



ALBA: PORTFOLIO AND RESULTS **FOR 2020**

- The net consolidated result decreased to €-95 million in 2020, compared to €179 million in the previous year. This decline is mainly due to the lower results obtained by our portfolio companies as a result of lower activity and asset impairments by some of them, mainly as a result of the COVID-19 crisis.
- Net Asset Value (NAV) dropped by 2.1% in the year, standing at €4,304 million as at 31 December 2020, equivalent to €73.89 per share. Alba's share price ended the year at €38.95 per share.
- During the year, Alba invested €67 million and sold assets for a total amount of €385 million, significantly increasing its net cash position¹ to €523 million as at 31 December 2020.
- In October, Alba distributed a gross dividend of €0.50 per share to its shareholders, drawn from earnings in 2020, representing a disbursement of €29 million. The total amount distributed in dividends during the 2020 financial year was €58 million.

I. MOST SIGNIFICANT TRANSACTIONS

The investments made by Alba were as follows:

- Acquisition of 1.94% of CIE Automotiva for €37.8 million. The stake in the company as at 31 December 2020 is 12.73% due to the purchases made and the amortisation of the company's treasury shares.
- Various financial investments for a total amount of €29.6 million.

On the other hand, among the divestments made, the following are highlighted:

- Sale of the stake (12.06%) in the share capital of Bolsas y Mercados Españoles (BME) for €332.6 million, as part of the voluntary takeover bid formulated by SIX Group AG. Related to this investment, Alba has obtained an IRR of 6.2% per annum over the six years it has been a shareholder in it.
- Sale of two real estate properties in Barcelona and two floors of offices in Madrid for €32.5 million.
- Sale via Deyá Capital of the entire 7.5% stake of the share capital of TRRG Holding Ltd. (previously Ros Roca Environment) to the Terberg group for €17.3 million.

¹ As at 31 December 2020, Satlink, Nuadi and Preving are consolidated by the full consolidation method. All comments made in this document concerning Alba's cash position refer exclusively to that of Alba, excluding the consolidated net debt of Satlink, Nuadi and Preving.

II. EVOLUTION OF THE MAIN PORTFOLIO COMPANIES¹

- The turnover of **Acerinox** in 2020 decreased by 1.8% compared to the previous year, down to €4,668 million, due to the lower activity derived from COVID-19, and despite the incorporation of VDM to the scope of consolidation during the month of March. Compared to 2019, excluding VDM, the melting shop production decreased by 3.9%, down to 2.1 million tonnes, and the cold rolling decreased by 13.9%, down to 1.4 million tonnes. The adjusted EBITDA was €398 million for the year, 1.0% lower than the previous year, due to the fact that the incorporation of VDM and the cost reduction measures were not sufficient to compensate for the lower activity already mentioned. Meanwhile, the net profit was €49 million, compared to losses of €60 million in 2019, despite the assets' impairment made. The net financial debt as at 31 December 2020 amounted to €772 million (2.0 times the EBITDA for the year), up by €278 million compared to the figure recorded for the previous year, which is partly due to the purchase and the consolidation of the VDM debt.
- The turnover of **CIE Automotive** was €2,883 million in 2020, 16.7% lower than the previous year, due to the strong impact of the COVID-19 crisis on the automotive sector. In 2020, automobile production fell by 20.7% in the markets in which CIE Automotive operates. However, CIE Automotive's production experienced a decline below market levels in all geographic areas. The EBITDA for the year dropped by 27.5% compared to 2019, to €431 million. In turn, net profit fell by 35.6% to €185 million. As at 31 December 2020, net adjusted financial debt amounted to €1,575 million, resulting in a ratio of 3.6 times the annual adjusted EBITDA.
- **Ebro Foods** achieved sales of €3,237 million in 2020, 15.1% higher than in the previous financial year. This growth was supported by the good performance of both the Pasta (+14.5%) and Rice (+16.1%) divisions due to the defensive nature of both products during the COVID-19 crisis and, to a lesser extent, to the consolidation of Tilda and the lower weight of promotional activity. EBITDA for the fiscal year amounted to €435 million, 26.9% higher than in 2019. Meanwhile, net profit increased by 35.7% to €192 million. Net financial debt was reduced to €951 million (ratio of 2.2 times the EBITDA for the year), due to the fact that the generation of cash for the period, together with the sale of the pasta business in the US, has offset the payment of the dividend (ordinary and extraordinary) and the operational investments made.
- In 2020, the **Euskaltel** revenue figure increased by 1.7% compared to the previous year, to €697 million, supported by, among others, growth in the B2B and Wholesale segments, as well as by the launch of the Virgin Telco brand on the entire national territory in May 2020. Despite the COVID-19 crisis, the customers net adds from the Mass Market segment was positive thanks to Virgin Telco's good reception. EBITDA for the year was down slightly (-0.5%) compared to 2019, to €343 million, in part due to the negative contribution of Virgin Telco in its start-up phase. Net profit stood at €79 million, 28.0% higher than in 2019. Reported net financial debt decreased to €1,455 million (ratio of 4.2 times EBITDA for the year) at 31 December 2020, 2.1% lower than in December of the previous year.
- **Indra** sales amounted to €3,043 million in 2020, 5.0% lower than in the previous year (-1.6% in local currency), due to the decline in revenues in both Transport & Defence (-5.8% reported and -4.5% in local currency) and Minsait (-4.5% reported and +0.1% in local currency), impacted by the reduction in activity due to COVID-19 and despite the inclusion of SIA in the consolidation perimeter. EBIT was €33 million lower compared to €221 million in 2019, affected by the impairment of intangible assets (-€95 million), the workforce transformation plan (-€88 million) and the lower activity due to the COVID-19 crisis, and despite the capital gain for the sale of Metrocalls (+€36 million). In turn, the net result was -€65 million (+€121 million in 2019). As at 31 December 2020, net financial debt amounted to €481 million

