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

(Together with the consolidated annual accounts and consolidated directors' report of Corporación Financiera Alba, S.A. for the year ended 31 December 2020)

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

KPMG Auditores, S.L.
Paseo de la Castellana, 259C
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 2020, 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 2020 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.

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

Key Audit Matters

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

Recoverable amount of investments in associates *See notes 4 e) and 10 to the consolidated annual accounts*	
Key audit matter	*How the matter was addressed in our audit*
The Group holds investments in associates amounting to Euros 2,845 million at 31 December 2020, which are accounted for using the equity method. There is a risk that the carrying amount associated with the net investment in the associate may exceed the recoverable amount, in particular in those entities whose listed price is lower than the carrying amount on the Group's consolidated balance sheet. At each reporting date the Group assesses the possible existence of impairment of the aforementioned investments and, where applicable, it estimates their recoverable amount and determines the need to recognise the corresponding impairment of investments. The recoverable amount of the investment is determined, taking into consideration its value in use, by applying valuation techniques that require management's judgement and the use of assumptions and estimates. Due to the uncertainty and judgement associated with these estimates, as well as the significance of the carrying amount of the investments in associates, we have considered this valuation to be a key audit matter.	Our audit procedures included the following: - We assessed the design and implementation of the key controls relating to the processes of identifying possible evidence of impairment and estimating the recoverable amount of investments in associates. - We assessed the criteria used by management in this respect. We contrasted the information on the share prices of the investments in associates used for this assessment. - We evaluated the reasonableness of the methodology and assumptions used when estimating the recoverable amount, with the involvement of our valuation specialists. - We contrasted the information contained in the valuation model with estimates and prospects of future growth of the industry to which the associates belong, based on external sources of information. - We evaluated the sensitivity of the estimated recoverable amount to changes in the relevant assumptions and judgements, such as the future cash flows, the discount rate and the expected future growth rate, for the purpose of assessing its impact on the valuation. - Finally, we assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

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

Other Information: Consolidated Directors’ Report

Other information solely comprises the 2020 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, 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 verified that the information mentioned in section a) above has been provided in the consolidated directors' report, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2020, and that the content and presentation of the report are in accordance with applicable legislation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 26 April 2021.

Contract Period

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

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

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

(*Signed on original in Spanish*)

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

26 April 2021

CONSOLIDATED ANNUAL ACCOUNTS OF CORPORACIÓN FINANCIERA ALBA, S.A AND SUBSIDIARIES FOR 2020

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

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

CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2020 AND 2019
(In millions of Euros)

ASSETS	**Note**	**31/12/2020**	**31/12/2019**
Investment property	6	287,1	324,5
Property, plant and equipment	7	29,7	24,8
Goodwill	8	78,6	122,7
Other intangible assets	9	151,7	104,4
Investments in associates	10	2.844,9	3.253,1
Investments at fair value through profit or loss	11	171,0	150,4
Other financial assets	12	60,8	69,2
Deferred tax assets	22	2,8	2,1
NON-CURRENT ASSETS		3.626,6	4.051,2
Non-current assets held for sale	6 and 10	9,0	312,7
Inventories		17,3	18,1
Trade and other receivables	13	87,3	118,0
Other financial assets	14	379,7	114,2
Cash and cash equivalents	14	296,3	77,8
CURRENT ASSETS		789,6	640,8
TOTAL ASSETS		**4.416,2**	**4.692,0**

EQUITY AND LIABILITIES	**Note**	**31/12/2020**	**31/12/2019**
Share capital	15	58,2	58,2
Retained earnings and other reserves		3.811,4	4.124,5
Interim dividend	3	(29,1)	(29,1)
Equity		3.840,5	4.153,6
Non-controlling interests	15	183,0	194,6
TOTAL EQUITY		4.023,5	4.348,2
Loans and borrowings	19	202,2	202,0
Other financial liabilities	12	8,2	20,3
Provisions	17	1,1	1,0
Deferred tax liabilities	22	69,7	54,8
NON-CURRENT LIABILITIES		281,2	278,1
Suppliers and other payables	18	61,9	49,0
Loans and borrowings	19	49,6	16,7
CURRENT LIABILITIES		111,5	65,7
TOTAL EQUITY AND LIABILITIES		**4.416,2**	**4.692,0**

The accompanying notes 1 to 30 form an integral part of the consolidated annual accounts at 31 December 2020.

