per share, after falling 16.2% over the course of the year.

During the year, Alba invested Euros 269 million and sold assets totalling Euros 168 million, reducing its net cash position down to Euros 110 million at 31 December 2022.



Alba's capital was increased through a bonus issue in December in order to distribute a scrip dividend. In this respect: i) Alba bought 12,001,907 free allotment rights for Euros 12 million, which was accepted by 20.6% of the holders of such rights; ii) the definitive number of ordinary shares of Euros 1 par value issued in the capital increase was 1,005,174 shares; and iii) following this capital increase, Alba's share capital at 31 December 2022 comprised 59,245,174 shares of Euros 1 par value each. In June 2022 Alba distributed a gross dividend of Euros 0.50 per share, with a charge against 2021 profit, representing a disbursement of Euros 29 million.

2. MOST SIGNIFICANT TRANSACTIONS

Alba made the following investments:

- Acquisition of a 3.2% stake in Technoprobe for Euros 115 million, of which Euros 95 million formed part of its public offering for the sale and subscription of shares in 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.
- Acquisition of an additional 3.6% stake in Befesa for Euros 58 million. This investment pushed Alba's shareholding in Befesa up to 8.7% at year end.
- Acquisition, through Deyá Capital IV, of a 37.4% stake in the Facundo Group, investing Euros 22 million to purchase shares and subscribe a capital increase, Subsequently, a co-investment agreement was entered into with various investors, which saw Alba reduce its stake to 31.9%. The Facundo Group is a leading producer and distributor of nuts, dried fruit and snacks in Spain.
- Acquisition, through Deyá Capital IV, of a 46.8% stake in Gesdocument, investing Euros 8 million. Headquartered in Spain, Gesdocument's principal activity is the provision of financial, administrative and tax advisory services.
- Additional investment, through Deyá Capital IV, in the Preving Group for the acquisition of the Cualtis Group for Euros 7 million. As a result of this acquisition and the entry of new shareholders in Preving, Alba's shareholding has been diluted to 21.4%.
- Increase in the investments in CIE Automotive (0.6%), Viscofan (0.3%) and Ebro Foods (0.1%) for a total amount of Euros 24 million.

- Other investments totalling Euros 35 million.

The following divestments were undertaken:

- Sale of the entire remaining stake (3.2%) held in the share capital of Indra for Euros 62 million. A gain of Euros 8 million, for accounting purposes, was generated on this sale.

- Sale, through Deyá Capital IV, of the entire stake (28.1%) held in the share capital of the Satlink Group for Euros 49 million. Alba achieved an IRR of 43.5% p.a. on this sale over the 4.9 years in which it was a shareholder, as well as a gross gain of Euros 36 million, for accounting purposes. As part of the sale agreement, Alba reinvested in a non-controlling interest in Topco Satlink.

- Sale of two properties and various parking spaces in Madrid for Euros 24 million, generating a gain of Euros 2 million, for accounting purposes.

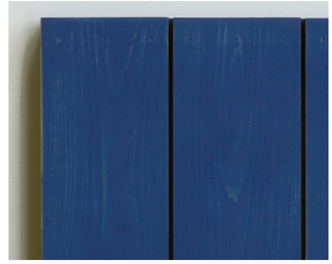
- Sales of investments from the trading portfolio for Euros 33 million.

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:

- Acerinox generated sales of Euros 8,688 million in 2022, up 29.6% on the prior year, despite the more difficult market conditions, particularly in the second half of the year. In comparison with 2021, steel production fell by 17.1% to 2.1 million tonnes, while cold rolling was down by 11.3% to 1.4 million tonnes. EBITDA amounted to Euros 1,276 million, 1.3 times more than the prior year, owing to the solid performance of the Stainless Steel and Special Alloys (VDM) divisions, and despite the considerable rise in operating expenses, due mainly to soaring energy prices and higher transport costs. Net profit amounted to Euros 556 million, down 2.8% on 2021. Net financial debt at 31 December 2022 amounted to Euros 440 million, 0.3 times EBITDA for the year.



- CIE Automotive posted a record year despite the decrease in automotive production worldwide and the significant increase in costs. Its revenue amounted to Euros 3,839 million in 2022, up 24.1% on 2021, showing above-market growth in all geographical areas in which CIE Automotive operates, except China. This growth was helped by the appreciation of various currencies against the Euro. EBITDA rose to Euros 633 million, up 12.1% on 2021, while net profit grew by 12.2% to Euros 300 million. Net financial debt at 31 December 2022 amounted to Euros 1,290 million, 2.0 times adjusted EBITDA for the year.

- Ebro Foods posted sales of Euros 2,968 million in 2022, up 22.3% on the prior year[*], driven by growth in the Rice (25.3%) and Pasta (10.3%) divisions. EBITDA increased to Euros 335 million, up 10.8% on 2021, although with a slightly worse margin (down 1.2 p.p. vs. 2021), primarily due to the higher cost of raw materials and transport. Net profit fell by 48.8% compared to 2021, reduced by the loss on the sale of Roland Monterrat and the base effect of the gains obtained on divestments in the prior year. Net financial debt at 31 December 2022 grew by 51.1% during the year, to Euros 763 million (2.3 times EBITDA for the year), due to the higher working capital and the investments made.

(*) The variation vis-à-vis 2021 refers to the restated 2021 figures.

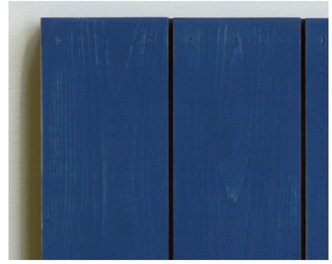
- Naturgy's net sales amounted to Euros 33,965 million in 2022, up 53.4% on 2021, on the back of the rise in energy prices during the period. Reported EBITDA in the period amounted to Euros 4,954 million, up 40.4% on the prior year, following the good performance of liberalised activity. Net profit for the year was Euros 1,649 million, up 35.8% on 2021. Net financial debt at 31 December 2022 stood at Euros 12,070 million (2.4 times EBITDA for the year), which is Euros 761 million less than the amount one year earlier, reflecting the Group's ability to generate cash.

- Verisure Midholding, a Group company that operates under the "Securitas Direct" and "Verisure" names, generated revenues of Euros 2,827 million in 2022, up 12.7% on the previous year. This improvement was driven by growth in the customer portfolio, which increased to 4.8 million customers at 31 December 2022, up 11.2% on 2021, as well as a rise in the ARPU. Adjusted EBITDA[*] of the customer portfolio amounted to Euros 1,694 million in the year, up 14.7% vis-à-vis 2021. The Group's adjusted EBITDA reached Euros 1,152 million, which is 9.9% higher than the previous year. Net profit totalled Euros 42 million, up 183.0% on the prior year. Net financial debt at 31 December 2022 amounted to Euros 7,383 million (6.0 times

(*) The adjusted figures exclude non-recurring items.

adjusted EBITDA for the annualised last two quarters).

- In 2022 Viscofan sales rose to Euros 1,201 million, up 23.9% compared to the prior year, with notable growth in all geographical areas and across all businesses, supported by increases in volumes sold and the selling prices, as well as favourable currency trends. EBITDA for the period increased by 8.3% to Euros 267 million, despite soaring costs. Net profit totalled Euros 139 million, up 4.8% on 2021. At 31 December 2022 Viscofan recognised net bank debt of Euros 101 million (0.4 times EBITDA for the year), compared to Euros 2 million at the end of 2021, in light of the major organic investment carried out to increase production capacity.



4. INVESTMENT PORTFOLIO

Alba's portfolio at 31 December 2022 is as follows:

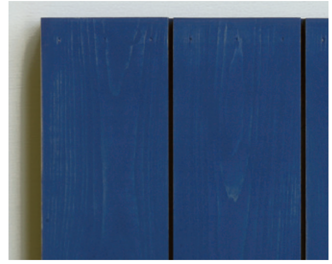
In millions of euros	% ownership interest	Fair value [1]
Listed securities		
Acerinox	18.52	445
Befesa	8.66	156
CIE Automotive	13.35	394
Ebro Foods	14.52	328
Global Dominion	5.55	30
Naturgy [2]	5.44	896
Technoprobe	3.26	131
Viscofan	14.25	399
Trading portfolio		106
Total stock market value		**2,885**
Total carrying amount		2,427
Unrealised gain		**458**

(1) Closing price at 31 December for listed companies.
(2) Includes an indirect interest of 5.33% and a direct interest of 0.11%.

In millions of euros	% ownership interest	Fair value [1]
Unlisted securities		1,915
Atlantic Aviation	9.47	
ERM	14.68	
Parques Reunidos	24.98	
Profand	23.71	
Verisure (net of non-controlling interests)	6.23	
Through Deyá Capital:		
Alvic	7.77	
Food Delivery Brands	3.13	
Gesdocument [2]	46.79	
Grupo Facundo [2]	31.92	
In-Store Media	18.89	
Monbake	3.70	
Nuadi [2]	37.43	
Preving	21.41	
Topco Satlink	7.20	

	Fair value [1]
Real estate	335

(1) External valuation at 31 December for unlisted companies (except In-Store Media, for which internal valuation is used) and properties.
(2) Fully consolidated.



5. NET ASSET VALUE (NAV)

The most representative indicator for a company such as Alba is net asset value (NAV). This and net cash are the only alternative performance measures (APMs) considered (Appendix I). Calculated based on criteria typically used in the market, the NAV of Alba at 31 December 2022 before taxes amounted to Euros 5,289 million, which represents a 2.7% decline on the prior year. NAV per share(*) at year end was Euros 89.27, compared to Euros 93.29 at the end of 2021.

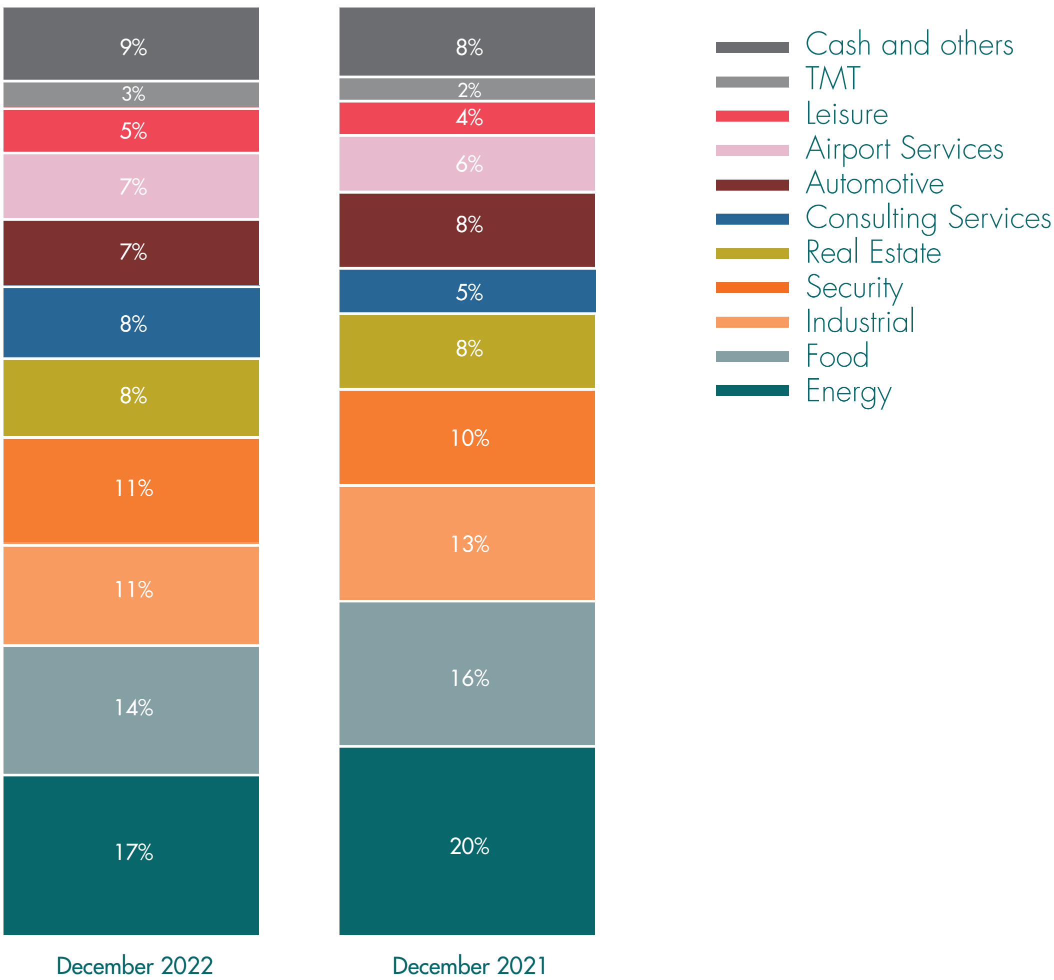
At 31 December 2022 Nuadi, Gesdocument and the Facundo Group are carried at their fair value.

A reconciliation with the consolidated balance sheet is shown in Appendix I to this directors' report.

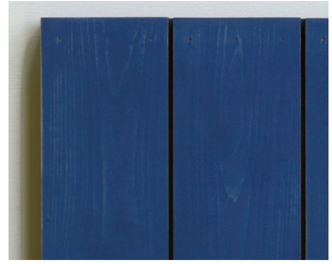
In millions of euros	**31-12-22**	31-12-21
Listed securities	2,885	3,190
Unlisted securities	1,915	1,647
Real estate	335	352
Other assets and liabilities	44	63
Net cash	110	182
Net asset value (NAV)	**5,289**	**5,433**
Millions of shares	59.25	58.24
NAV / share	**€ 89.27**	**€ 93.29**

(*) NAV per share is not strictly comparable between periods due to the capital increase in 2022.

6. DISTRIBUTION OF GROSS ASSET VALUE (GAV) BY SECTOR [1]

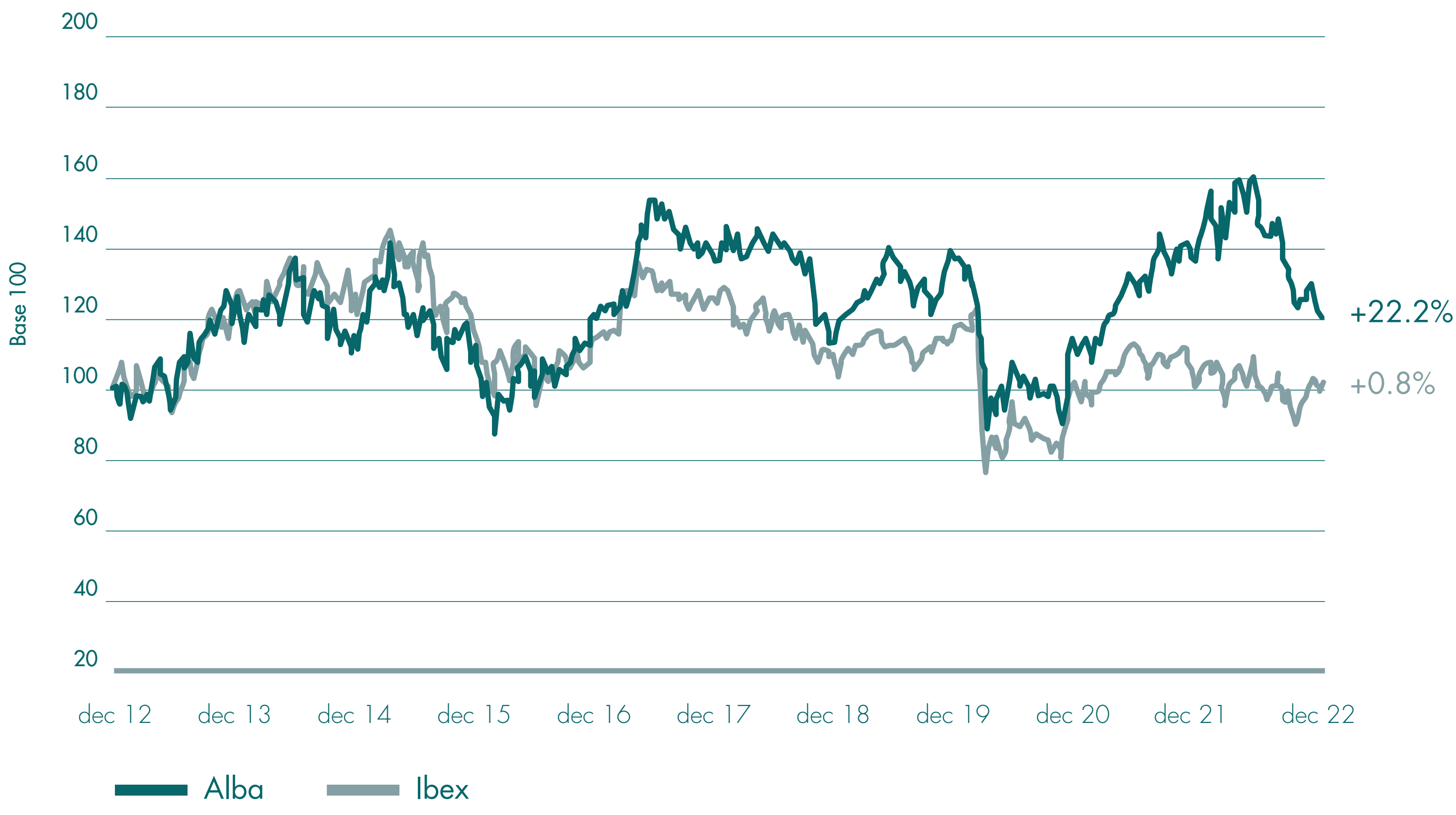


(1) Closing price at 31 December 2022 and 2021 for listed companies, external valuation at 31 December for unlisted companies (except In-Store Media, for which internal valuation is used) and for properties.