¹ Except for Parques Reunidos, whose annual results for 2020 have not yet been made public.

(12.8% lower than at the end of 2019), implying a ratio of 2.5 times the annual EBITDA (excluding the impact of IFRS-16, impairments and the aforementioned capital gain).

- **Naturgy** achieved sales of €15,345 million in 2020, 26.1% lower than those of the previous year, as a result of lower demand for energy caused by COVID-19, lower average energy prices and the negative effect of the Latin American currencies' trend compared to the Euro. The EBITDA reported for 2020 was €3,449 million, 18.9% lower than that recorded in 2019, due to growth in renewable generation not being sufficient to counteract the poor performance of the Energy Management and LatAm Networks businesses, and the slight fall in Sales. Eliminating non-ordinary effects, mainly restructuring costs, the EBITDA would have been reduced by 14.6% to €3,714 million. The net result for the financial year was €347 million lower compared to a positive result of €1,401 million the previous year, due to the drop in operating results and the significant impairment in the book value of conventional generation assets in Spain (-€858 million) and gas activities in Argentina (-€152 million). Net financial debt as at 31 December 2020 stood at €13,612 million (ratio of 3.9 times EBITDA for the year), 10.8% lower than at the end of the previous year.
- **Verisure**, a company that also operates under the brand “Securitas Direct”, reported revenue of €2,139 million in 2020, which is 12.5% higher than the previous year. This improvement was driven by growth in the customer portfolio, which increased to 3.8 million customers (+12.5%). Adjusted EBITDA from the customer portfolio amounted to €1,256 million in the year, 16.8% higher than in the previous year. The total adjusted EBITDA reached €920 million, 20.8% higher than in 2019. The net result was €93 million lower than that reported in the previous year (-€60 million), mainly due to exchange rate differences and hedges, with no impact on cash flow. The net financial debt was €5,108 million as at 31 December 2020, practically stable with respect to the previous year.
- The sales of **Viscofan** in 2020 increased by 7.4% compared to the previous year, to €912 million, driven by the improvement in volumes and prices in all product families as well as the incorporation of Nitta Casings into the consolidation perimeter, which offset the negative effect of the evolution of exchange rates and the lower results obtained in the cogeneration activity. On a comparable basis, sales for the year would have increased by 8.3% compared to 2019. EBITDA for the year increased by 16.7%, up to €234 million, due to higher revenues, the production efficiencies achieved and the savings from the new cellulosic and fibrous technology in Spain. The net profit was €123 million, 16.0% higher than in 2019. As at 31 December 2020, Viscofan's net bank debt was €38 million (ratio of 0.2 times the EBITDA for the year), which represents a decrease of 10.2% compared to the €43 million at the end of 2019.

III. INVESTMENT PORTFOLIO

The composition of Alba's portfolio as at 31 December 2020 was as follows:

	<u>Stake %</u>	<u>Value in € million (1)</u>
Listed holdings		2,530
Acerinox	19.35	473
CIE Automotive	12.73	344
Ebro Foods	14.00	408
Euskaltel	11.00	172
Indra	10.52	130
Naturgy (2)	5.44	579
Viscofan	13.03	352
Others		73
Total market value		2,530
Total book value		2,336
Unrealised gains		194
Unlisted holdings		868
Parques Reunidos	24.98	
Verisure (excluding minorities)	6.25	
<u>Through Deyá Capital</u>		
Alvic	7.76	
Alvinesa	16.83	
in-Store Media	18.89	
Monbake	3.70	
Nuadi (3)	37.43	
Preving (3)	24.81	
Satlink (3)	28.07	
Telepizza	3.27	
Real Estate		313

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- (1) Closing price at 31 December for listed companies, external valuation for unlisted companies, except the internal one for In-Store Media and external appraisal for real estate.
- (2) This includes an indirect stake of 5.33% and a direct stake of 0.11%.
- (3) Consolidated by global integration.