(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 2020 AND 2019

(In millions of Euros)

	Note	2020	2019
Share of profit/(loss) of associates	10	(162,2)	84,5
Revenues	24	185,3	94,8
Other income		0,6	4,8
Supplies		(45,1)	(23,7)
Changes in fair value of investment property	6	(2,8)	2,8
Proceeds from disposal of and income from assets	6, 10 and 11	24,1	24,9
Impairment	10 and 12	-	51,9
Personnel expenses	25.a	(72,7)	(40,8)
Other operating expenses	24	(39,8)	(30,2)
Depreciation and amortisation	7 and 9	(26,0)	(11,0)
OPERATING PROFIT/(LOSS)		**(138,6)**	**158,0**
Finance income	25.b	25,5	6,6
Finance costs and exchange differences		(7,2)	(2,6)
Change in fair value of financial instruments	11 and 25.c	17,6	17,0
NET FINANCE INCOME		**35,9**	**21,0**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**(102,7)**	**179,0**
Income tax expense	22	(3,2)	(0,7)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(105,9)**	**178,3**
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR		**(105,9)**	**178,3**
Profit(loss) attributable to non-controlling interests		(3,5)	(0,9)
CONSOLIDATED PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP		**(102,4)**	**179,2**
Earnings/(loss) per share (Euros/share)	15	(1,76)	3,08

The accompanying notes 1 to 30 form an integral part of the consolidated annual accounts at 31 December 2020.

ALBA GRUPO MARCH

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(In millions of Euros)

	Note	2020	2019
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR		**(105,9)**	**178,3**
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY			
Items that will not be reclassified to profit or loss	10	(14,5)	(18,0)
Share in other comprehensive income from investments in associates		(14,5)	(18,0)
Items that will be reclassified to profit or loss	10	(135,3)	8,1
Share in other comprehensive income from investments in associates		(135,3)	8,1
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		**(255,7)**	**(9,9)**
TOTAL COMPREHENSIVE INCOME		**(255,7)**	**168,4**
Attributable to the Parent		(252,2)	169,3
Attributable to non-controlling interests		(3,5)	(0,9)

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(In millions of Euros)

	Share capital	Retained earnings and other reserves	Interim dividend	Equity	Non-controlling interests	Total equity
BALANCE AT 1 JANUARY 2019	58,2	4.012,4	(29,1)	4.041,5	17,4	4.058,9
Changes in consolidated equity of associates (note 10)	-	(9,9)	-	(9,9)	-	(9,9)
Profit/(loss) for the year	-	179,2	-	179,2	(0,9)	178,3
Total income and expense for the year	-	169,3	-	169,3	(0,9)	168,4
Interim dividend for the prior year (note 3)	-	(29,1)	29,1	-	-	-
Dividends paid in the year (note 3)	-	(29,1)	(29,1)	(58,2)	(1,7)	(59,9)
Increases due to business combinations	-	-	-	-	179,8	179,8
Other changes	-	1,0	-	1,0	-	1,0
BALANCE AT 31 DECEMBER 2019	58,1	4.124,5	(29,1)	4.153,6	194,6	4.348,2
Changes in consolidated equity of associates (note 10)	-	(149,8)	-	(149,8)	-	(149,8)
Profit/(loss) for the year	-	(102,4)	-	(102,4)	(3,5)	(105,9)
Total income and expense for the year	-	(252,2)	-	(252,2)	(3,5)	(255,7)
Interim dividend for the prior year (note 3)	-	(29,1)	29,1	-	-	-
Dividends paid in the year (note 3)	-	(29,1)	(29,1)	(58,2)	(10,9)	(69,1)
Transactions with own shares (note 15)	-	-	-	-	-	-
Increases due to business combinations	-	-	-	-	-	-
Other changes	-	(2,7)	-	(2,7)	2,8	0,1
BALANCE AT 31 DECEMBER 2020	58,1	3.811,4	(29,1)	3.840,5	183,0	4.023,5

The accompanying notes 1 to 30 form an integral part of the consolidated annual accounts at 31 December 2020.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(In millions of Euros)