7. SHARE PRICE

In 2022, the price of Alba's shares dropped by 16.2% from Euros 51.50 to Euros 43.15, while the IBEX 35 slid 5.6% to 8,229 points.



8. EVENTS AFTER THE REPORTING PERIOD

After 31 December 2022 the Group sold all the shares it held in Artá Partners, S.A., the owner of 100% of Artá Capital, SGEIC, S.A.U., for Euros 6 million. At 31 December 2022 the assets and liabilities of these two companies were classified as held for sale. Following this sale, the Group ceased to exercise control over the Nuadi, Facundo and Gesdocument subgroup. Therefore, as from the sale date they will no longer be fully consolidated.

9. ACQUISITIONS AND DISPOSALS OF OWN SHARES

In 2022 and 2021 there was no movement in Alba own shares.

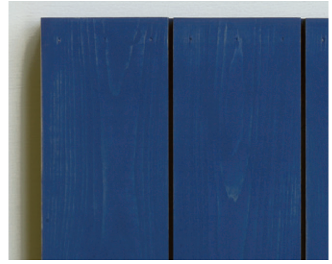
10. RESEARCH AND DEVELOPMENT ACTIVITIES

The Group's specific activities mean that direct investments are not necessary in this area.

11. AVERAGE SUPPLIER PAYMENT PERIOD

Details of the average supplier payment period are as follows:

	2022	2021
Days		
Average supplier payment period	56	57
Transactions paid ratio	59	60
Transactions payable ratio	45	48
In millions of euros		
Total payments made	91.7	136.9
Total payments outstanding	61.8	63.2



In thousands of euros	2022
Amount of invoices paid within 60 days	46,162
Number of invoices paid within 60 days	16,712
Number of invoices paid within 60 days as % of Total invoices paid	56.73%
Amount of invoices paid within 60 days as % of Amount of invoices paid	66.38%

12. 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, mainly, 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.

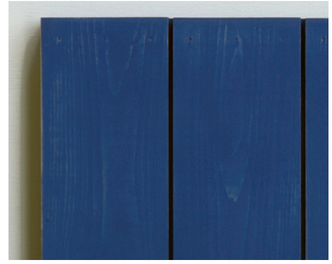
  These include legal risks, regulatory risks and risks involving codes of ethics and conduct.

- 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.

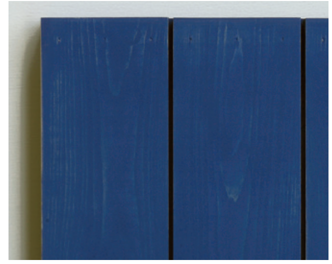
  Assessing the effectiveness of the controls in mitigating the risks identified.

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

  Determining action plans to be carried out to lower residual risk to an 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 areas existing 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.

13. ANNUAL CORPORATE GOVERNANCE REPORT

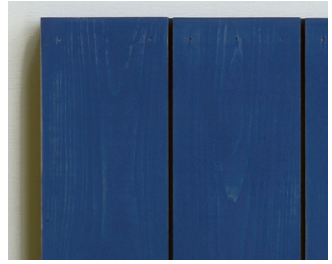
The Annual Corporate Governance Report (ACGR) is an integral part of this Directors' Report and is available for consultation on the websites www.cnmv.es and www.corporacionalba.es.

14. NON-FINANCIAL INFORMATION STATEMENT

This is attached as Appendix II.

15. 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.



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

APPENDIX I: ALTERNATIVE PERFORMANCE MEASURES

In compliance with the guidelines issued by the ESMA on alternative performance measures (APMs), the Company considers that the only alternative performance measures that provide useful financial information to assess performance, which have been included in the consolidated directors' report and give a true and fair view of the Company's market value, are "Net Asset Value" (NAV) and "Net cash". The definitions and calculation methods used are as follows:

NAV (Net Asset Value): the value of the company calculated as the fair value of the Group's assets less its liabilities, before tax. The Group discloses five categories for the calculation: (i) listed securities, (ii) unlisted securities, (iii) properties, (iv) other assets and liabilities, and (v) net cash.

Net cash: the value of the Group's cash and cash equivalents (including bonds and promissory notes) less financial debt, both current and non-current.

The components of each of the NAV categories are as follows:

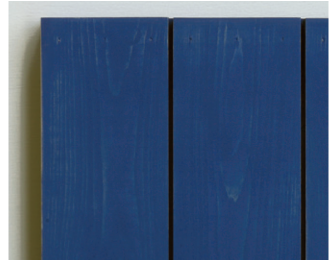
(i) Listed securities: the stock market value of the following investments:

  a) Investments in listed associates recognised on the balance sheet [Acerinox, S.A., CIE Automotive, S.A., Ebro Foods, S.A., Viscofan, S.A. and Rioja Luxembourg, S.à.r.l. (value of the interest in Naturgy, net of Rioja debt)].

  b) Listed investments recognised on the balance sheet under Investments at fair value through profit or loss (Global Dominion Access, S.A., Technoprobe, Spa and Befesa Holding, S.á.r.l.).

  c) Listed investments recognised on the balance sheet under Other current financial assets (trading portfolio).

(ii) Unlisted securities: the fair value of the following investments:



a) Investments in unlisted associates recognised on the balance sheet (Aegis Lux 2. S.à.r.l., Piolin II, S.á.r.l. and Profand Fishing Holding, S.L.).

b) Unlisted investments recognised on the balance sheet under "Investments at fair value through profit or loss"

c) Fair value of the investments in the Nuadi, Facundo and Gesdocument subgroups in 2022 (Satlink, Nuadi and Preving subgroups in 2021), which are fully consolidated in the Group's consolidated annual accounts.

(iii) Real estate: fair value of investment property and real estate recognised on the balance sheet.

(iv) Other assets and liabilities: at carrying amount.

(v) Net cash: includes the following:

\+ Cash and cash equivalents.

\+ Bonds and commercial paper, non-current and current.

(-) Loans and borrowings, non-current and current.

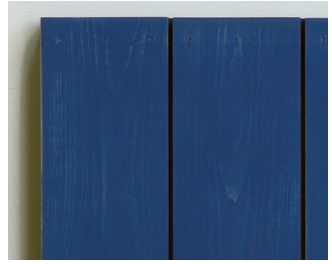
Details of the NAV calculation, which includes the Net cash at 31 December 2021 included in section 5 of the consolidated directors' report, in millions of Euros are as follows:

In millions of euros	**31-12-22**	31-12-21
Listed securities	2,885	3,190
Unlisted securities	1,915	1,647
Real estate	335	352
Other assets and liabilities	44	63
Net cash	110	182
Net asset value (NAV)	**5,289**	**5,433**
Millions of shares	59.25	58.24
NAV / share	**€ 89.27**	**€ 93.29**

At 31 December 2022 Nuadi, Gesdocument and the Facundo Group are carried at their fair value.

Below is a reconciliation of each of these items with the consolidated balance sheet at 31 December 2022 and 2021:

	2022	
In millions of euros	NAV	Consolidated Financial Statements
Listed securities	**2,885**	**2,578**
Investments in associates (Acerinox, CIE, Ebro, Naturgy and Viscofan)	2,461	2,154
Investments at fair value through profit or loss (Befesa, Technoprobe and G. Dominion)	318	318
Other current financial assets (trading portfolio)	106	106
Unlisted securities	**1,915**	**1,620**
Real estate	**335**	**320**
Investment property	318	318
Property, plant and equipment	17	2
Net cash	**110**	**110**
Cash and cash equivalents	438	438
Investments at fair value through profit or loss (bonds)	128	128
Non-current loans borrowings	(80)	(80)
Current loans and borrowings	(376)	(376)
Other assets and liabilities	**44**	**44**
Other non-current financial assets	39	39
Trade and other receivables	55	55
Other financial liabilities	(2)	(2)
Suppliers and other payables	(48)	(48)



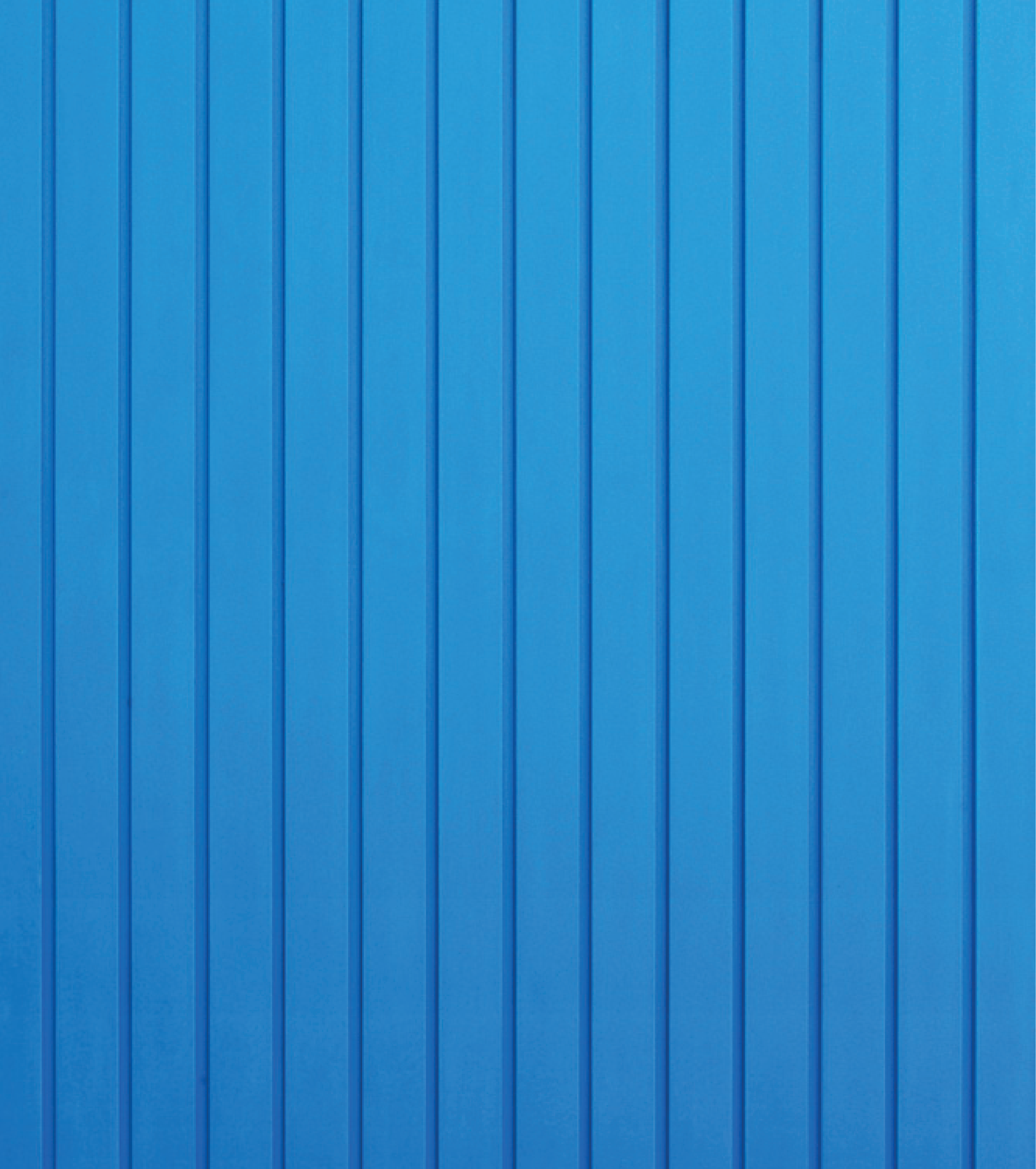
In millions of euros	2021 NAV	2021 Consolidated Financial Statements
Listed securities	**3,190**	**2,290**
Investments in associates (Acerinox, CIE, Ebro, Naturgy and Viscofan)	2,825	1,926
Non-current assets held for sale (Indra)	54	54
Investments at fair value through profit or loss (Befesa and G. Dominion)	178	178
Other current financial assets (trading portfolio)	133	133
Unlisted securities	**1,647**	**1,391**
Real estate	**352**	**340**
Investment property	335	335
Property, plant and equipment	17	5
Net cash	**182**	**182**
Cash and cash equivalents	154	154
Investments at fair value through profit or loss (bonds)	135	135
Other current financial assets	393	393
Non-current loans borrowings	(165)	(165)
Current loans and borrowings	(335)	(335)
Other assets and liabilities	**63**	**63**
Other non-current financial assets	41	41
Trade and other receivables	49	49
Other current financial assets	3	3
Other financial liabilities	(2)	(2)
Suppliers and other payables	(28)	(28)

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**

NON-FINANCIAL INFORMATION STATEMENT

OF CORPORACIÓN FINANCIERA ALBA, S.A. AND SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2022



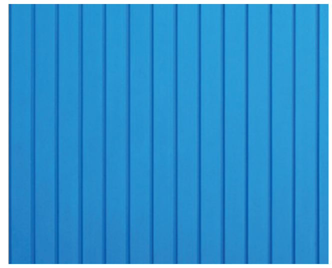
NON-FINANCIAL INFORMATION STATEMENT

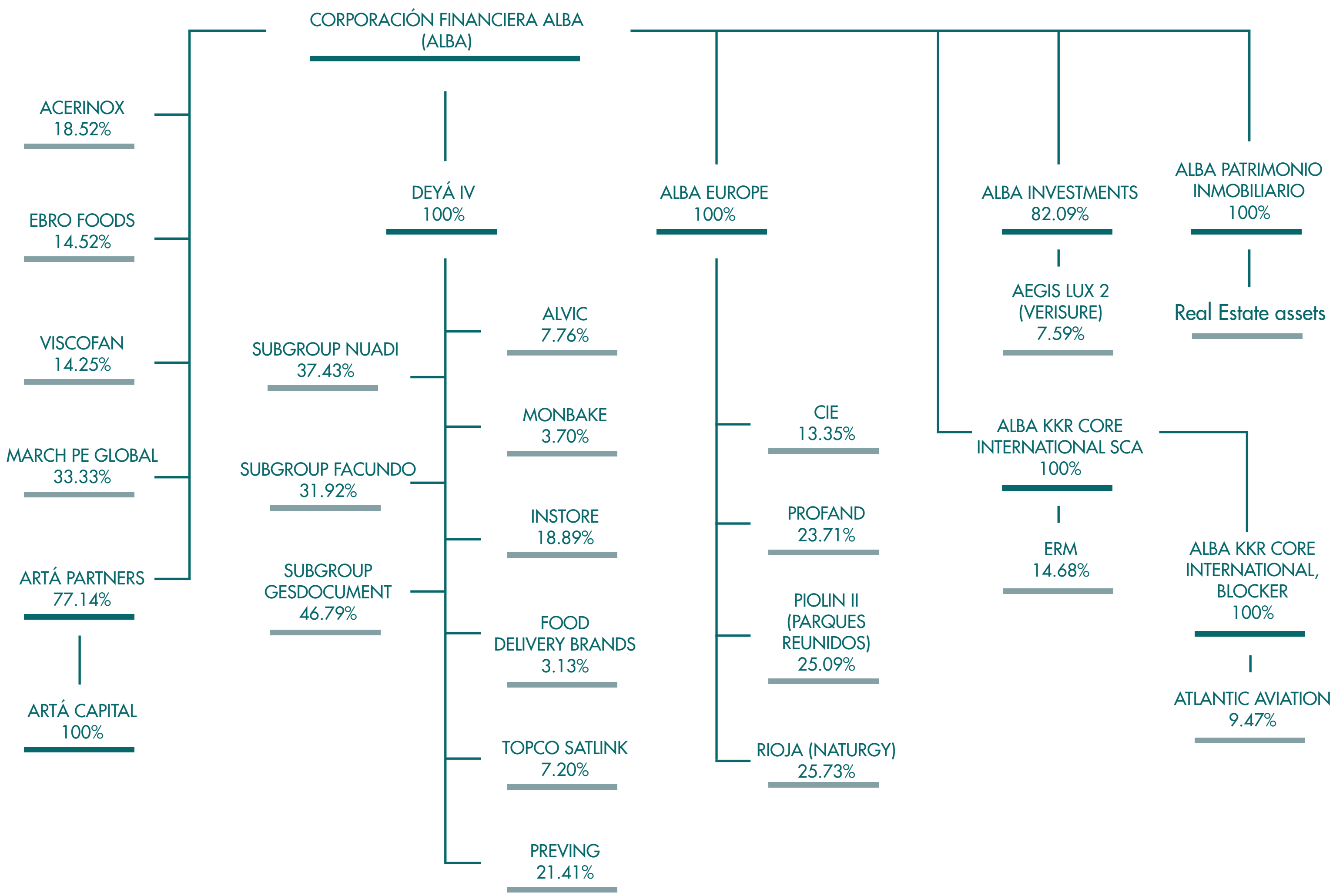
1. INTRODUCTION

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. together with its Group companies (**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 interests in companies through private equity activities.