IV. NET ASSET VALUE (NAV)

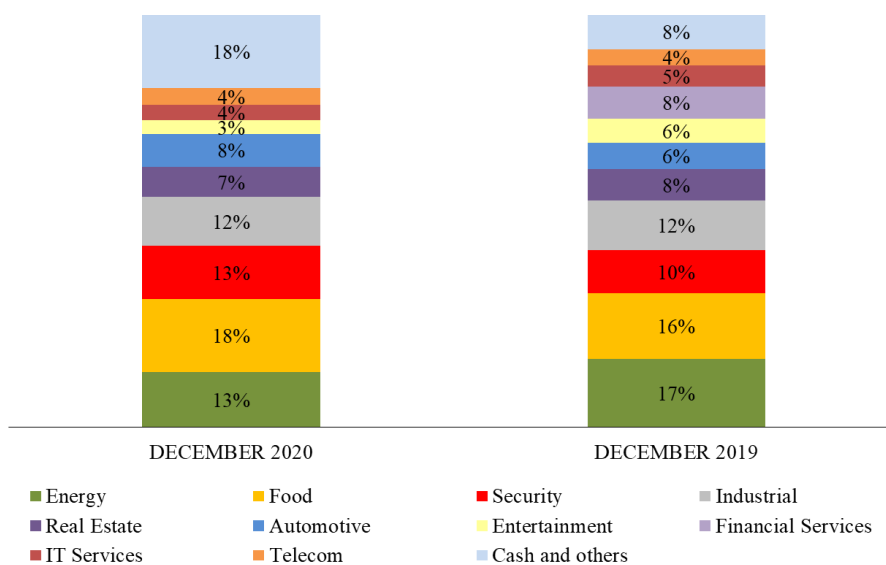
The most representative measure of a company like Alba is its Net Asset Value (NAV). Calculated according to the criteria normally used in the market, as of 31 December 2020, Alba's NAV before taxes amounted to €4,304 million or €73.89 per share, representing a drop of 2.1% in the financial year.

	<i>Million euros</i>	
	31/12/2020	31/12/2019
Listed holdings	2,530	2,976
Unlisted holdings	868	893
Real Estate	313	342
Other assets and liabilities	70	124
Net cash	523	63
Net asset value	4,304	4,397
Million shares	58.24	58.24
Net asset value / share	73.89 €	75.50 €

Satlink, Nuadi and Preving are included at fair value and, consequently, their assets and liabilities are eliminated.

The relationship with the Consolidated Balance Sheet is included in the footnotes of section dedicated to the balance sheet (pages 8 and 9).

V. SECTORIAL DISTRIBUTION OF GROSS ASSET VALUE ⁽¹⁾(GAV)



(1) Closing price at 31 December for listed companies, external valuation for unlisted companies, except the internal one for In-Store Media and external appraisal for real estate.

VI. CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT ⁽¹⁾

	Million euros	
	31/12/2020	31/12/2019
Share of net results of associates	(155)	84
Rental income and other	186	95
<i>Of leases and others</i>	17	18
<i>From other companies by global integration</i>	169	77
Gains from fair value adjustments in Real Estate investments	(3)	3
Profit / (Loss) on asset sales	24	25
Variation in fair value of financial instruments	18	8
Net financial result	19	18
Impairment of financial assets	-	52
Sum	89	285
Operating expenses	(158)	(95)
<i>From Alba</i>	(28)	(29)
<i>From other companies by global integration</i>	(130)	(66)
Depreciation	(27)	(11)
<i>From Alba</i>	(1)	(1)
<i>From other companies by global integration</i>	(26)	(10)
Corporate income tax	(3)	(1)
Minority shareholders	4	1
Sum	(184)	(106)
Net result	(95)	179
EPS (€)	(1.63)	3.08

(1) Satlink, Nuadi and Preving are consolidated by global integration. Satlink has been consolidated since 2017 and Nuadi and Preving were incorporated into the consolidation in the last quarter of 2019.