	Note	2020	2019
OPERATING ACTIVITIES			
Profit/(loss) for the year before tax		(102,7)	179,0
Adjustments for:			
Depreciation and amortisation		26,0	11,0
Changes in fair value of investment property	6	2,8	(2,8)
Share of profit/(loss) of associates	10	162,2	(84,5)
Income from assets	6, 10 and 11	(24,1)	(24,9)
Impairment	10 and 12	-	(51,9)
Change in fair value of financial instruments and other	11 and 25.c	(17,6)	(17,0)
Finance income	25.b	(25,5)	(6,6)
Finance costs		7,2	2,6
Other cash flows from (used in) operating activities			
Dividends received		142,1	85,0
Working capital		(17,4)	40,7
Income tax payments on account		24,7	96,5
Interest received		25,5	6,6
Interest paid		(7,2)	(2,6)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**196,0**	**231,1**
INVESTING ACTIVITIES			
Acquisition of interests in associates and other investments	10 and 11	(45,0)	(614,0)
Acquisition of subsidiaries, net of cash	5	-	(22,2)
Sale of interests in associates and other investments	11 and 14	332,6	259,2
Acquisition of investment property	6	(3,6)	(5,0)
Sale of investment property	6	32,5	12,0
Acquisition of other investments	14	(265,5)	-
Receipts from other financial assets		15,2	148,1
Acquisition of property, plant and equipment	7	(7,7)	(3,5)
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		**58,5**	**(225,4)**
FINANCING ACTIVITIES			
Dividends paid	3	(69,1)	(59,9)
Drawdowns on loans and borrowings	16	33,1	-
Repayment of loans and borrowings	19	-	(10,0)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(36,0)**	**(69,9)**
NET INCREASE/(DECREASE) IN CASH		**218,5**	**(64,2)**
CASH AND CASH EQUIVALENTS AT 1 JANUARY		77,8	142,0
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	14	296,3	77,8

The accompanying notes 1 to 30 form an integral part of the consolidated annual accounts at 31 December 2020.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 venture capital 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 2020 were authorised for issue by the Board of Directors in the meeting held on 22 March 2021. 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 2020, 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 2020, authorised for issue on 22 March 2021, will be approved with no changes by the shareholders at their annual general meeting.

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

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

These consolidated annual accounts have been prepared using the same accounting principles as those applied in the consolidated annual accounts for the year ended 31 December 2019, except for the standards and amendments adopted by the European Union set out below, which are mandatory from 1 January 2020 onwards:

- Amendment to IAS 1 and IAS 8.

- Amendments to align the definition of "material" with that contained in the conceptual framework.

- Amendment to IFRS 9, IAS 39 and IFRS 12.

- Amendments relating to the Interest Rate Benchmark Reform currently being undertaken.

- Amendment to IFRS 3.

- Clarification of the definition of a business.

- Amendment to IFRS 16 (applicable from 1 June onwards).

Amendments through COVID-19-related rent concessions. The amendment provides a practical expedient for lessees, whereby they are not required to remeasure rental contracts in the event of rent concessions or negotiated payment deferrals that occur as a consequence of COVID-19.

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

b) Standards and interpretations approved by the European Union applied for the first time in 2019

<u>IFRS 16 Leases</u>

IFRS 16 was issued in January 2016 and replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases – Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 establishes the principles for the recognition, measurement, presentation and disclosure of leases and requires that lessees recognise all leases using a single balance sheet model similar to the one currently used for the recognition of finance leases under IAS 17. The standard includes two exemptions to the recognition of leases by lessees, namely leases for which the underlying asset is of low value (e.g. personal computers) and short-term leases (i.e. lease agreements for a term of 12 months or less).

At the lease commencement date, the lessee recognises a liability for the lease payments to be made (i.e. the liability due to the lease) and an asset that represents the right of use of the underlying asset over the lease period (i.e. the right-of-use asset). Lessees must recognise separately the cost of interest on the lease liability and the depreciation expense of the right of use.

The assets recognised under right-of-use assets at the commencement date are measured at the amortised cost of the contract and, subsequently, they are measured at cost less any accumulated depreciation and impairment.

Lease obligations consist of the fixed instalments agreed and the initial payments or future payments that are considered highly probable, excluding from this calculation variable rent tied to the future measurement of a parameter. The liability will be discounted using the interest rate implicit in the lease or, in the absence thereof, using the Group's incremental borrowing rate.

Lessees are also obliged to remeasure the lease liability if certain events occur (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or a rate used to determine those payments). The lessee generally recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

IFRS 16 does not substantially change lessor accounting compared to the current recognition under IAS 17. Lessors continue classifying leases using the same classification principles as in IAS 17 and recognise two types of leases: operating and finance leases.

At 1 January 2019, the date this standard entered into force, the Group was only a lessee with regard to certain vehicles and an amount at a subsidiary, these amounts not being relevant. Therefore, application of this standard has had no impact on the Group's financial statements.