The following chart details the companies in which Alba had ownership interests at 31 December 2022.





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.U., Artá Partners, S.A., Artá Capital SGEIC, S.A.U., 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 Preving[1], Satlink[1], Nuadi, Gesdocument[2] and Facundo[2] subgroups (its subsidiaries). The quantitative information on non-financial performance relates to Alba and all of its subsidiaries, unless indicated otherwise.

This report was prepared using a selection of indicators from the internationally recognised Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, following the principles and content of the most up-to-date version of the guidelines, i.e., the selected 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.

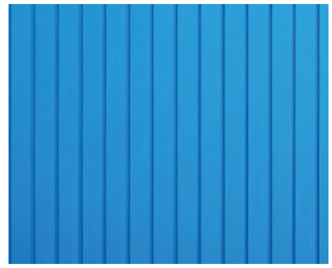
This Non-Financial Information Statement describes the main non-financial areas of performance in relation to:

- Personnel and Human Rights matters.
- Environmental and social matters.
- Anti-corruption and bribery matters.

The report on the EU Taxonomy is also included.

(1) Preving and Satlink ceased to be subsidiaries of Alba in the second quarter of 2022. The data on these companies included in the NFIS relate solely to the first quarter (January to March 2022).

(2) Gesdocument and Facundo became subsidiaries of Alba in the second half of 2022. The data on these companies included in the NFIS relate solely to the second half of the year (July to December 2022).



2. BUSINESS MODEL[3]

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's objective is to create value for its shareholders and the Company as a whole in the long term by means of investments that promote the development of businesses that are sound, competitive and sustainable in the long term. For this purpose, it has an investment policy that establishes a responsible investment philosophy based on a set of principles and criteria for carrying on its business activity. This policy was approved by the Board of Directors in 2017 and amended in 2022 to incorporate the Company's strategic reflection, resulting in the inclusion of sustainability-related matters.

One of the 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. Whenever required, this analysis and monitoring is performed with the aid of external advisers.

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 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.

Alba's credibility and reputation is based on its long-term commitment and adherence to the corporate governance principles and ethical behaviour promoted by the Company. For this reason it encourages its investees to adopt advanced governance, environmental, employment, social and tax policies. Potential conflicts of interest between investees are also avoided, as are investments in potentially

(3) GRI 2-6.

conflictive industries from the legal or social standpoint.

The **Preving** subgroup has 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; occupational safety plans; industrial hygiene; health surveillance; applied psychosociology and prevention of psychosocial risks; occupational health promotion; and coordination of business activities.

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.

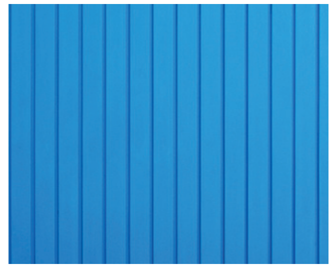
On 31 March 2022, Alba lost control over the Preving subgroup and, therefore, the related information included in this report refers only to the first quarter of 2022.

The **Nuadi** subgroup is engaged mainly in 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 principally at the aftermarket, which accounts for 94% of its total production. The remaining 6% relates to the original equipment and original replacement parts market.

Since 2021, Nuadi has added Sadeca Automotive, founded in 1983, to its group. It currently has two divisions engaged in the manufacture of components for the automotive industry such as electronic brake pad wear sensors, diverse metal components for brake pads and other types of wiring for rear-view mirrors, interior lighting, fog lights, etc.

Its industrial activities are located in Sentmenat (Barcelona, Spain), where it centralises the logistics operations and its most operational services such as engineering, quality, marketing, etc., and in Tangier (Morocco), where its main factory is situated.

Its main customers are manufacturers of brake pads and manufacturers of brake systems (brake calipers). Most of its sales are made in the aftermarket industry (secondary parts market), and to a lesser extent in the original equipment (OE) industry (original parts for new vehicles).



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.

On 31 March 2022, Alba lost control over the Satlink subgroup and, therefore, the related information included in this report refers only to the first quarter of 2022.

The **Gesdocument** subgroup engages in the provision, to individuals and legal entities, of all manner of document management and processing services in relation to the various public authorities, legal, economic, commercial, technical, administrative, employment and accounting advisory services, and recruitment services for third parties.

The business units to which Gesdocument provides its services are as follows: accounting and tax; employment; commerce; global migration services (GMS); and human capital (HC).

Gesdocument has five offices located in Barcelona, Madrid, Valencia, Zaragoza and Bilbao. It operates in the Spanish (93.9%), European (4.3%) and international (1.8%) markets. Its main objective and strategy is to lead the administrative services industry on the Iberian peninsula by means of organic and inorganic (integration of administrative service companies) transactions.

On 1 July 2022, Alba acquired control over the Gesdocument subgroup and, therefore, the related information included in this report refers only to the second half of 2022.

The **Facundo** subgroup is a business group founded in Palencia in 1944, which engages mainly in the manufacture and distribution of dried fruits and nuts and appetisers, of which it sells more than 40 million units a year. The Facundo trademark is clearly associated with quality and has a highly significant market share in north west Spain.

Its star product, marketed under the Facundo trademark, is a range of sunflower seed varieties. Its portfolio is also composed of more than 100 references for other snacks such as crisps, extruded snacks and dried fruits and nuts, in all their varieties, including most notably the "Chaskis" corn ring snacks.

Facundo has two production plants in the province of Palencia, in Villada and Villamuriel, which distribute its products to the whole of Spain.

The company is highly committed to its contribution to employment in rural areas, where it has achieved growth and been a benchmark company for more than 75 years.

Quality is the cornerstone of Facundo's strategy, which is consistent with its trademark's image in the market. The company starts with a careful selection of raw materials and seeks out those with the best organoleptic properties from a combination of Spanish and international sources. The production process was designed to ensure the quality, freshness and safety of the foodstuffs by following the most demanding standards.

Innovation constitutes another means of development for Facundo. The company is currently focused on launching increasingly healthy products, such as the "Cuori" snacks, in line with market trends.

On 1 July 2022, Alba acquired control over the Facundo subgroup and, therefore, the related information included in this report refers only to the second half of 2022.

3. INFORMATION ON LABOUR AND PERSONNEL MATTERS

3.1. Policies (4)

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 companies' sustainability. The commitment of Alba and its subsidiaries to equal opportunities for workers ensures that selection, hiring, employment and professional development conditions are based exclusively 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

(4) GRI 3-2 y GRI 3-3.

indirectly, at all of its subsidiaries, as well as by the promotion of good human resources practices.

The **Preving** subgroup has implemented policies to reinforce compliance with employment legislation. These policies are 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 is based on a series of undertakings entered into with its stakeholders.

The **Nuadi** subgroup does not have a policy on hiring, remuneration, training, etc., but does have a human resources procedure that sets forth matters relating to training, job positions, and management of employee performance and motivation.

Nuadi's first Equality Plan is currently in force for the 2022-2025 period.

Sadeca has a process in place for hiring, training and onboarding, although it is currently being updated to adapt it to the company's situation. It also has a Code of Ethics and a Quality and Environment Policy.

In addition to having a Code of Ethics covering all of its employees and other stakeholders (including suppliers, customers, institutions, etc.), the **Satlink** subgroup complies with the legislation combating discrimination of any kind in relation to hiring, remuneration, training, and health and safety.

The **Gesdocument** subgroup has internal policies and procedures in the human resources area: procedures relating to selection, hiring, onboarding, and terminations; remuneration policy, variable remuneration policy; annual leave policy and flexible remuneration plan.

The **Facundo** subgroup has a general annual leave policy that is common to all the group's companies, and the company managing the factories has the following policies: an employee work-life balance policy, a wage policy, a training policy and a general selection policy to ensure the capture and retention of talent.

3.2. Corporate management and performance

3.2.1. Employment and remuneration [5]

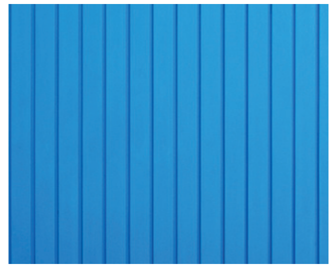
Aware of the value of human capital, **Alba** aims to maintain favourable employment policies that are in line with the needs of its employees and the Company's specific operating requirements. Talent management and retention, and the provision of dignified employment, adequate professional development, 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 672 employees in Spain at 2022 year-end. More than 90% of the employees have permanent contracts.

The detail of the workforce at 31 December 2022, including the employees of Alba and its subsidiaries in Spain, is as follows. Employee data are not included for Preving and Satlink as they were no longer subsidiaries at that date:

Breakdown by gender	Men	Women	Total 2022	Total 2021	Total 2020
Permanent contract	376	268	644	1,764	1,483
Temporary contract	26	2	28	190	234
Total	**402**	**270**	**672**	**1,954**	**1,717**
Full-Time	382	251	633	1,612	1,324
Part-Time	20	19	39	342	393
Total	**402**	**270**	**672**	**1,954**	**1,717**
Average remuneration (2022)	56,735	32,626			
Average remuneration (2021)	57,066	40,206			
Number of dismissals	3	18	21	35	31

(5) GRI 2-7, GRI 405-1 y GRI 405-2.



Breakdown by age	<35 years old	35-50 years old	>50 years old	Total 2022	Total 2021	Total 2020
Permanent contract	184	336	125	645	1,764	1,483
Temporary contract	9	9	9	27	190	234
Total	**193**	**345**	**134**	**672**	**1,954**	**1,717**
Full-Time	177	333	123	633	1,612	1,324
Part-Time	16	12	11	39	342	393
Total	**193**	**345**	**134**	**672**	**1,954**	**1,717**
Average remuneration (2022)	32,069	43,742	76,488			
Average remuneration (2021)	42,500	24,669	39,698			
Number of dismissals	10	11	-	21	35	31

Breakdown by professional category	Factory Workers and Clerical Staff	Middle Management	Executives	Total 2022	Total 2021	Total 2020
Permanent contract	508	100	36	644	1,764	1,483
Temporary contract	27	1	-	28	190	234
Total	**535**	**101**	**36**	**672**	**1,954**	**1,717**
Full-Time	498	99	36	633	1,612	1,324
Part-Time	37	2	-	39	342	393
Total	**535**	**101**	**36**	**672**	**1,954**	**1,717**
Average remuneration (2022)	29,229	71,974	231,035			
Average remuneration (2021)	24,636	68,677	194,704			
Number of dismissals	16	2	3	21	35	31

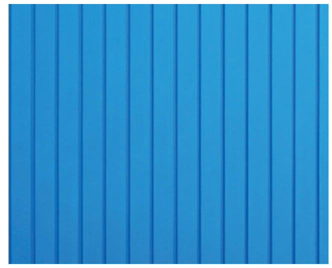
Employees with disabilities	Total 2022	Total 2021	Total 2020
Number of employees with disabilities at year-end	9	21	15

Employees working abroad

The Nuadi subgroup has workers who perform their activities in other countries, almost all of whom have permanent full-time contracts, the detail being as follows:

Breakdown by gender	Men	Women	Total 2022	Total 2021	Total 2020
China	22	18	40	41	46
Morocco	17	96	113	129	-
Total	**39**	**114**	**153**	**170**	**46**
Average remuneration China (CNY)	157,933	90,299			
Average remuneration Morocco (MAD)	66,087	50,111			

Breakdown by age	<35 years old	35-50 years old	>50 years old	Total 2022	Total 2021	Total 2020
China	8	30	2	40	41	46
Morocco	90	23	-	113	129	-
Total	**98**	**53**	**2**	**153**	**170**	**46**
Average remuneration China (CNY)	87,654	146,597	59,329			
Average remuneration Morocco (MAD)	48,554	74,881	-			



Breakdown by professional category	Factory Workers and Clerical Staff	Middle Management	Executives	Total 2022	Total 2021	Total 2020
China	29	10	1	40	41	46
Morocco	97	12	4	113	129	-
Total	**126**	**22**	**5**	**153**	**170**	**46**
Average remuneration China (CNY)	88,742	209,233	Not available on the grounds of confidentiality			
Average remuneration Morocco (MAD)	41,747	73,956	249,332	21	35	31

The data on employees working abroad reported in the foregoing tables are broken down by country, as required by law, and include only the remuneration data for 2022, since the disaggregated information for 2021 is not available.

Both **Alba** and its subsidiaries are committed to maintaining a remuneration model for their employees that guarantees the principle of equal pay for work of equal value is effectively applied, and that there are no salary differences due to gender or on any other discriminatory grounds. The remuneration is distributed on the basis of salary brackets according to the employee's level of responsibility, the type of work, alignment with market remuneration for positions with the same conditions, and taking into account the company's sustainability in this regard.

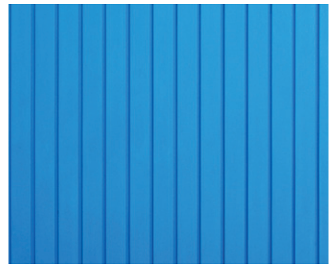
The pay gap is measured as the difference between the average remuneration received by men and the average remuneration received by women. Alba carried out this exercise by including the data on its subsidiaries in Spain and excluding the average salaries of employees working abroad as they are not comparable with the data for employees working in Spain due to the different salary brackets used in each country and the different currencies in which they are paid, the translation of which to euros would greatly distort the data.

As mentioned above, there were changes in the scope of consolidation in 2022 and, therefore, the gross pay gap figure for 2022 (42%) is not strictly comparable with the figure reported in 2021 (29.5%).

It should also be noted that this aggregate pay gap figure does not adequately represent the situation in this area since the remuneration of each professional category is very different at each company, and there are very few women in certain professional categories.

The breakdown of men and women in the various professional categories at Alba and its Spanish subsidiaries is as follows.

	Factory Workers and Clerical Staff	Middle Management	Executives
Number of male employees 2022	314	60	28
Number of women employees 2022	222	41	7
Number of male employees 2021	841	80	35
Number of women employees 2021	975	17	6



In order to provide a more representative figure, the pay gap figures are detailed below for each professional category at each of the companies included in this report:

Pay gap	Factory Workers and Clerical Staff	Middle Management	Executives
2022 Alba	(16%)	55%	n.a.
2022 Nuadi	18%	n.a.	22%
2022 Gesdocument	8%	8%	3%
2022 Facundo	9%	36%	n.a.
2021 Alba	14%	18%	n.a.
2021 Nuadi	15%	(16%)	25%
2021 Preving	9%	3%	26%
2021 Satlink	8%	(24%)	n.a.

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.

Although efforts are made to analyse and monitor the salary figures in order to ensure equal opportunity principles are always applied, changes in the scope of consolidation of Alba and its subsidiaries, and in the nature of the business activities of each subgroup, make it difficult for the data to be comparable and aggregated.

3.2.2. Organisation of the work [6]

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, as well as the possibility of remote working.

In 2022, Alba did not have to adopt any measures in relation to furlough-type arrangements.

Also, in order to promote digital disconnection, at Alba work meetings are not convened outside working hours.

At the **Preving** subgroup, work-life balance measures 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 measures of this kind, the companies of the Preving subgroup received awards from regional governments and city councils alike. A remote working mechanism has been implemented for those job positions in which it is possible to work remotely, which allows 20% of annual working hours to be completed remotely.

In 2021 the **Nuadi** subgroup established shift flexibility measures to facilitate the work-life balance, which remained in force in 2022. 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. Also, the intensive summer timetable in August, rotating shifts for factory and warehouse teams and a sports group were established in 2022.

The organisation of working hours at the **Satlink** subgroup is determined on the basis of the applicable collective agreement and, in addition, promotes flexibility in terms of work start and finish 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. As a result of the pandemic, remote working was implemented in 2021 for employees whose functions allowed it, and it was continued in 2022.

(6) GRI 3-3 y GRI 403-9.

As regards work organisation, the **Gesdocument** subgroup has a flexible timetable in terms of work start and finish times. It has also implemented a "flexiwork" policy, which allows employees to work remotely one day a week and two Fridays a month, at the discretion of the employee, to facilitate the work-life balance.

The Gesdocument annual leave policy establishes 25 working days' annual leave a year, three days more than in the collective agreement.

At the **Facundo** subgroup, the office staff of the group's companies benefit from one hour of flexibility for arriving at and leaving the office. From Monday to Thursday the office employees' working day is split by a lunch break, and on Friday they work a condensed working day in the morning with no lunch break.

Factory staff have the same working hours from Monday to Thursday (working day with a lunch break), and on Friday they have a continuous eight-hour working day, with a fifteen minute break, to facilitate their work-life balance.

Sales representatives, and other commercial and delivery staff organise their timetables in accordance with visits, customers and routes. Warehouse and delivery staff that work on Saturday can then take a Monday off.