CONSOLIDATED BALANCE SHEET ⁽¹⁾

	<u>ASSETS</u>	Million euros	
		31/12/2020	31/12/2019
	Intangible asstes	230	227
	<i>Goodwill</i>	78	123
	<i>Other intangible assets</i>	152	104
(a)	Real Estate Investments	287	325
(a)	Fixed assets	30	25
(b)	Investments in Associates	2,856	3,253
(b)	Financial assets at fair value through P & L	171	150
	Other financial investments and other assets	61	69
	Non-current assets	3,635	4,049
(a) (b)	Non-current assets held for sale	9	313
	Stock	18	18
	Outstanding tax refunds	36	64
(c)	Other financial assets	380	157
(c)	Treasury and temporary financial investments	296	35
	Debtors and other assets	50	54
	Current assets	789	641
	Total assets	4,424	4,690

(1) Satlink, Nuadi and Preving are consolidated by global integration. They are included in the NAV at fair value.

(a) This relates to the “Real Estate” heading under NAV.

(b) This relates to the “Listed holdings” and “Unlisted holdings” headings under NAV.

(c) This relates to the “Net Cash” heading of the NAV.

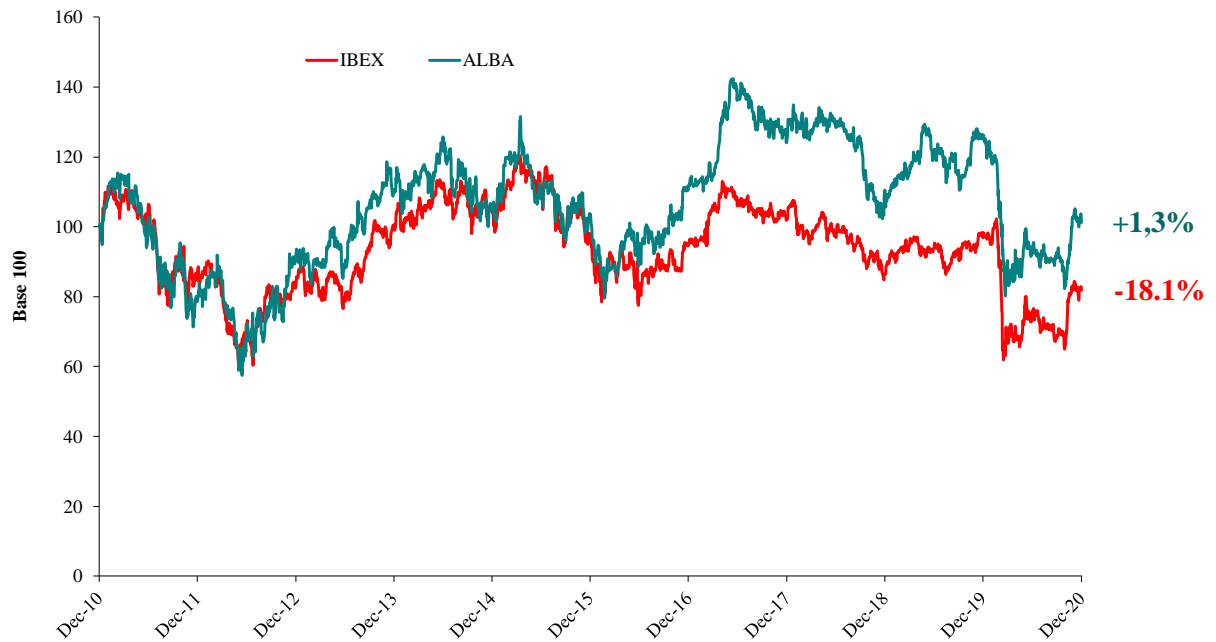
CONSOLIDATED BALANCE SHEET ⁽¹⁾

	LIABILITIES	
	Million euros	
	31/12/2020	31/12/2019
Share capital	58	58
Reserves and treasury stock	3,889	3,916
Earnings for the year	(95)	179
Minority interests	182	195
Shareholders' equity	4,034	4,348
Other non-current liabilities	10	14
Net deferred tax	67	53
(c) Long-term debts with credit institutions	202	210
Non-current liabilities	279	277
(c) Short-term debts with credit institutions	50	18
Current liabilities	61	47
Current liabilities	111	65
Total shareholders' equity and liabilities	4,424	4,690

(1) Satlink, Nuadi and Preving are consolidated by global integration. They are included in the NAV at fair value.

(c) This relates to the "Net Cash" heading of the NAV.

VII. STOCK PRICE PERFORMANCE



- In 2020, the price of Alba's shares decreased by 19.8%, from €48.55 to €38.95, while in the same period the IBEX 35 fell by 15.5% to 8,074 points.

VIII. SUBSEQUENT EVENTS

- Sale of a property in Madrid for €9 million, which contributes an annual IRR of 16.3% over 21 years.