Other modified standards that have no significant impact for the Group are as follows:

Amendment to IFRS 9 - Prepayment Features with Negative Compensation

This will permit measurement at amortised cost of some financial assets that may be cancelled early at a lower amount than the outstanding principal and the interest on this principal.

IFRIC 23 Uncertainty over Income Tax Treatments

This interpretation clarifies how to apply the recognition and measurement criteria in IAS 12 when there are uncertainties about the acceptability by a taxation authority of a particular tax treatment used by the entity.

Amendment to IAS 28 - Long-term Interests in Associates and Joint Ventures.

This clarifies that IFRS 9 must be applied to long-term interests in an associate or joint venture if they are not accounted for using the equity method.

Improvements to IFRS 2015-2017 Cycle. Amendments to a number of standards.

Amendment to IAS 19 - Plan Amendment, Curtailment or Settlement.

This specifies how to calculate the current service cost and net interest for the rest of the annual period in the event of amendment, curtailment or settlement of a defined benefit plan.

Amendment to IFRS 3 Business Combinations

This specifies the accounting treatment for a business combination previously recognised as a joint operation.

None of the above-mentioned standards and interpretations that came into effect as of 1 January 2019 had a significant impact on the Group's consolidated financial statements.

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

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

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

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

In this regard, the current situation stemming from the outbreak of COVID-19, as reflected in note 2.5, must be taken into consideration. As a consequence of this situation, the relevant accounting estimates and the judgements used in applying the Group's accounting policies to prepare the consolidated annual accounts have been affected by a greater degree of uncertainty. The Group has assessed the impacts of the events associated with COVID-19 on the financial position, operations and cash flows of the Company and its investees. At 31 December 2020 the Group has adjusted the fair values of investments (see note 9) and investment property (see note 5), as well as the main assumptions used in calculating the value in use of investments for which there are indications of impairment (see note 10).

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 venture capital 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 venture capital 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 2020 and 2019 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	2020	100,00	180,9	201,8	15,5
		2019	100,00	180,9	214,1	11,2
Alba Europe, S.à.r.l. Rue Eugène Ruppert 6 L-2453 Luxembourg	Investment in transferable securities	2020	100,00	1.242,3	1.195,1	(47,2)
		2019	100,00	1.154,9	1.231,8	12,1
Alba Investments, S.à.r.l. Rue Eugène Ruppert 6 L-2453 Luxembourg	Investment in transferable securities	2020	82,09	458,4	669,4	110,2
		2019	82,09	458,4	559,2	(0,1)
Artá Capital, SGEIC, S.A.U. Pza. Marqués de Salamanca, 10 28006-Madrid	Venture capital entities management company	2020	77,41	1,7	0,9	3,8
		2019	77,40	1,7	0,6	5,1
Artá Partners, S.A. C/ Castelló, 77, 5ª planta 28006-Madrid	Investment in transferable securities	2020	77,41	1,6	2,1	3,5
		2019	77,40	1,6	2,1	7,4
Deyá Capital, SCR, S.A.U. C/ Castelló, 77, 5ª planta 28006-Madrid	Venture capital company	2020	100,00	0,7	19,5	2,8
		2019	100,00	47,2	92,7	18,8
Deyá Capital IV, SCR, S.A.U. C/ Castelló, 77, 5ª planta 28006-Madrid	Venture capital company	2020	100,00	92,7	90,3	(2,2)
		2019	100,00	92,7	92,5	(2,1)
Nuadi subgroup (Nuadi Components) (2)	Industrial supplies	2020	37,43	18,3	29,9	(0,2)
Polígono industrial Arazuri-Orcoyen Arazuri-Navarra		2019	37,43	17,0	43,9	(1,7)
Preving subgroup (Marsala) (3) c/Joaquín Sánchez Valverde, 1-3-5 06006 Badajoz	Occupational health and safety solutions	2020	24,81	16,9	49,3	4,0
		2019	24,81	16,9	61,4	(6,7)
Satlink subgroup (1) Avda. de la Industria, 53 Nave 7 Alcobendas-Madrid	Technological solutions for the fishing sector	2020	28,07	12,1	12,4	3,1
		2019	28,07	12,1	23,2	1,7

(1) This subgroup is formed by Grupo Satlink, S.L., Satlink, S.L., Satlink, LTD, Linksat Solutions, S.A., Digital Observer Services, S.L., Satlink WCPO Limited and Satlink WCPO Solomon.

(2) This subgroup is formed by Nuadi Components and Nuadi.

(3) This subgroup is formed by Marsala, Preving Investments Group, Preving Investment, Preving Consultores, Salud, Vitaly, Auditoriza, Total Dat Prevenna, Egarsat, Icese Asifor and Asem.