An Equality Plan has been agreed upon with factory staff to incentivise the use of new information technologies (conference calls, video calls, etc.) as a means of facilitating the work-life balance, by reducing, whenever possible, trips and commutes, and by holding internal meetings and training courses during working hours whenever possible.

Other organisational measures implemented are as follows: there is the option to take all holiday periods together to care for a relative of first degree of kinship on sickness leave of at least six months, subject to prior agreement between the parties; a paid reduction of one hour per working day may be requested for a period of one month to care for a child under 12 years of age due to a very serious illness or accident, provided that either case involves hospitalisation; a policy allows employees to relocate to a workplace closer to their homes to care for children under 12 years of age or dependent family members (disability >65%), who are not in paid employment, whenever possible; an extra month on top of the period during which a job position must be reserved when a leave of absence to care for a child is requested, up to a total of 13 months; unpaid leave of one month for people in the process of adopting or fostering children, where duly evidenced; unpaid leave of up to five days in a calendar year for employees undergoing assisted reproduction treatment, where duly evidenced.

The detail of absenteeism at Alba and its subsidiaries is as follows:

	Total 2022	Total 2021	Total 2020
Number of hours of absenteeism recorded in the year for all employees(*)	36,884	44,740	213,068

(*) Hours of absenteeism: total hours absent from workplace due to ordinary or professional contingencies.

Following the sharp fall in 2021 with respect to 2020 caused by the end of the Covid-19 pandemic, the downward trend in absenteeism continued in 2022 with respect to the previous year, albeit at a slower rate. However, the consolidated information for 2022 has a different scope to the information reported in previous years as a result of the changes in the scope of consolidation in 2022 and, therefore, this type of information cannot be monitored or compared on a strict like-for-like basis.

3.2.3. Health and safety[7]

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.

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.

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 the OHSA 18001:2007 standard issued by an external company.

The **Nuadi** subgroup has an Occupational Risk Prevention Management System the goal of which is to comply with its Health and Safety Policy through the integration of preventive activities into all aspects of management and at every hierarchical level, and it has an Occupational Risk Prevention Plan approved by management and adopted by the whole organisational structure, especially on all hierarchical levels, with which all the employees are familiar. Risk assessment and planning of preventive activities are essential tools for the management and application of this Plan.

Employee health is monitored on a regular basis, in accordance with the risks inherent to the work, by healthcare personnel with accredited technical skills, training and capacity.

Sadeca uses an External Prevention Service for the occupational risk prevention area.

The **Gesdocument** subgroup entered into an external prevention service agreement with the Preving group.

The **Facundo** subgroup has an external prevention service, Ibersys, for all of the group's companies.

(7) GRI 3-3, GRI 403-9 y GRI 403-10.

In 2022, the assessments were updated and a portion of the group's workforce was provided with training.

The following chart shows the 2020, 2021 and 2022 health and safety indicators broken down by gender for the employees of Alba and its subsidiaries in Spain:

Health and safety indicators	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
Frequency rate(*)	31.45	2.03	19.52	15.96	11.25	16.54
Severity rate(**)	0.32	0.09	0.12	0.21	3.86	10.62
Work-related ill health	8	82	3	7	-	-
Number of fatalities	-	-	-	-	1	-

(*) Frequency rate: number of work-related injuries with days away from work x 1,000,000 / total number of hours actually worked.
(**) Severity rate: number of days not worked due to work-related injury with days away from work x 1,000 / total number of hours actually worked.

3.2.4. Labour relations [8]

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.

The applicable collective agreements are as follows:

- For **Alba,** the Madrid Autonomous Community 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 Survey Offices.
- For the **Gesdocument** subgroup, the Collective Agreements for Offices in Catalonia, Bilbao, the Madrid Autonomous Community, the Valencia Autonomous Community and Zaragoza.
- For the **Facundo** subgroup, the Collective Agreement for the Foodstuffs Trade in Valladolid, the Collective Agreement for Offices in Palencia, the General Trade Collective Agreement in Palencia, the Collective Agreement for the Foodstuffs Trade and a Company Agreement at one of the group's companies.

100% of the employees of Alba and its subsidiaries in Spain are covered by collective agreements.

In companies where they are applicable, there are Works Councils and/or trade union representatives who oversee compliance with the principles established in the applicable collective agreements and ensure fluid lines of communication between all the workers and relevant company bodies.

(8) GRI 3-3 y GRI 2-30.

3.2.5. Training [9]

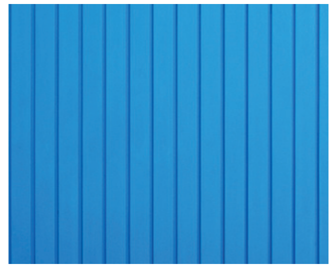
Alba's training procedures are adapted to employees' needs and take into account the characteristics of the functions they perform, their careers and professional development, so that resources are focused on the requirements of each position and the current market. In 2022 employees were able to access the training they required remotely and in person.

The **Preving** subgroup has included an Integration Training Plan, which is a planned process whereby the company provides its new hires with everything they require to develop their capacities and skills, as well as the appropriate attitudes and aptitudes to perform their functions at the company. The Group has a continuous training procedure, which defines the responsibilities of area managers as follows: ensure that the employees under them receive adequate training and have the appropriate skills; detect employees' training requirements and prepare the annual continuous training plan proposal, which must be approved by the General Manager of People.

The **Satlink** subgroup has an Occupational Risk Prevention training policy for work performed onboard ships, and a technical training policy 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, using all the resources the group places at the employees' disposal, as part of its ongoing commitment to employees and the company, in order to update and increase their training so that they can achieve full professional development and reach their personal goals.

The **Gesdocument** subgroup has various training policies for its employees: internal training provided by its specialists; external training for all workers requiring it for their position, to assist in professional development or to develop skills; language policy: the company finances 50% of the English language training for employees, and the other 50% may be included in flexible remuneration, and for employees requiring the language to perform their functions, 75% of the cost is covered.

(9) GRI 3-3 y GRI 404-1.



The **Facundo** subgroup has a training policy for one of its companies. At the other group companies, when a worker or company detects a training need, an assessment is made of whether it is appropriate. Spanish Government Foundation for Employment Training (FUNDAE) training credits are used.

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' training provided	Factory Workers and Clerical Staff	Middle Management	Executives	Total
Hours of training 2022(*)	2,533	1,754	444	**4,731**
Hours of training 2021	1,664	607	364	**2,635**
Hours of training 2020	40,791	484	300	**41,574**

(*) Note: information is not included on the hours of training of the Satlink and Preving subgroups as the information for these companies for the first quarter of 2022 is not available. The information reflected is not comparable with prior years because of the changes in the reporting scope.

3.2.6. Accessibility and equality[10]

Alba 's Code of Ethics and Conduct includes the principles of non-discrimination and equal opportunities with which it aims to fulfil its commitment to create a working environment in which all employees enjoy fair treatment, respect and dignity, and any forms of violence or harassment, abuse of authority or any other conduct that violates people's and workers' rights are rejected. Also, when holding general meetings, Alba facilitates the accessibility of people with disabilities and the elderly, in order to guarantee their right to access prior information and the assistance they require to attend the meeting and cast their vote. The hall in which the meetings are held is universally accessible for people with special needs.

All the buildings owned by Alba have measures in place to enable the universal access of people with disabilities and, therefore, comply with all the applicable legislation. In addition, and despite not being compulsory, accessible toilets have been installed on all their floors.

At the **Preving** subgroup, the additional regulatory compliance measures relating to accessibility and equality include most notably the regular analysis of the equality rates of the various departments composing the group. As a result of this analysis, specific decision-making criteria have been added to the candidate selection criteria according to the position and department involved, with the aim of reducing the gender disparity in some sections of the company and encouraging positions traditionally filled by persons of one gender to be accessed by persons of the other gender. Also worthy of note is the implementation of the Equality Plan, which has led to greater equality in the overall distribution of the workforce, resulting in an improvement to the percentages in most departments. All trace of sexist language has been eliminated and the candidate selection process has been recalibrated to ensure more women are hired in fields traditionally associated with men.

The **Nuadi** subgroup has entered into a cooperation agreement with Areté Activa for the 2023-2025 period for the execution and rollout of actions relating to the measures agreed upon in Nuadi's first Equality Plan signed in 2021.

The **Satlink** subgroup has also implemented equality measures in line with the principles of non-discrimination and equal opportunities enshrined in its Code of Ethics. The subgroup demonstrates its commitment to equality by creating a fair, respectful and dignified working

(10) GRI 3-3.

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.

The **Gesdocument** subgroup has an Equality Plan on the basis of which compulsory gender equality training has been provided to all of its employees: "Promoting equality at Gesdocument". This training course was included in the initial training plan for new hires as part of their training pathway, which they must complete, together with a final test on their third day at the company. In addition, there is a harassment prevention code and an internal and confidential ethics channel available to all the employees to make complaints. Also, the building housing its offices complies with all the measures required to facilitate access for people with disabilities. The offices are also equipped with adapted doors and toilets for people with disabilities.

The **Facundo** subgroup has an equality plan which describes the measures to be implemented and carried out.

4. INFORMATION ON ENVIRONMENTAL MATTERS

4.1. Policies [11]

Alba has various policies and internal regulations, the Sustainability and Investment Policies and the Code of Ethics and Conduct, approved by the Board of Directors, which set out the Group's principles of conduct in environmental matters. Thus, 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 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, so that it invests in companies with environmental best practices.

(11) GRI 3-2 y GRI 3-3.

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, the **Nuadi** subgroup has an ISO 50001-certified environmental management system in place, which includes an Environmental Policy that fully respects the environment in which it carries on its activity, and an Environmental Management Department which involves the whole organisation in these matters.

Although Nuadi has never suffered any environmental incidents, it also takes out third-party liability insurance providing coverage for any type of incident of this nature.

At Sadeca, its environmental goals form part of the company's general goals, and drills are carried out and environmental incidents are monitored as KPIs.

The **Satlink** subgroup acknowledges its role in the challenge posed by climate change and, for this reason, 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 the ways in which it works, 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. 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 implements a quality system, in compliance with the UNE-EN-ISO 9001 and UNE- AS 9120B standards, and ISO 14001 certification, with the aim of maintaining best 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, members of staff are assigned to environmental management tasks, who have received training in this connection and are responsible for the management of industrial waste collection agreements and services.

The **Gesdocument** subgroup does not have a specific department in charge of environmental risk prevention since its activities have almost no impact on the environment; however, environmental criteria are becoming increasingly important to its activities. As a result, there is an increasing awareness of available resources usage, and to that end, eliminating the use of paper, using cleaner sources of energy, as well as progressively reducing the carbon footprint and eliminating any unnecessary travel are being encouraged. In addition, remote working has had an enormous impact on paper consumption and digitalisation.

Gesdocument has also drastically reduced the use of air travel as its most common means of transport, in favour of rail travel.

The **Facundo** subgroup has a standing commitment to improve the energy performance of its facilities and equipment, and takes into account any opportunities for improving the design and acquisition of energy-efficient products and services. In recent years, as part of Facundo's ongoing improvements, conventional lighting has been replaced with LEDs, the installation of stepper motors and variable speed drive starters has been promoted and improvements have been made in the thermal insulation of production buildings.

4.2. Environmental management and performance

4.2.1. Energy and climate change[12]

One of Corporación Financiera Alba's commitments, as 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 this Non-Financial Information Statement. These express the percentage of turnover, capital expenditure (CapEx) or operating expenditure (OpEx) represented by taxonomy-eligible and taxonomy-aligned activities at Alba and its subsidiaries. The indicators will help Alba and its subsidiaries

(12) GRI 3-3, GRI 302-1, GRI 302-2, GRI 302-4 y GRI 305-1.

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 relates to the use of the lighting and heating systems and computer hardware in the offices and buildings it owns (Castellana 42, Castellana 44, Castellana 89 and Oasis buildings). To reduce this consumption various energy efficiency measures have been implemented, 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.

The Castellana 89 building has had LEED Gold certification, awarded by the US Green Building Council (USGB), since 2021. In 2022 work started on the process of removing gas boilers and replacing chillers with heat pumps to continue to improve energy efficiency and reduce the carbon footprint.

Since January 2021 a solar PV plant has been in operation at the Oasis building, which provides a portion of the energy required for the building's facilities and services with the concomitant reduction in energy consumption. Production in 2022 exceeded 120,000 KWh, which represents a saving in terms of the equivalent amount of CO_2 of 28,768.5 Kg CO2eq. (emission factor according to the Spanish National Markets and Competition Commission (CNMC)).

In 2022 an ESG study was carried out on the Castellana 42 building which defined the improvement actions required to obtain environmental certifications. These actions started to be implemented at the end of 2022 and will be completed in the first half of 2023. The building has an agreement that ensures that 100% of the energy supplied is from renewable sources.

The façades of the Castellana 89 and Castellana 42 buildings have vinyl-based sunlight filtering systems which make it possible to reduce solar heat gain, thus reducing HVAC energy consumption.

In 2022 an integral refurbishment project was commissioned for the Castellana 44 building to increase its energy efficiency and sustainability, and to achieve higher standards of comfort and maintenance.

At Alba, the emissions generated also arise from use of vehicles in the company's own fleet. With a view to reducing the emissions generated and the carbon footprint, Alba replaces its petrol or diesel-run vehicles with electric or hybrid models. The building in which Alba's offices are located has electric vehicle charging points.

Furthermore, since 2021, the Oasis and Castellana 89 buildings have been equipped with electric vehicle charging points for use by the buildings' occupants, after hiring the service from the electricity provider.

The Castellana 42 and Oasis buildings have been installed with parking areas for bicycles, as a measure to foster the use of this mode of transport as an alternative to less environmentally-friendly means.

The **Preving** subgroup treats electricity as a natural resource for carrying on 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 energy audits 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 studies the routes used to visit customers in order to maximise efficiency, thereby reducing the number of journeys made in company vehicles.

With respect to the **Nuadi** subgroup, the only atmospheric CO_2 emissions are those produced by the two heating boilers with a combined consumption of 1,948.9 KW. Due to the low level of emissions, control of atmospheric emissions is not deemed necessary. As measures to reduce energy consumption, the subgroup follows a rigorous plan involving legal reviews, boiler and chiller energy inspections and complete energy audits. In line with the target to reduce the electricity consumed in lighting, in 2022 the progressive change to LED systems throughout the entire plant was completed.

At Sadeca its industrial activities only consume electricity which, according to its certification, is largely supplied from renewable sources. A KPI is used to monitor electricity consumption on a monthly basis and a target has been set to reduce the electricity consumed in lighting by means of a progressive change to LED systems.

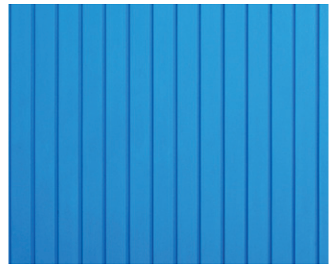
The **Satlink** subgroup's offices have a zone-by-zone heating and air conditioning system with energy efficient equipment. The company is fully aware that the pressure on the world's natural resources and the challenge posed by climate change require a rapid response from all concerned, and its energy- and emission-related impacts are controlled by personnel with environmental responsibilities 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, such as 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.

In its efforts to help the environment and optimise the use of the available resources, the **Gesdocument** subgroup uses LED systems to optimise electricity, fosters the elimination of paper, obtains electricity from providers using more environmentally friendly sources and contributes to progressively reducing its carbon footprint by dispensing with any unnecessary travel.

The following tables show the energy consumption and greenhouse gas emission data of Alba and its subsidiaries for the last three years:

Energy consumption (*) (amounts in thousands)	Total 2022	Total 2021	Total 2020
Electricity consumption (MWh)	8,320	7,793	6,634
Natural gas consumption (MWh)	4,101	4,710	3,820
Diesel consumption (litres)	266,077	647,475	355,590

(*) Note: the data for diesel consumption in 2021 has been reviewed having detected that it included the consumptions of buildings owned by Alba that are not specifically attributable to Alba's activities but to those of third parties.



Greenhouse gas emissions (tCO_2eq)(*)	Total 2022	Total 2021	Total 2020
Scope			
Scope 1	1,566	2,742	1,830
Scope 2	2,163	1,948	1,261
Total	**3,730**	**4,690**	**3,090**

(*) Note: the data relating to emissions arising from diesel consumption in 2021 has been reviewed having detected that it included the consumptions of buildings owned by Alba that are not specifically attributable to Alba's activities but to those of third parties.

Alba's electricity consumption relates mainly to the use of its buildings. A 42% increase in energy consumption was observed in 2022 in comparison with 2021, as a result of the full recovery of the company's activities to slightly above pre-pandemic levels (3.6 thousand MWh in 2019 as compared to 4 thousand MWh in 2022). Diesel consumption fell sharply following the exclusion of the Preving subgroup, which accounted for 63% of total diesel consumption in 2021.

These changes were also reflected in the emission data, with a decline in the scope 1 emissions arising from fuel consumption and a rise in the scope 2 emissions, which were also affected by a gradual increase in the emission factor associated with electricity consumption, which has been rising since 2020.

However, as indicated in other sections, the change in the scope of consolidation in 2022 does not permit comparison and close monitoring of the data for 2022 with respect to prior years.

4.2.2. Sustainable use of resources and circular economy[13]

Alba has adopted a series of measures which, as stated above, aim to improve efficiency, and the 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 files to be consulted, downloaded and shared. Moreover, all the paper used is Forest Stewardship Council (FSC) certified.

(13) GRI 3-3 y GRI 301-1 y GRI 303-3.

Paper consumption in 2022 reflected similar values to those 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 corresponding waste management procedure. In addition, 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 to be achieved. 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.

With regard to water, this is included in future phases of Nuadi's Waste Reduction Plan.

With respect to Sadeca, water consumption at this entity relates solely to water for human consumption and domestic purposes, as it is not used in the industrial process.

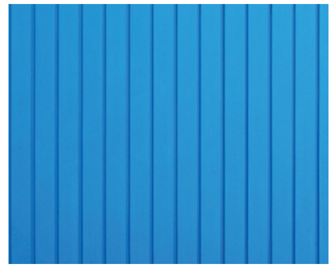
The company uses recycled raw materials, such as polyamide or PVC injection regrind, selling injection moulding waste in both materials as a by-product for production using recycled material.

Waste that is recycled and valorised includes paper and cardboard, film, timber used for pallets, remains of stainless steel parts, cable and non-hazardous waste.

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.

For the **Gesdocument** subgroup, water consumption at its various branches is scantly material and paid by the buildings' lessors.

In its manufacturing processes, the **Facundo** subgroup, always seeks to optimise the natural resources it uses based on the premise of absolute respect for the environment in the performance of all its activities.



To this end, Gesdocument is committed to carrying on its activity sustainably, using the most advanced techniques available and taking the necessary measures to reduce its impact on the environment.

The fundamental principles of its environmental policy include most notably: (i) ensuring compliance with the environmental legislation and regulations applicable to its facilities and operations; (ii) applying the measures required to prevent pollution, minimise waste generation and make responsible use of material and energy resources; and (iii) fostering environmental training and awareness-raising among all its employees. To achieve this special attention is given to improving manufacturing equipment to ensure that there are no breakdowns or leaks resulting in a loss of raw materials and to improving the water supply networks, so that there a no uncontrolled leaks.

The detail of the materials consumed by Alba and its subsidiaries is as follows:

The decrease in office paper consumption was due to the exclusion of the Preving subgroup after the first quarter of 2022, since its contribution to this indicator in 2021 accounted for 93% of total consumption.

The increase in water consumption was caused by the inclusion of the Facundo subgroup. Also, as indicated above, the change in the scope of consolidation in 2022 does not permit comparison and close monitoring of the data for 2022 with respect to prior years.

Given the diversity of Alba's subsidiaries, material consumption is also diverse although it does not affect all the companies, as is the case with the paper and water consumption indicators. These other materials consumed include notably the cardboard packaging used by the Facundo subgroup (1,500 tonnes of cardboard in the second half of 2022), and the steel consumed by Nuadi (2022: 30,434 tonnes of steel).

Consumption of materials	Total 2022	Total 2021	Total 2020
Water for human consumption (m^3)	39,883	34,990	31,064
Paper consumption (kg)	6,694	20,510	21,378

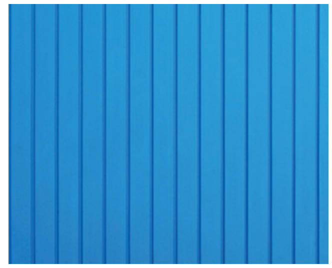
Alba continues to implement specific measures to reduce waste generation and ensure proper waste treatment and management. Alba's offices have water fountains, and each employee is provided with a glass bottle to avoid the use of disposable cups. Improvements continue in the management of waste such as coffee capsules, batteries and other office waste, as well in the recycling of pollutant waste such as printer toner cartridges.

The offices used by Alba have been fitted with timed flow taps, dual flush toilets and individual meters for water consumption, thereby enhancing water usage.

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 who operate in accordance with the prevailing legislation.

Roll out of the Waste Reduction Plan in place at the **Nuadi** subgroup commenced in 2020. The subgroup's main source of waste is the scrap metal resulting from the manufacturing process. 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 to a foundry located 40 km away, where it is converted into motor blocks and cylinder heads 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 2022	Total 2021	Total 2020
Type of waste			
Hazardous (tonnes)	429	2,907	334
Non hazardous (tonnes)	19,272	37,983	7,135
Total	**19,701**	**40,890**	**7,469**

A marked fall in the amount of waste has been detected following the changes in the scope of consolidation, Preving and Satlink being the subgroups that generated the greatest amount of waste.

5. ETHICS, HUMAN RIGHTS AND COMBATING CORRUPTION

5.1. Ethical behaviour and respect for human rights [14]

Alba's Code of Ethics and Conduct enshrines the values and principles that govern its conduct. The Code is applicable to anyone who has dealings with Alba as a result of discharging their duties or due to an employment, commercial or professional relationship. These values include most notably:

(14) GRI 3-3, GRI 3-2, GRI 2-23, GRI 2-26 y GRI 406-1.

- 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 opportunities and non-discrimination.

- Respect for the environment.

- Respect for the interests of other persons related to the Company.

- Prudence when performing business activities and assuming risks, and in relationships with customers.

- Rigour, integrity and transparency in data processing.

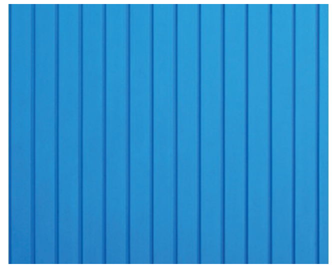
The Code of Ethics and Conduct sets out mandatory rules of conduct that must be complied with by Alba's employees, the members of its managing bodies and its Board of Directors alike, and by any third parties that have a relationship with Alba.

In view of the importance of 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 customers, suppliers, contractors and cooperating entities.

Each year, Alba's employees are reminded that the Code of Ethics and Conduct remains in force. The communication sent in 2022 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, which guarantees the confidentiality of the whistleblower's identity and sets out those circumstances in which anonymous reports are permissible.

No reports, suggestions or queries relating to the Code of Ethics and Conduct were received in 2022.

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 individuals who form part of the entity and for the third parties related to it, based on ongoing observance of human rights and the regulations established in each case. Nuadi's Code of Ethics was updated in 2022 with full implementation across the subgroup's locations.

The general rules of conduct of the **Satlink** subgroup's Code of Ethics explicitly state 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 in the event of a complaint against any parties associated with the company that might be involved. This includes personnel, customers and suppliers alike.

For its part, the **Gesdocument** subgroup has the following policies and procedures in place: Code of Conduct and Ethics; Harassment Prevention Code; and an Ethics Channel Communication Protocol. Each employee's onboarding process also includes a compulsory ethics training course, including an assessment of the knowledge acquired, on the second day of employment.

In 2022 Gesdocument's employees in Barcelona and Madrid received training in relation to the Code of Conduct and Ethics and this training will also be provided for employees at the Valencia, Bilbao and Zaragoza offices.

It should be noted that in 2022 no complaints were received through the company's Ethics Channel.

The **Facundo** subgroup does not have a Code of Ethics and applies the provisions set out in the applicable collective agreements.

Facundo conducted a survey of the countries outside Spain where raw materials are acquired: China, US, Turkey, Argentina and France, which established that there is no actual risk of any infringements of human rights arising in the commercial relationships with companies in those countries.

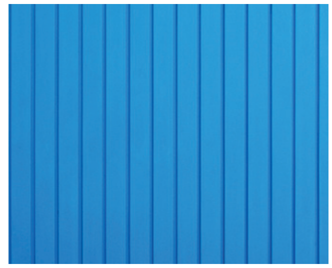
5.2. Anti-corruption and anti-bribery management [15]

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 individuals 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.

(15) GRI 3-3, GRI 3-2, GRI 2-23 y GRI 2-26.

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, presents, invitations and other types of remuneration, establishes specific guidelines 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, provider, supplier, 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, which are applicable both in Spain and China. These documents are the "Confidentiality and Intellectual Property Agreement Non Solicitation Agreement – NUADI Europe", and the "Code of Ethics and Business Conduct – NUADI Europe v.2".

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.

The **Gesdocument** subgroup implements various internal anti-corruption codes within the company, such as the 2018 Harassment Prevention Code, the 2020 Anti-Money Laundering Manual, the 2020 Corporate Report and a 2018 Anti-Corruption Policy.

The **Facundo** subgroup does not implement a policy in this connection since, due to the nature of its business activities, the corruption and money laundering risks are considered to be low. However, these risks have been analysed and the greatest risks identified are associated with the misappropriation of small amounts of cash in the distribution to stores. In order to ensure control, cash amounts are collected and checked by different people. The risk with regard to bribery is considered to be very low and the policy in this connection is limited to listing good business practices.

6. INFORMATION ON THE COMPANY

6.1. The company's sustainable development commitments [16]

In its Sustainability Policy **Alba** 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 investments are founded on three principles:

- a 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 governance risks.

Other noteworthy general principles and guidelines of conduct at Alba include the quest for excellence and the adoption of corporate governance best 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, and has established the 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 group. 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 subsidiaries and 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

(16) GRI 3-3, GRI 3-2, GRI 2-6, GRI 2-28 y GRI 2-29.

Initiative, Alba also participates in the training activities organised by this platform and submits the required Communication on Progress report. Thus, in 2022 Alba attended eleven meetings in which sustainable development related issues were addressed.

In 2022 Alba made a monetary contribution of EUR 50,000 to the "I Have a Home" Foundation (Fundación Tengo Hogar) for a project to support Ukrainian refugee families in Spain.

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, in 2022 Alba made economic contributions to the Foundation of the Institute Juan March of Study and Research (Fundación Instituto Juan March de Estudios e Investigaciones) and the Foundation for the Study of Applied Economics (Fundación de Estudios de Economía Aplicada (FEDEA)) totalling EUR 309,500.

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 in 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 has also collaborated 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 Albacete Confederation of Business Owners (FEDA), among others. The subgroup also has scheduled 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.

The **Nuadi** subgroup made an economic contribution to Unicef.

In 2022 the **Satlink** subgroup made economic contributions to various not-for-profit organisations amounting to EUR 22,000.

The **Gesdocument** subgroup collaborates with various universities in the field of job creation, and provides final-year and master's degree students with work experience to help them begin their professional development, and, depending on their progress and the company's hiring needs, they may join Gesdocument's workforce.

Gesdocument also collaborates with a variety of Spanish and international associations and institutions, such as Partners Immigration, Posted Workers Alliance, British Chamber of Commerce, HR Providers, Economía 3, E&J, etc., in order to contribute towards advancing society.

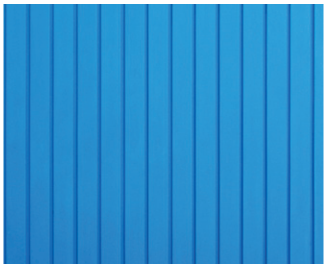
With regard to the **Facundo** subgroup, this company was founded and carries on its business activities in Villada, a town of few inhabitants in the province of Palencia. Facundo collaborates with local authorities in any activities they propose either free of charge or by providing funding.

The company has always been firmly committed to local development and the Villada plant is a source of employment for local inhabitants, thereby helping to prevent depopulation, which is extremely important in rural areas.

6.2. Subcontracting and suppliers [17]

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, in their contracts and collaboration agreements they undertake to observe and respect human rights, the environment, legal compliance and ethical principles.

(17) GRI 3-3, GRI 308-1 y GRI 414-1.



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.

Although its suppliers are not required to implement a policy in this connection, Nuadi does welcome those suppliers which adopt a proactive approach to identifying environmental issues in order to be able to assess their impact and implement improvements.

In addition, Nuadi implements an audit system in line with the Automotive Industry Association (VDA) standard for suppliers, in accordance with an annual schedule based on each supplier's level of performance and risk.

Sadeca does not have a procurement policy in place; however, suppliers are furnished with the Suppliers Manual and its Code of Ethics, and when engaging suppliers it takes into account environmental criteria such as certification, proximity, packaging and transport optimisation, among other factors, and criteria relating to compliance with legal and regulatory requirements, as established in the Suppliers Manual.

Sadeca also considers whether the supplier holds ISO 14001 certification and if not it is requested to complete 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.

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, including its suppliers. In the Code of Ethics, Satlink underlines its adherence and commitment to the United Nations Global Compact and to the declarations of the International Labour Organisation.

The **Gesdocument** subgroup's Code of Ethics addresses guidelines and standards that cover all the companies in its value chain.

The **Facundo** subgroup works with Spanish and international suppliers. Its supplier in China has been awarded the BRC Food Safety certification.

6.3. Consumers [18]

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.

It also provides all the resources required to coordinate business activities in the buildings owned by it through a document platform to allow tenants and other users to access general documentation for the building.

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, seamless relationship is maintained with tenants.

To guarantee the health of those using the buildings it operates, Alba has implemented a range of measures: green spaces have been installed inside the Castellana 42 building, bringing about an improvement in air quality; the Castellana 42 and Castellana 89 buildings have air ionistion system to remove pathogens and detect CO_2 and air quality is monitored.

Alba maintains records of personal data processing activities in relation to its employees, shareholders and electronic forum for shareholders, customers, suppliers, individuals affected in the area of the securities markets, the whistleblowing channel, queries relating to the Code of Ethics and Conduct, building access controls and CCTV surveillance measures.

(18) GRI 3-3 y GRI 207-4.

Alba implements various layer- or service-based cybersecurity protection measures to safeguard the data stored in its IT systems: firewalls, AV systems, email anti-phishing tools. All customer PCs and servers have EDR systems installed and the services of a SOC (Security Operations Centre) for ongoing surveillance. As part of the contingency plan and the business continuity plan, Alba has two CDP storage systems in place to maintain the infrastructure required to support the business from a technological point of view and a data replication system. Security copies and replications are retained over time based on requirements (daily, weekly, month, annually, etc.). Policies for robust password security, differentiation of permissions by role, etc. are in place for local identity management and two-factor authentication is used for IT critical role identity management.

Alba's employees are also provided with cybersecurity training in the form of emails containing snippets of related information. 18 information snippets were sent in 2022 and may be accessed at any time on the company's intranet.

The **Preving** subgroup has specific measures in place to guarantee the health and safety of the customers of the services it offers; there is a complaint and claim management system on the intranet, where employees can 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.

Various channels are available to customers to share incidents, recommendations or thoughts concerning the products or services received: telephone call, email, a complaint form in paper format, the customer extranet, virtual complaint form, etc. Preving undertakes to provide a response within 48 hours and to close the complaint within 72 hours.

Compliance with the occupational risk prevention legislation is also a priority for Preving, and strict monitoring and control is implemented with regard to 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 a cybersecurity system in place to protect its customers' data, as well as a firewall, a system to monitor and record access to control undesired connections, and equipment and services installed with antivirus systems. Regular vulnerability controls and software and firmware updates are performed. Nuadi's contingency plan includes solutions involving making daily and weekly security copies and replications. Security policies have been created for the services located on in-house servers and a password complexity factor has been established. Access to information is assigned to users on the basis of their role definition. Roles considered to be critical access information by means of two-factor authentication.

It should also be noted that Nuadi has implemented a certified management system based on the IATF (International Automotive Task Force) standard. This standard is fully customer oriented and the claim management and customer satisfaction monitoring processes are key in order to achieve certification.

Sadeca also implements a claim management system accessed by means of the ISC which gathers quarterly data at global level and with respect to the four or five principal customers. This solution analyses delivery timeliness, urgent transport, quality claims or production line stoppages, etc.

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.

The **Gesdocument** subgroup is currently working on rolling out improvements in its customer management procedures. Accordingly, customer cases, complaints and incidents communicated by customers or professionals are recorded in the CRM and the actions taken to resolve these issues are monitored.

Implementation of a system to measure customer satisfaction commenced in 2022, and development will continue in 2023, with the performance of quality surveys with all the customers, which will be stored to enable assessment by customer, by service, and in terms of the team/professional assigned to each customer.

The **Facundo** subgroup has a Quality and Food Safety Policy in place to ensure the performance of the operating procedures required to maintain high standards of food safety and to guarantee the well-being of its consumers. It has also implemented a mandatory system for food business operators (Regulation (EC) no. 852/2004), relating to hazard analysis and critical control points (HACCP), which makes it possible to reduce the probability of food poisoning (potential contamination of food by microbial, physical or chemical contaminants) occurring. Implementation of this policy and these procedures guarantees the safety of the foods produced and the health and safety of Facundo's consumers, customers and users.

7. EU TAXONOMY FOR SUSTAINABLE INVESTMENT

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 (TSC) 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 to the EU Non-Financial Reporting Directive ("NFRD"). In this regard, in this chapter, compliance is achieved with the requirements set by Delegated Regulation (EU) 2021/2178 on the basis of the activity data for 2022. Continuing with the taxonomy exercise conducted in 2021, which was completed with the publication of the eligible financial indicators according to the activities of Delegated Regulation (EU) 2021/2139, a review was performed of the activities identified as eligible in accordance with the mitigation and adaptation criteria established in the Regulation.