(1) (2) (3) Alba's interests are held through Deyá Capital IV, SCR, S.A.U.

Additionally, 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 Arta Capital, SGEIC, S.A.U., which exercises control over these vehicles, 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.

KPMG Auditores, S.L. was the auditor in 2020 and 2019, except for the Nuadi and Preving subgroups, which in 2019 were audited by EY and Deloitte, respectively.

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 or the possibility of appointing a director, involvement in establishing policies and the permanence of the interest.

The information in respect of 2020 and 2019 is as follows:

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

Associate/Auditor	Registered office	Activity	Percentage ownership At 31/12/2020	At 31/12/2019	Change	Representation on Board of Directors at 31/12/2020
Acerinox, S.A. Auditor: PWC	Santiago de Compostela, 100 (Madrid)	Manufacture and sale of stainless steel	19,35	19,35	-	3
Aegis Lux 2, S.à.r.l. (Verisure) Auditor: PWC	15, Boulevard F.W. Raiffeisen L-2411 Luxembourg	Investment in transferable securities	7,72	-	7,72	1
Shield Luxco 1.5, S.à.r.l. (Verisure) Auditor: PWC	15, Boulevard F.W. Raiffeisen L-2411 Luxembourg	Investment in transferable securities	-	8,54	(8,54)	-
Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. Auditor: PWC	Plaza de la Lealtad, 1. (Madrid)	Operator of the stock markets and financial systems in Spain	-	12,06	(12,06)	-
CIE Automotive, S.A. Auditor: PWC	Alameda Mazarredo, 69 (Bilbao)	Automotive industry	12,73	10,15	2,58	1
Ebro Foods, S.A. Auditor: EY	Paseo de la Castellana, 20 (Madrid)	Food	14,00	14,00	-	2
Euskaltel, S.A. Auditor: KPMG	Parque Tecnológico, Edificio 809 (Derio-Vizcaya)	Telecommunications	11,00	11,00	-	1
Indra Sistemas, S.A. Auditor: Deloitte	Avda. de Bruselas, 35 (Alcobendas - Madrid)	New technologies	10,52	10,52	-	1
Piolin II, S.à.r.l. (Parques Reunidos) Auditor: KPMG	26A, Boulevard Royal L-2449 Luxembourg	Recreational and entertainment activities	25,09	25,09	-	1
Rioja Luxembourg, S.à.r.l. (Naturgy) Auditor: EY	20, avenue Monterey L-2163 Luxembourg	Investment in transferable securities	25,73	25,73	-	2
Viscofan, S.A. Auditor: PWC	Polígono Industrial Berroa (Tajonar-Navarra)	Manufacture of cellulose or artificial casings for cured meats	13,03	13,03	-	1

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

In 2019 an 8.54% interest was acquired in Shield Luxco 1.5, S.à.r.l., which held 92.62% of Verisure, thus bringing Alba's indirect interest in Verisure to 7.91%. Furthermore, in 2019 Alba contributed its investment in Parques Reunidos Servicios Centrales, S.A. to Piolin II, S.à.r.l., resulting in a 25.09% interest in Piolin II, S.à.r.l. The increases in the ownership interest in Parques Reunidos Servicios Centrales, S.A. were due to acquisitions during the year (see note 10).

2.5. Impact of COVID-19

On 11 March 2020, the World Health Organization declared the public health crisis caused by COVID-19 to be a worldwide pandemic. The rapid pace at which events unfolded within the country and on an international scale, and the extraordinary surrounding circumstances, triggered a health crisis that is at once unprecedented and monumental. To confront the situation, the Spanish government deemed it necessary to declare a state of emergency by publishing Royal Decree 463/2020.

The economic impact of this declaration prompted the Spanish government and the European and international authorities to adopt financial stimulus measures aimed at mitigating the social and economic impacts of the crisis.

The Entity has likewise taken the necessary measures to ensure the continuity of its operations and businesses. To this end, it has provided its employees with IT equipment and mobile phones to enable them to carry out their functions as normal from their homes, via a remote connection to the Entity's systems. As regards people management, all in-person meetings have been replaced by video conferencing, in a bid to ensure personnel safety and unity.

Despite the exceptional circumstances, there has been no impact on management activity, regulatory compliance control and risk control. At the date of authorising these accounts for issue, normal service continues to be provided.