7.1. Compliance with the EU taxonomy

Alba is an investment holding company and its object is the acquisition of long-term ownership interests in listed and non-listed companies with activities 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 in Spain. Currently, Alba's investments are in listed companies, non-listed companies and property assets.

In accordance with the legislation on the disclosure of non-financial and diversity information, the Company must disclose the proportion of eligible and non-eligible, aligned and non-aligned activities in accordance with the EU taxonomy and the KPIs related to turnover, capital expenditure (CapEx) and operating expenditure (OpEx).

Taxonomy-eligible economic activities are those included in the list set out in the EU Taxonomy Regulation 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.

Aligned activities are eligible activities that meet the substantial contribution criteria (SCC) for at least one of the mitigation or adaptation objectives set out in the taxonomy, that do no significant harm (DNSH) to any other environmental objective and are performed in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (Minimum Social Safeguards). Non-aligned eligible activities are, therefore, activities that do not meet any of the requirements of the alignment analysis phases described above (SCC, DNSH and Safeguards).

7.2. Analysis and calculation procedure

The calculation of the indicators required by the EU taxonomy for sustainable investment was based on the analysis of the eligibility of the activities carried on by Alba and its subsidiaries in accordance with the scope defined for this report.

To this end, the description of the various economic activities performed by Alba and its subsidiaries has been taken into consideration. Moreover, to avoid duplicated accounting, the percentages assigned to just one activity, whether it is a 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 of Alba and its subsidiaries at 2022 year-end.

- Turnover: the proportion of the turnover referred to in Article 8.2 a) of Regulation (EU) 2020/852 was calculated as the portion of the turnover from products or services, including immaterial products and services, associated with taxonomy-aligned economic activities (numerator), divided by the turnover (denominator) as defined in Article 2.5 of Directive 2013/34/EU.

- CapEx: 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 the second subparagraph of this point 1.1.2.2 (relating to the "CapEx plan");

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.

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 2022 of Alba and its subsidiaries, and excluding fair value changes.

- OpEx: 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 the second paragraph of this point 1.1.2.2;

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.

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.

Analysis of alignment of eligible activities

On the basis of the eligible activities, a review and analysis was conducted of the criteria included in Annexes I and II to the Climate Delegated Regulation.

The technical interpretation of the activities identified as eligible and used as the basis for the alignment analysis is set out below:

- Activities contributing to climate change mitigation:

Activity 7.7 Acquisition and ownership of buildings: this category includes the acquisition of real estate and exercise of the associated ownership rights, carried on by Alba Patrimonio Inmobiliario, S.A. in relation to five buildings in Madrid. All of these buildings were built before 31 December 2020 and, therefore, according to the TSC, to contribute substantially to climate change mitigation, they should have at least a Class A energy efficiency certificate or, alternatively, form part of the 15% of the most energy-efficient buildings in the national or regional building stock in terms of primary energy demand. In addition, since they are large non-residential buildings, they must be managed efficiently through the control and evaluation of their energy efficiency.

At the end of 2022, the analysis performed indicated that the buildings did not possess an energy efficiency certificate similar to that requested in the TSC and there were no plans for the control and evaluation of the energy efficiency of the buildings analysed. As a result, it was concluded that this activity could not be considered to be taxonomy-aligned because it did not meet the TSC. Also, in order to meet the DNSH criteria and, specifically, the climate change adaptation objective, there is no analysis of the physical climate risks or specific climate change adaptation plans for the buildings, although Alba does have in place certain mechanisms required by the Minimum Social Safeguards established by the Regulation, at corporate level.

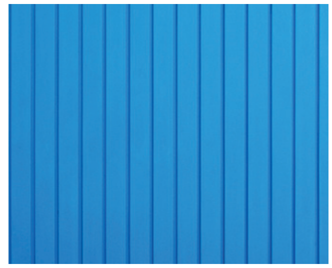
Work will be carried out in the coming years to analyse the progress required in relation to adaptation to these criteria in order to align the Company's business model with the Regulation's requirements, thereby fostering the transition to a more sustainable economy.

- Activities contributing to climate change adaptation:

  Activity 11 Education: this category includes the education activities carried on by the entity Formalia, which is part of the Preving subgroup. The object of this entity is to perform training activities in different programmes and at different levels, focusing mainly on health and safety training. According to the TSC, in order to contribute to climate change adaptation, these activities should apply adaptation solutions to reduce the most significant and material physical climate risks for the activity, which should be determined on the basis of an evaluation of the applicable vulnerabilities and climate risks as defined in the Appendix to Annex II to the Delegated Act. Based on this analysis, the TSC also require climate-related projections and impact assessments to be applied in accordance with the available best practices and guidelines, and the adaptation solutions applied must also meet a series of criteria included in the TSC for the mentioned activity. Given that, in relation to Formalia's education activities during the consolidated period in Alba's financial statements, no climate risk analyses were conducted as described in the Regulation, nor were any adaptation solutions applied to reduce these risks, the activity is not deemed to be a taxonomy-aligned activity with respect to the climate change adaptation objective.

7.3. Results in 2022

The analysis conducted showed that 8.2% of the turnover, 2.6% of the CaPex and 0.4% of the OpEx of Alba and its subsidiaries in 2022 are taxonomy-eligible activities, although the analysis did not identify any activities that are actually taxonomy-aligned.

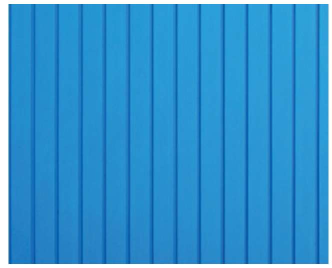


The information contained in this report takes into account the methodology applied by Alba and its subsidiaries, and the results obtained in the second year measured in order to comply with Taxonomy for Sustainable Investment Regulation (EU) 2020/852. However, developments in understanding and sectorial 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.

The detail of the results obtained from the analysis is as follows:

TAXONOMY-ALIGNMENT BY ACTIVITY AND ENVIRONMENTAL OBJECTIVE

TURNOVER				Substantial contribution criteria		DNSH	
Codes	Economic activities	Absolute turnover (€)	Proportion of turnover (%)	Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)
A. TAXONOMY-ELIGIBLE ACTIVITIES							
A.1. Environmentally sustainable activities (taxonomy-aligned) (eligible and aligned)							
7.7.	Acquisition and ownership of buildings	€ 0.00	0.0%	0.0%	0.0%	Y	n.a.
11.1	Education	€ 0.00	0.0%	0.0%	0.0%	n.a.	Y
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (eligible and non-aligned)							
7.7.	Acquisition and ownership of buildings	€ 12,976,733.04	7.6%				
11.1	Education	€ 945,148.90	0.6%				
Total (A.1 + A.2)		**€ 13,921,881.94**	**8.2%**				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES							
Turnover of taxonomy-non-eligible activities (B)		€ 156,300,465.61	91.8%				
Total (A + B)		**€ 170,222,347.55**	**100.0%**				



Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum social safeguards (Y/N)	Taxonomy aligned proportion of turnover (%)	Category (enabling activity) (E)	Category (transitional activity) (T)
n.a.	n.a.	n.a.	n.a.	Y	0.00%		
n.a.	n.a.	n.a.	n.a.	Y	0.00%	E	
					0.00%		

TAXONOMY-ALIGNMENT BY ACTIVITY AND ENVIRONMENTAL OBJECTIVE

CapEx				Substantial contribution criteria		DNSH		
Codes	Economic activities	Absolute CapEx (€)	Proportion of CapEx (%)	Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1. Environmentally sustainable activities (taxonomy-aligned) (eligible and aligned)								
7.7.	Acquisition and ownership of buildings	€ 0.00	0.0%	0.0%	0.0%	Y	n.a.	
11.1	Education	€ 0.00	0.0%	0.0%	0.0%	n.a.	n.a.	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (eligible and non-aligned)								
7.7.	Acquisition and ownership of buildings	€ 2,240,706.06	2.6%					
11.1	Education	€ 0.00	0.0%					
Total (A.1 + A.2)		**€ 2,240,706.06**	**2.6%**					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
Turnover of taxonomy-non-eligible activities (B)		€ 82,396,931.76	97.4%					
Total (A + B)		**€ 84,637,637.82**	**100.0%**					

	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum social safeguards (Y/N)	Taxonomy aligned proportion of CapEx (%)	Category (enabling activity) (E)	Category (transitional activity) (T)
	n.a.	n.a.	n.a.	n.a.	Y	0.00%		
	n.a.	n.a.	n.a.	n.a.	Y	0.00%	E	
						0.00%		
						0.00%		

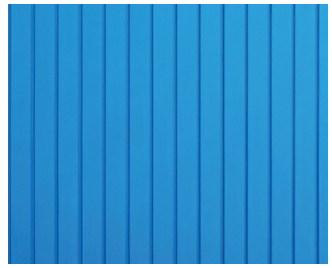
TAXONOMY-ALIGNMENT BY ACTIVITY AND ENVIRONMENTAL OBJECTIVE

OpEx				Substantial contribution criteria		DNSH	
Codes	Economic activities	Absolute OpEx (€)	Proportion of OpEx (%)	Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)
A. TAXONOMY-ELIGIBLE ACTIVITIES							
A.1. Environmentally sustainable activities (taxonomy-aligned) (eligible and aligned)							
7.7.	Acquisition and ownership of buildings	€ 0.00	0.0%	0.0%	0.0%	Y	n.a.
11.1	Education	€ 0.00	0.0%	0.0%	0.0%	n.a.	n.a.
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (eligible and non-aligned)							
7.7.	Acquisition and ownership of buildings	€ 172,894.93	0.6%				
11.1	Education	€ (43,907.34)	(0.2%)				
Total (A.1 + A.2)		**€ 128,987.59**	**0.4%**				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES							
Turnover of taxonomy-non-eligible activities (B)		€ 28,845,862.21	99.6%				
Total (A + B)		**€ 28,974,849.80**	**100.0%**				

	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum social safeguards (Y/N)	Taxonomy aligned proportion of OpEx (%)	Category (enabling activity) (E)	Category (transitional activity) (T)
	n.a.	n.a.	n.a.	n.a.	Y	0.00%		
	n.a.	n.a.	n.a.	n.a.	Y	0.00%	E	
						0.00%		
						0.00%		

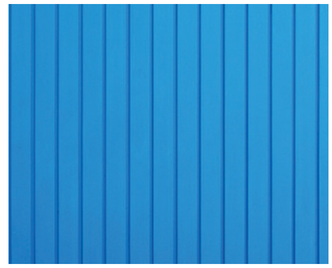
8. NON-FINANCIAL INFORMATION STATEMENT TABLE OF CONTENTS

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 2-6	2. Business model
Main risks	• Main risks and impacts arising from the group's activities and management thereof.	GRI 2-6	2. Business model
Information on environmental matters			
Policies	• Management approach.	GRI 3-3	4.1 Information on environmental matters – Policies
Risk	• Material topics.	GRI 3-2	4.1 Information on environmental matters – Policies
General	• Effects of the company's activities on the environment, health and safety.	GRI 3-3	4.1 Information on environmental matters – Policies
	• Environmental certification or assessment procedures.	GRI 3-3	4.1 Information on environmental matters – Policies
	• Resources used to prevent environmental risks.	GRI 3-3	4.1 Information on environmental matters – Policies
	• Application of the precautionary principle.	GRI 3-3	4.1 Information on environmental matters – Policies
	• Provisions and guarantees for environmental risks.	GRI 2-27	Note 17 to the consolidated financial statements of Corporación Financiera Alba, S.A. and Subsidiaries for 2022



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 3-3	4.2.1 Energy and climate change
Circular economy and waste prevention and management	• Waste prevention and management measures.	GRI 3-3	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 3-3, 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	4.2.1 Energy and climate change
	• Measures to adapt to climate change.	GRI 3-3	4.2.1 Energy and climate change
	• GHG reduction targets.	GRI 3-3	4.2.1 Energy and climate change
Protection of biodiversity	• Measures taken to conserve or restore biodiversity.	GRI 3-3	Not material
	• Impacts caused by the activity.	GRI 304-3	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.	GRI 3-3	3.1 Information on social and personnel related matters – Policies
Risk	• List of material topics.	GRI 3-2	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 2-7, 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 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 2022. In 2022, 40% of the members of the Board of Directors were women.
	• Implementation of disconnection from work measures.	GRI 3-3	3.2.2 Organisation of working time
	• Employees with a disability.	GRI 405-1	3.2.1 Employment and remuneration

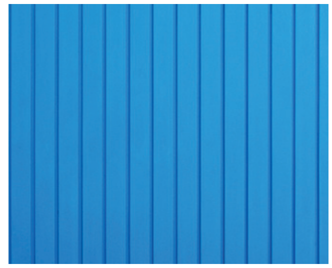


Contents of Spanish Law 11/2018 on Non-Financial Information Statements		Standard used	Section of the report
Information on social and personnel-related matters (cont.)			
Organisation of work	• Organisation of working hours.	GRI 3-3	3.2.2 Organisation of working time
	• Number of hours of absenteeism.	GRI 403-9	3.2.2 Organisation of working time
	• Measures to achieve work-life balance.	GRI 3-3	3.2.2 Organisation of working time
Health and safety	• Occupational health and safety conditions.	GRI 3-3	3.2.3 Health and safety
	• Accident rate by gender.	GRI 403-9	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 3-3	3.2.4 Labour/management relationships
	• Percentage of employees covered by collective agreements.	GRI 2-30	3.2.4 Labour/management relationships
	• Assessment of collective agreements in the occupational health and safety area.	GRI 3-3	3.2.4 Labour/management relationships
	• Mechanisms and procedures available to the company to promote employee involvement in the management of the company, in terms of information, consultation and participation.	GRI 3-3	3.2.4 Labour/management relationships
Training	• Training policies.	GRI 3-3	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 3-3	3.2.6 Accessibility and equal opportunity
Equal opportunity	• Measures for equality between men and women.	GRI 3-3	3.2.6 Accessibility and equal opportunity
	• Equality plans.		3.2.6 Accessibility and equal opportunity
	• Measures to promote employment.		3.2.6 Accessibility and equal opportunity
	• Protocols against sexual and gender-based harassment.		3.2.6 Accessibility and equal opportunity
	• Universal accessibility for people with disabilities.		3.2.6 Accessibility and equal opportunity
	• Anti-discrimination and diversity management policy.		3.2.6 Accessibility and equal opportunity

NON-FINANCIAL INFORMATION STATEMENT

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 3-3	5.1 Ethical behaviour and respect for Human Rights
Risk	• Material topics.	GRI 3-2	5.1 Ethical behaviour and respect for Human Rights
Human Rights	• Performance of due diligence reviews.	GRI 2-23, GRI 2-26, GRI 406-1	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 3-3	5.2 Combating corruption and bribery
Risk	• Material topics.	GRI 3-2	5.2 Combating corruption and bribery
Corruption and bribery	• Anti-corruption and anti-bribery measures.	GRI 2-23, GRI 2-26	5.2 Combating corruption and bribery
	• Anti-money laundering measures.		5.2 Combating corruption and bribery
	• Contributions to foundations and non-profit entities.	GRI 3-3	6.1 The company's sustainable development commitments



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 3-3	6.1 The company's sustainable development commitments
Risk	• Material topics.	GRI 3-2	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 2-6, GRI 3-3	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 2-29	6.1 The company's sustainable development commitments
	• Association or sponsorship actions.	GRI 2-28	6.1 The company's sustainable development commitments
Subcontracting and suppliers	• Inclusion of ESG matters in the purchasing policy.	GRI 3-3, GRI 308-1, GRI 414-1	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 3-3	6.3 Consumers
	• Complaint management system.	GRI 3-3	6.3 Consumers
Tax information	• Profit/loss by country.	GRI 207-4	Note 24 to the consolidated financial statements of Corporación Financiera Alba, S.A. and Subsidiaries for 2022.
	• Income tax paid.		
	• Government grants received.	GRI 201-4	In 2022 grants amounting to EUR 53,574 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 investment

NON-FINANCIAL INFORMATION STATEMENT

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

Corporación Financiera Alba, S.A. y Sociedades Dependientes

Independent limited assurance report on the Consolidated Non-Financial Statement for the fiscal year ended 31 December 2022.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

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Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
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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 ON THE CONSOLIDATED NON-FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED 31 DECEMBER 2022.

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 2022 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 8 "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.

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 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 2022.

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.

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 2022.
- Verification, by means of sample-based review tests, of the information relating to the contents identified in the NFIS of 2022 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

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 company's activities are associated with economic activities aligned in relation to the objectives of climate change mitigation and adaptation to climate change for the first time for fiscal year 2022, in addition to the information referring to eligible activities required in fiscal year 2021. Consequently, in the attached NFIS comparative alignment information has not been included. On the other hand, to the extent that the information referring to eligible activities in fiscal year 2021 was not required with the same level of detail as in fiscal year 2022, in the attached NFIS the detailed information regarding eligibility is not strictly comparable either. Additionally, it should be noted that the administrators of Corporación Financiera Alba have incorporated information on the criteria that, in their opinion, best allow compliance with the aforementioned obligations and that are defined in section 7. Sustainable Finance Taxonomy 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 2022 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.

Ángel García Arauna

DELOITTE, S.L.

April 25th , 2023

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REPORT ON ACTIONS

OF THE AUDIT AND COMPLIANCE COMMITTEE FOR THE YEAR 2022

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. ("Corporación Financiera Alba" or the "Company"), from 1 January until 31 December 2022, 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 amended on 26 June 2020 (the "GGC") as well as Technical Guide 3/2017 of the CNMV, on Audit Committees of Public-Interest Entities (the "Technical Guide").

II. THE AUDIT COMMITEE: ORIGIN,EVOLUTION AND REGULATION

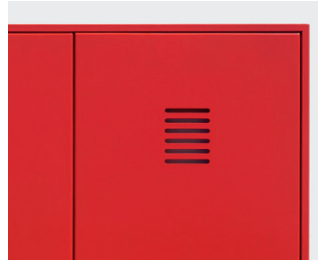
II.1. Origin and evolution

The Audit Committee was created by the Board of Directors on 29 March 2000, following the recommendations of the so-called "Olivencia Code". Since its incorporation, the regulation of this Committee has undergone various modifications in order to adapt it to new regulations, recommendations and best practices in corporate governance matters.

In this regard, special reference must be made to the Board of Directors' Regulations approved: (i) on 5 May 2015, which included the new provisions regarding the composition, organisation and functions of the Audit Committees established by Law 31/2014 of 3 December; (ii) on 3 May 2016, whereby the name of the Audit Committee was changed to Audit and Compliance Committee and the amendments to its composition and functions established by Law 22/2015 of 20 July on the Auditing of Accounts were included; and (iii) on 13 May 2021, whereby the functions of the Committee were extended to adapt it to Law 5/2021 of 12 April.

III. REGULATION

The Audit Committee is governed by the provisions of article 47 of the Company Bylaws, articles 21 to 34 of the Board Regulations and, more specifically, by the Audit Committee Regulations, approved by the Board of Directors on 23 October 2017, amended on 26 October 2020 and 13 May 2021, to adapt them to the Technical Guide and the amendment of the GGC, respectively, as well



as by the provisions of the Capital Companies Act *(Ley de Sociedades de Capital)* ("LSC").

The current texts of the aforementioned internal regulations are available on the corporate website (www.corporacionalba.es).

IV. FUNCTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE

In Article 3 of the Regulations of the Audit and Compliance Committee of Corporación Financiera Alba, SA, 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.

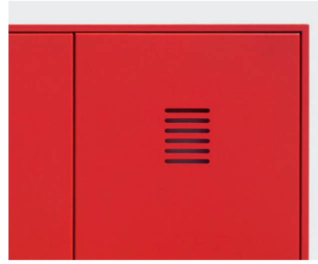
e) Establish the appropriate relations with the external auditor to receive information on those issues that may pose a threat to their independence, for examination by the Committee, and any others related to the process of carrying out the audit of accounts, and, where appropriate, the authorisation 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 advisers 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.

V. COMPOSITION

The Audit and Compliance Committee is an internal body of the Board composed of Directors of the Company appointed by the Board. In accordance with the provisions of the Capital Companies Act, the majority of the members of this Committee must be independent Directors and at least one of them shall be appointed taking into account their knowledge and experience in accounting and/or auditing. As a whole, the members of the Committee should have relevant expertise in relation to the sector of activity to which the Company belongs.

The Committee must be chaired by 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 one year has elapsed since he ceased to hold office.

The composition of the Audit and Compliance Committee as at 31 December 2022 was as follows:

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Name	Office	Category	Date of first appointment
Ms. Ana María Plaza Arregui	Chair	Independent	2019
Ms. Claudia Pickholz	Member	Independent	2016
Ms. María Eugenia Girón Dávila	Member	Independent	2018

During the financial year 2022, there have been no changes in the composition of the Committee.

Following the recommendations of the CNMV Technical Guide 3/2017, the experience and expertise of each of them is briefly highlighted:

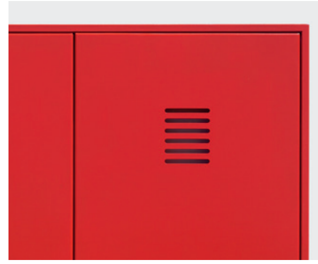
- Ms. Plaza has extensive experience in the world of auditing and financial management in companies in various fields, both national and international;

- Ms. Pickholz has held management positions in large multinationals in various sectors with responsibility for marketing and strategy; and,

- Ms. Girón has extensive experience in business, strategy design, brand building, international growth and sustainable development.

In accordance with the recommendations of the Good Governance Code for Listed Companies, full information on the profile of all its Directors is available on the Company's corporate website (www.corporacionalba.es).

Consequently, as regards to its composition, the Audit and Compliance Committee of Corporación Financiera Alba has complied with legal requirements, as it is made up of three independent female directors, all of whom have the necessary knowledge and experience to perform their duties.



VI. FUNCTIONING AND ACTIVITY

VI.1. Functioning

The internal functioning of the Audit and Compliance Committee is governed by the provisions of article 47 of the Company Bylaws and by articles 29 to 34 of the Regulations of the Board and articles 12 to 18 of the Regulations of the Audit and Compliance Committee, which regulate all matters relating 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.

VI.2. Meetings and attendance

During the 2022 financial year, the Audit and Compliance Committee held eight meetings, at which it worked, within the aforementioned functions, in the areas indicated below, and for which it had the necessary information and documentation:

a) Review of the periodic financial information for submission to the National Securities Market Commission (CNMV).

b) External audit of the annual accounts and relations with the external auditors.

c) Risk identification and internal control system.

d) Internal audit.

e) Review of non-financial information.

f) Compliance with the legal system and internal regulations.

The meetings of the Audit and Compliance Committee were attended, at its request, by the Chief Financial Officer and the heads of risk, internal audit and regulatory compliance of the Company. In addition, during 2022, the Company's external auditors were invited to participate in four meetings of the Audit and Compliance Committee and the internal auditors in three.

VI.3. Activities

At the end of each financial year, the Audit and Compliance Committee approves its Programme of Activities for the following financial year in relation to the aforementioned areas and carries out the appropriate monitoring thereof.

The main activities carried out by the Audit and Compliance Committee during financial year 2022 are included below, encompassed in the different functions attributed to it, as well as, where applicable, a brief description of the bodies, procedures and internal regulations of the Company that support this Committee in the correct performance of its functions.

a) Review of the periodic financial information

- The Committee **has analysed, prior to their submission to the Board, the half-yearly financial information** sent to the CNMV and made public, as well as the supplementary information leaflets published, in accordance with the requirements established by Royal Decree 1362/2007, of 19 October (amended by Royal Decree 875/2015, of 2 October), and by CNMV Circular 3/2018, of 28 June. It has also reviewed the financial information relating to the first and third quarters of 2022, the publication of which is no longer mandatory following the elimination of article 120 of the Securities Market Law *(Ley de Mercado de valores)* ("LMV").

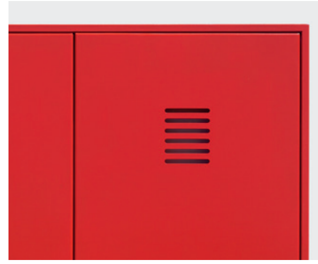
  The Company's Chief Financial Officer, who is responsible for the preparation of the aforementioned information, has collaborated in this analysis in order to explain to the Committee the accounting process followed for its preparation and the decisions and criteria adopted.

- The Committee **has analysed the annual accounts and examined the (individual) balance sheet as at 30 June 2022,** taken as a basis for the distribution of a flexible dividend, prior to its formulation by the Board of Directors.

- Following recommendation 43 of the Technical Guide, the Committee has ensured that the financial information published on the entity's website is up to date and coincides with the information formulated by the Board of Directors and made public.

b) External audit of the annual accounts and relations with the external auditors

- In the financial year 2022, the **External Auditors:**



- Attended the meetings of the Committee where the financial **information corresponding to the close of the 2021 financial year and the annual accounts for said financial year were examined.** In said meetings, they reported on the audit work performed, the most significant issues raised and the criteria followed. These annual accounts were the subject of an unqualified report, with no significant risks being noted in the Company, and the internal control of the Company was considered adequate. The responsible persons within the Company assisted the external auditors in the performance of their duties.

- Submitted to the Committee the **limited review of the financial statements for the first half of 2022.**

- Attended the Committee meeting where **the (individual) balance sheet of the Company as at 30 June 2022,** prepared for the distribution of a flexible dividend, **was examined.** In this meeting, they reported on the audit work carried out, the most important issues and the criteria followed. This balance sheet and its explanatory notes were the subject of an unqualified report.

- Explained the **planning** of the audit work for the financial year 2022

• In accordance with the provisions of article 529 quaterdecies of the Capital Companies Act, the Committee received written confirmation from the External Auditors as to their **independence** vis-à-vis the entity or related entities and issued a report expressing its opinion on the independence of these External Auditors.

• The Committee approved the new **Policy for the Provision by the External Auditor of Non-Statutory Audit Services,** which replaces the one approved on 21 September 2017, in order to include the update of the lists of "permitted services" and "pre-approved permitted services", taking into account the services provided by the External Auditor and market practices. In addition, the Committee reported on the pre-approved services provided by the Company's statutory auditor.

c) Risk Identification and Internal Control System

The Audit and Compliance Committee is responsible for the risk identification and internal control system and assesses whether the Company has adequate organisation, personnel and processes to identify and control its main operational, financial, non-financial and legal risks, and is empowered to investigate any aspect of the risk identification and internal control system it deems appropriate. In this area, the Company has a set of **operating rules[1] that establish the internal control criteria,** a function entrusted to the Financial Department.

- During 2022, as customary, the Committee included in six of its eight meetings an agenda item dedicated to risk management and monitoring issues, in order to monitor them. On two occasions, the Committee had the intervention and report of those responsible for the different risks within the Company.
- The External Auditors issued the Additional Report in respect of the financial year 2021, in accordance with the provisions of Article 36 of Law 22/2015 of 20 July 2015 on the Audit of Accounts and Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements for the statutory audit of public interest entities (Regulation (EU) No. 537/2014), in which it was noted that they had not identified any deficiencies in internal control that had been assessed as significant, and which they had to report to the Company.

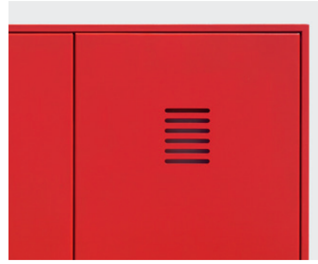
Control and Risk Management Unit

The Audit and Compliance Committee is responsible for supervising the effectiveness of the Company's internal control, internal audit and risk management systems, assessing whether the group has the appropriate organisation, personnel, policies and processes to identify and control its main risks and, in particular, operational, financial, non-financial and legal risks.

Since 2015, the Company has had a **Risk Control and Management Unit** as an advisory and control body at the service of the Audit Committee, independent from the business, and aimed at ensuring the establishment of adequate control and efficient and prudent risk management[2].

(1) These rules include, among other: cash investments, accounting and reporting, management of real estate and receivables, investments and divestments in subsidiaries, investments and divestments in real estate and investments and divestments in private equity.

(2) The Risk Management and Control Function Charter was approved by the Board of Directors on 26 October 2015 and, besides, a Risk Management Methodology and Monitoring Model has been adopted.



The Company has implemented an **Integrated Risk Management System** adapted to the nature and degree of complexity of its operations and the environment in which it operates, in order to mitigate the risks to which the group is subject[3].

In relation to risk management processes, in addition to the aforementioned Risk Control and Management Unit and the Internal Audit Service, the Company has **regulatory compliance processes,** which will be referred to below.

During financial year 2022, and in relation to this matter:

- A new Risk Map of the Company has been drawn up. The Committee has given its favourable opinion prior to its approval by the Board of Directors on 9 May 2022. This review resulted in the monitoring of 11 critical risks compared to the 9 previously considered.

- Two Business Risk Monitoring Reports have been prepared and submitted to the Committee (corresponding to the second half of the year and the full financial year 2021 and the first half of 2022, respectively), in accordance with the approved Risk Management Methodology and Monitoring Model. These reports examine the aggregate risk situation and individual risk analysis (the most critical risks, according to the Risk Map). For their preparation, meetings are held with those responsible for the risks, the controls and indicators defined are checked, and the assessment subject to monitoring is reviewed and analysed. The conclusion of the reports was that the controls were effective (although some were not applied in the periods mentioned), and no weaknesses were identified in the risk management system implemented to identify and mitigate the critical risks to which the company is exposed in the course of its business.

- The tax risks that may affect the Company have been analysed, and no significant transactions were carried out during the year.

d) Internal Audit

In 2011, an Internal Audit Service was established 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 internal information

(3) This system is embodied in three key elements: (i) continuous risk management process; (ii) organisational approach to roles and responsibilities; and (iii) monitoring model.

and control systems. The Company also has the support of an auditing firm for the development of the Internal Audit functions, with the General Secretary, under the supervision of the Committee, assuming the coordination between these auditors and the Company. This contributes to the independence of this function, which, in 2022, continued to be carried out by Deloitte Advisory, S.L.

Internal Audit has a Statute for the Internal Audit Function approved by the Board (most recently, by resolution of 27 February 2017) and carries out its functions in accordance with the Activity Plan approved annually by the Audit and Compliance Committee.

In this area, and during financial year 2022:

- **Audits of some internal procedures** were carried out, in accordance with the Internal Audit Activity Plan submitted to the Audit and Compliance Committee, and no irregularities were found, and some recommendations were made in relation to the practices and procedures followed by the Company.

- The Committee has shown its conformity of the application of the Company's Internal Control over Financial Reporting System Manual ("ICFR") after examining the certifications issued by those responsible for it.

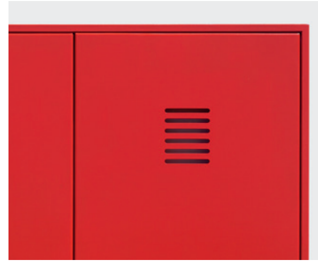
- The Committee has analysed and informed the Board of the results of the internal audits and the monitoring of the ICFR carried out.

e) Review of the Non-Financial Information

The Audit and Compliance Committee is entrusted with the supervision of the Non-Financial Information and the Sustainability Policy.

Since 2016, the Company has been reporting on environmental, social and governance issues. Initially, this information was disclosed through the Sustainability Report, which was reported by the Audit and Compliance Committee prior to its approval by the Board of Directors and made available on the Company's corporate website on the call to the General Meeting[4]. In financial year 2019, the group complied for the first time with the requirements established in Law 11/2018, formulating since then the Statement of Non-Financial Information provided for in this Law (which replaced the Sustainability Report presented in previous financial years).

(4) Recommendation 55 of the Good Governance Code of Listed Companies.



During 2022:

- The Committee has analysed, prior to its presentation to the Board, the **Statement of Non-Financial Information** corresponding to financial year 2021, which includes, as provided for in Law 11/2018, significant information on: environmental issues; social and personnel-related issues; respect for human rights; the fight against corruption and bribery; and on the Company.

  For its preparation, the Global Reporting Initiative ("GRI") Sustainability Reporting Guidelines, an internationally recognised standard, have been used as the reporting standard, following the principles and contents included in the most updated version of the guidelines ("Selected GRI Standards").

  The context and regulations of the sectors in which the subgroups operate, sector trends and best practices have also been taken into account to determine which aspects are relevant for Alba. The main aspects considered to be relevant are: attracting and retaining talent; compliance and business ethics; diversity and equality; occupational health and safety; commitment to society; and energy efficiency and environmental management.

  The Non-Financial Information Statement includes the activities of the Alba Group and those of the Satlink, Nuadi, Preving, Gesdocument and Facundo subgroups (its subsidiaries).

  The Statement of Non-Financial Information, which forms part of the Directors' Report and is prepared by the Board of Directors, was approved by the Company's General Meeting of Shareholders as a separate item on the agenda and is available on the corporate website.

- The Committee **has monitored the Sustainability Policy,** approved by the Board of Directors on 12 November 2020 (replacing the Corporate Social Responsibility Policy, approved on 17 June 2019, which had replaced the one initially approved on 26 October 2015), and the information thereon, especially through the Statement of Non-Financial Information.

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f) Regulatory compliance and others

With regard to compliance with the applicable law and internal regulations, a more detailed description is given 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 an annual report on the efficiency and compliance with the Company's rules and procedures of governance.

<u>Internal Regulations</u>

The funcions of this Committee include ensuring that an effective internal system is in place to monitor the Company's compliance with the laws and regulations governing its business, and that procedures are in place to ensure that management and employees comply with internal regulations. The meetings of the Committee are attended, when necessary and upon invitation by the Chairman, by the Chief Financial Officer, the head of regulatory compliance and the head of audit and internal control of the Company, who report on matters relating to this matter.

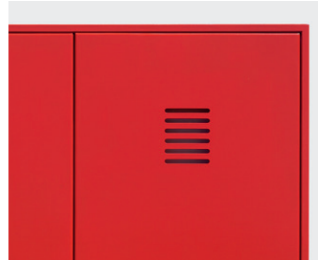
In order to ensure **compliance with the applicable law,** the Company has an appropriate organisation, in particular the existence of:

(i) a Legal Department, a Tax Department and a Finance Department which, each in its own area of competence, ensure that the regulations in force (external and internal) are respected;

(ii) a **Regulatory Compliance Unit.**

In addition, as mentioned above, the Company has an **Internal Audit Service** and a **Risk Control and Management Unit,** and has adopted a **Risk Management Methodology** and a **Crime Prevention and Monitoring Model.** In this regard, in 2016, a Regulatory Compliance function was formalised and implemented, and in terms of criminal prevention, since 2015 it has had a Crime Prevention Manual.

Within its corporate documentation, the Company currently has the following Policies provided for by various provisions or in good corporate 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 reviewed periodically in case they need to be amended. During 2022, the Investment Policy and the Board Remuneration Policy were updated.



With regard to the existence of **internal procedures,** as mentioned, the Company has a several operating rules that establish the internal control criteria, as well as **the Company's Internal Control over Financial Reporting System Manual, Risk Management Methodology** and the **Monitoring and Crime Prevention Model.**

A new **Code of Ethics and Conduct** was approved in 2018, which was amended by resolution of the Board of Directors on 26 October 2020, in order to adapt it to the revision of the Good Governance Code for Listed Companies approved by the CNMV on 26 June 2020, in particular, to admit anonymous complaints in cases where they have accounting or financial significance.

On the other hand, the Company has an **Internal Code of Conduct in the Sphere of the Securities Market** adapted to the regulations on market abuse, which was last amended by resolution of the Board of Directors on 29 November 2021, in order to eliminate the blocking periods relating to quarterly information, which ceased to be compulsory following the suppression of article 120 of the Securities Market Act, by Act 5/2021 of 12 April.

During 2022, and in relation to internal regulations, the Audit Committee:

- Has regularly monitored the Sustainability Policy, the Communication Policy and the Tax Policy. The Committee also periodically reviews these policies in order to make the necessary proposals for updating them in accordance with applicable law and good corporate governance recommendations.

- It has reported on the internal rule relating to the process for managing Inside Information for the purposes of the Market Abuse Regulation and Alba's Internal Code of Conduct, which aims to develop the internal procedure for the use, management, dissemination and delay of Inside Information as well as the designation of those responsible.

- The Code of Ethics and Conduct has been monitored and the **Whistleblowing Channel** has been reported on, with no whistleblowing occurring in 2022.

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Regulatory Compliance

Since 2016, the Company has had a **Regulatory Compliance Function** in place, within the General Secretary's Office, in order to coordinate, systematise and monitor the various actions and efforts it has been carrying out in this area, with the collaboration of external advisors for the implementation and monitoring. ¡ In 2018, the Board of Directors of the Company approved, with the favourable report of the Audit and Compliance Committee, the **Statute of the Regulatory Compliance Function,** entrusting the Secretary of the Board of Directors with the Management of the Regulatory Compliance Unit, which reports to the Audit and Compliance Committee and currently has the external collaboration of Deloitte Advisory, S.L.

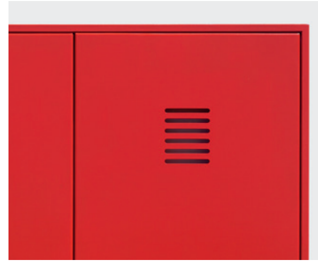
The objective of this function is to provide reasonable assurance that Alba complies with its key legal and regulatory requirements, to which end: (i) the main legislative and regulatory obligations with which the Company must comply have been identified; (ii) a compliance model has been designed (with activities and tasks to be performed, dates and persons responsible); and (iii) a model has been established for monitoring and tracking compliance activities, with early warnings and half-yearly reviews, in order to avoid potential non-compliance.

- During 2022, the **Regulatory Compliance monitoring reports** were prepared in relation with the second half of the year and the full year 2021, and for the first half of 2022, in which the requirements identified are verified, those that have been met, those that have not been applied and, if applicable, the opportunities for improvement are indicated. In the report for the first half of 2022, 100% effectiveness has been verified for all applicable controls, with no favourable controls with recommendations or unfavourable controls detected.

Criminal Prevention

As a consequence of the regulation of the criminal liability of legal persons, the Company approved a Crime Prevention Manual (26 October 2015) which was updated in the financial year 2020 in order to adjust it to the current situation of the governance model of the entity and the policies associated with it and to align it with the best market practices.

- In 2022, the effectiveness of the Crime Prevention Model was monitored and two reports were issued, one referring to the full financial year 2021 and the other referring to the first half of 2022, resulting in a general situation of compliance with the risks analysed, with no favourable controls with recommendations or unfavourable controls



having been detected. The Audit and Compliance Committee has considered the monitoring carried out to be adequate.

Related-party transactions

Within this area of compliance, reference should also be made to the review of transactions with directors, significant shareholders or their representatives, or with persons related to them, or with investee companies ("related-party transactions"). In financial year 2022:

- The Committee has reported favourably on one related-party transaction, as it met the necessary conditions to do so.

- The Committee has approved and made public on the Company's corporate website a report on the aforementioned related party transactions of the previous year[5].

Others

- The Committee also **examined the draft Annual Corporate Governance Report for 2021** – subsequently approved by the Board of Directors – and the **Monitoring reports prepared by the supervisory bodies on the Internal Code of Conduct,** the **Code of Ethics and Conduct,** and the Crime Prevention Manual, on the actions carried out in compliance therewith during 2022.

- The Committee has examined the **Company's tax situation,** with reference to its tax obligations, in general, the most relevant aspects in relation to Corporate Income Tax, and compliance with the various reporting obligations. In 2020, the Company adhered to the Code of Good Tax Practices promoted by the Large Companies Fund (20 July 2010).

- With regard to communications with the CNMV, which include communications of financial information, privileged information and other relevant information and other requests for information, all appropriate communications were made during the year.

- The Audit Committee has monitored the operation and content of the website. In addition, during financial year 2022 it reported on the conclusions reached in the area of cybersecurity and external hacking and continued to monitor the situation of the Information Technology area.

(5) Recommendation 6 of the Good Governance Code of Listed Companies.

REPORT ON ACTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE

Assessment of external audit, internal audit and the Audit and Compliance Committee

In financial year 2022, and following Recommendations 71, 58 and 76 of the Technical Guide, respectively:

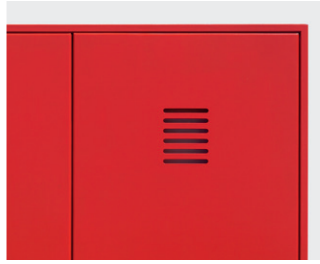
- The Committee **evaluated the external auditor** on the basis of its presentations to the Committee and the various reports issued, considering that during financial year 2021 the external auditor performed its duties satisfactorily, complying with the Plan established for the year, with no incidents having occurred and contributing through its work to the integrity of the Company's financial information.

- The Committee **evaluated the internal audit area** of the Company and, in view of the presentations made and the Annual Report of the Internal Audit Service, considered that during financial year 2021 the Internal Audit Service had performed its function satisfactorily, fulfilling the objectives of the Plan established for the year and without any incidents having occurred. The Internal Audit Manager was also considered to have performed his role adequately.

- The Committee self-assessed its performance in 2021, as part of the annual evaluation of the Board (contained in the Board Evaluation Questionnaire and the Board Evaluation Report). In the Board Evaluation questionnaire, all Directors provided feedback on the performance of this Committee, informing the Board of the aspects evaluated and the outcome of the evaluation. The evaluation of the Audit and Compliance Committee has not led to changes in the internal organisation and procedures of the Company.

VII. 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 regulations, and that effective compliance by the Company with the external and internal regulations applicable thereto, as well as with the provisions and recommendations on good corporate governance, is satisfactory.



It also considers that the Company has adequate mechanisms in place to enable the Audit and Compliance Committee to properly perform the duties assigned to it by law and in the internal regulations of the Company in relation to periodic financial reporting, external audit, internal audit, non-financial reporting and risk identification and internal control systems, and that the Company's compliance in relation to these matters is satisfactory.

ANNUAL REPORT ON DIRECTORS' REMUNERATION

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PROPOSED RESOLUTIONS

PROPOSED RESOLUTIONS

The Board of Directors submits to the consideration of the General Meeting the adoption of the following resolutions:

1. Approval of the annual accounts, both individual and consolidated, for the financial year ending 31 December 2022.

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 2022.

4. Approval of the proposed allocation of results of the financial year 2022.

5. Capital increase against reserves by issuing new ordinary shares of the same class and series as those currently in circulation (to implement a “flexible dividend”).

6. To re-elect the following members of the Board: 6.1. To re-elect Ms María Luisa Guibert Ucín (Independent Director); 6.2. To re-elect Ms Ana María Plaza Arregui (Independent Director); 6.3. To re-elect Mr Antón Pradera Jáuregui (Independent Director); and, 6.4. To re-elect Mr Juan March Juan, (Proprietary Director).

7. Re-election of KPMG Auditores, S.L. as the external auditor of the Company and its consolidated Group for the financial years 2023, 2024 and 2025.

8. Approval, in an advisory capacity, the Remuneration Report of the Board of Directors for the year 2022.

9. Update of the Remuneration Policy of the Board of Directors of Corporación Financiera Alba, S.A.

10. 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 persons determined by the Board of Directors, in order to bind them directly to the shareholder value creation process.

11. 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 and prior authorisations, 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.

12. Authorisation to the Board of Directors to execute the resolutions adopted at the General Meeting.

13. Approval of the minutes of the General Meeting.

GUILLERMO LLEDÓ

Madrid, 1946

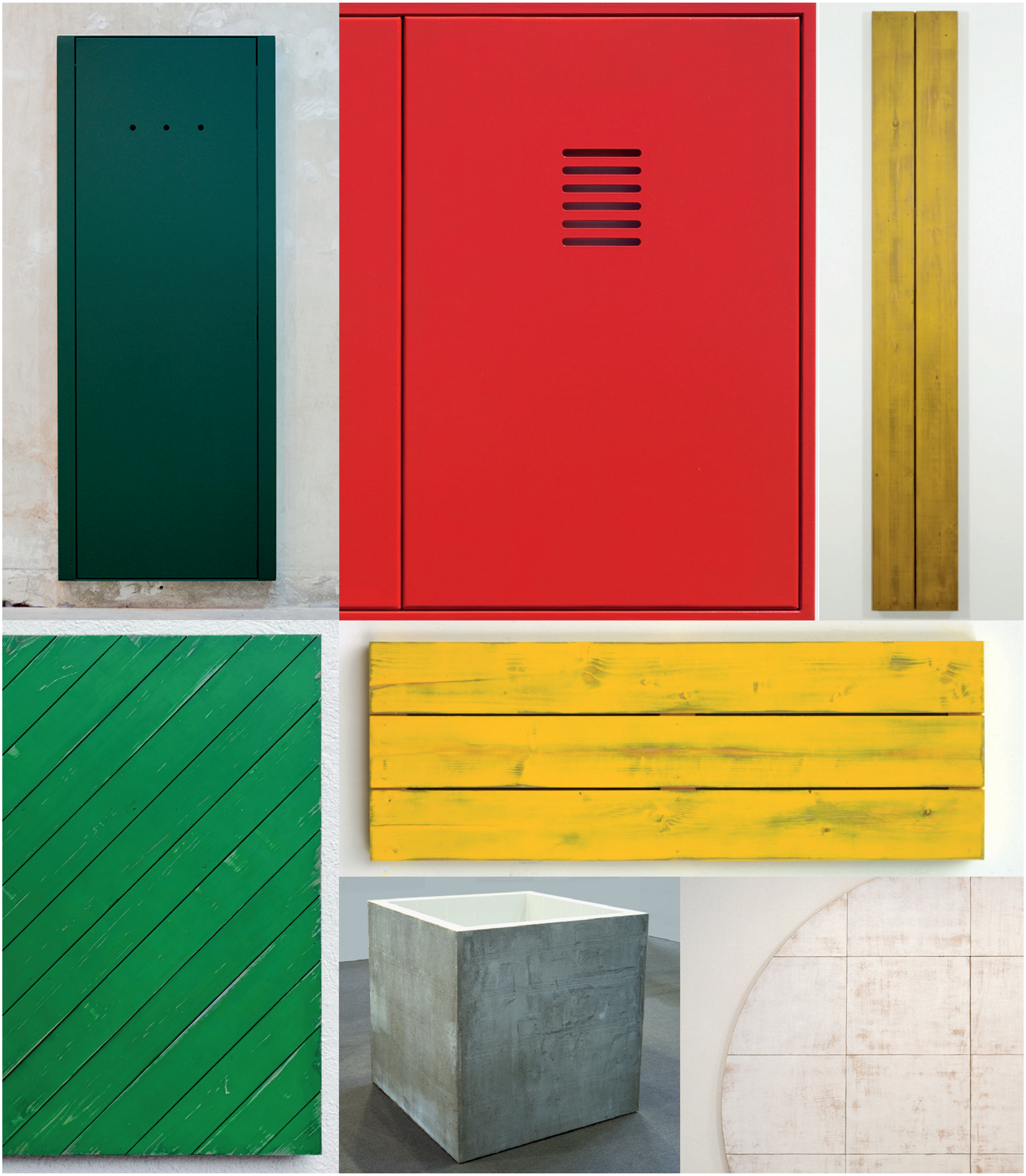
He studied painting at the San Fernando School of Fine Arts (Madrid, 1964-1968), holds a PhD in Fine Arts from the Complutense University of Madrid (1997) and has been a lecturer in Art Education at the same University (1969-2016). He lives and works in Madrid.

His work includes drawing, painting, sculpture, installation and photography, always related to the theme of built space and urban environment. His sculptural works, of a markedly objectual character and a forceful physical presence, contain elements that allow them to be also seen as representations. The artistic approach that governs his work was set out in his doctoral thesis "En los límites de la representación" (At the boundaries of representation), published by the Complutense University of Madrid in 1997.

He has organised numerous solo and group exhibitions.

His solo exhibitions include the Egam Gallery (Madrid, 1980, 1996 and 2005) and the Palacio de los Condes de Gabia (Granada, 1987), Galería Carles Poy (Barcelona, 1991 and 1994), Sala CAI Luzán (Zaragoza, 1995), Museo Barjola (Gijón, 1997), Centro de Arte CAB (Burgos, 2006), Centro de Cultura Contemporánea (Granada, 2015), Museo de la Universidad de Alicante MUA (Alicante, 2015), Museo Salvador Victoria (Teruel, 2016), Galeria *formatocomodo* (Madrid, 2018) and Museo Francisco Sobrino (Guadalajara, 2022).

And among the group exhibitions: Ars'74, Museo de Arte del Ateneum (Helsinki, 1974); *Drawings by Ten Contemporary Spanish Artists,* Marlborough Gallery (New York, 1974); *Salón de los 16,* Museo Español de Arte Contemporáneo (Madrid, 1981); *Arte Español Contemporáneo,* Fundación Juan March (Madrid, 1982); *Contrastes,* Círculo de Bellas Artes (Madrid, 1985); *El Espacio y la Idea,* Fundación "la Caixa" (Barcelona, 1991); *Los 80 en la Colección de la Fundación "la Caixa",* Seville City Commission for 1992 (Seville, 1992); *Entre la Presencia y la Representación,* Centro Atlántico de Arte Moderno (las Palmas de Gran Canaria, 1994); *Forma y Figuración,* Museo Guggenheim Bilbao (Bilbao, 1998); *Spanish Art of the 80s and 90s at the MNCARS* (Zacheta Gallery of Contemporary Art (Warsaw, 2001); *Esculturas en el Retiro,* Parque del Retiro (Madrid, 2001); *Enlaces,* Museo Patio Herreriano de Arte Contemporáneo (Valladolid, 2004-2005); *Basado en hechos reales,* ARTIUM (Vitoria, 2010); and *Escala: Escultura (1945-2000),* Fundación Juan March (Madrid, 2023).



He obtained grants for artistic creation from the Juan March Foundation (1979) and from the Ministry of Culture (1981) and won first prizes for painting at the XIII International Biennial of Alexandria (1979) and the III Francisco de Goya Competition of the Madrid City Council (1980), among others.

His work is represented in several public and private collections, such as the Museo Nacional Centro de Arte Reina Sofía, the Boston Museum of Fine Arts, the Museo de Arte Contemporáneo del País Vasco ARTIUM, the Museo Patio Herreriano de Arte Contemporáneo (Valladolid), the "la Caixa" Foundation (Barcelona), the Juan March Foundation (Madrid), the Museo IAACC Pablo Serrano (Zaragoza), the Bank of Spain (Madrid), the Ars Citerior Collection (Museo de Bellas Artes, Castellón) and the Espíritu – Materia Collection (Madrid), among others.

Guillermo Lledó. 2023

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