In addition to the impacts described above and in the note on judgements and estimates, the directors of the Parent have analysed other possible impacts of COVID-19, and conclude that any such effects would not be significant for the Group's financial information. Nonetheless, this situation has impacted negatively on the results of certain associates of the Group, which has in turn pushed the Group's results down with respect to previous years.

Although there is an effective vaccine against COVID-19 which is currently being rolled out on a massive scale, the emergence of new variants of the virus could impact on the Spanish and global macroeconomic scenario. This would have direct and immediate repercussions on the measurement of financial assets and, therefore, the portfolios managed, which could in turn affect the volume of business. At the date of authorising these annual accounts for issue, it is too soon to gauge the impact this situation may have on the years to come. Nevertheless, the directors of the Company consider these to be temporary circumstances that will not compromise the continuity of its businesses, and the effect of which will be accounted for prospectively. The directors of the Company are constantly monitoring the developments in this situation, with a view to reporting any change in this assessment where necessary.

3. Distribution of Profit

The distribution of Corporación Financiera Alba, S.A.'s profit for 2020 to be submitted by the Board of Directors for approval by the shareholders at their general meeting, and the distribution of profit for 2019 approved by the shareholders at their general meeting, are as follows (in millions of Euros):

Basis of allocation	2020	2019
Profit for the year	208,1	183,3
Total	208,1	183,3
Distribution		
Reserves	149,9	125,1
Dividends	58,2	58,2
Total	208,1	183,3

The dividends paid by the Parent in 2020 and 2019 were as follows:

	No. of shares with rights	Euros/Share	Millions of Euros
2020			
Interim dividend for 2020	58.240.000	0,50	29,1
Final dividend for 2019	58.240.000	0,50	29,1
2019			
Interim dividend for 2019	58.240.000	0,50	29,1
Final dividend for 2018	58.240.000	0,50	29,1

A final dividend from 2020 profit of Euros 0.50 per outstanding share at the date of payment will be proposed for approval by the shareholders at their general meeting.

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

4. Significant Accounting Principles

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

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

Business combinations

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

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

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

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

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

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

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

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

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

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

The cost of the business combination includes contingent consideration, if this is probable at the acquisition date and can be reliably estimated. Subsequent accounting 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 transition date were recognised in the amount of the proportionate share of the equity of the subsidiaries at the date of first consolidation.

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 investments 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:

	Porcentajes anuales de amortización
Buildings and constructions	2
Technical installations	8
Mobiliario y enseres	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 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 venture capital companies are included in this line item.

They are recognised at fair value through profit or loss.

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

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

Assets for which there is a sale offer or their sale is highly probable within the next 12 months are included in this line item. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

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

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

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

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

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

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

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

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

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

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

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

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

i) Loans and receivables (notes 12 and 13)

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

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

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

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

j) Cash and cash equivalents (note 14)

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

k) Financial liabilities (note 19)

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

l) Own shares (note 15)

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

m) Provisions (note 17)

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

n) Income tax (note 22)

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

o) Alternative pension plan schemes

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

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

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

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

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

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

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

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

The main assumptions used in 2020 and 2019 to measure defined benefit commitments were as follows:

	2020	2019
Mortality tables	PERM 2020_Col_1st rank	PERM/F 2000 NP
Technical interest agreed in the policies	2.00% - 3.70%	2.00% - 3.70%
CPI growth	1,00%	1,00%
Pay rises	2,50%	2,50%
Changes in Social Security	1,50%	1,50%
Discount rate of obligations and of assets intended to settle the commitments	0,50%	1,00%
Retirement age	65	65

The changes in defined benefit plan obligations and the fair value of the assets associated with the benefit in 2020 and 2019 are as follows:

		Cost of commitments recognised in the income statement					
	01/01	Cost of services	Net interest income/(costs)	Subtotal included in profit/(loss)	Obligations settled (paid)	Actuarial gains/(losses)	31/12
2020							
Obligations under defined benefit plans	(26,2)	(1,6)	(0,3)	(1,9)	10,1	(1,6)	(19,6)
Fair value of assets associated with the benefit	(26,2)	(1,6)	(0,3)	(1,9)	10,1	(1,6)	(19,6)
(Obligations)/Rights under defined benefit plans, net							-
2019							
Obligations under defined benefit plans	(23,7)	(1,3)	(0,4)	(1,7)	0,2	(1,0)	(26,2)
Fair value of assets associated with the benefit	23,7	0,5	1,0	1,5	(0,2)	1,2	26,2
(Obligations)/Rights under defined benefit plans, net							-

The contribution expected to be made in 2021 in relation to defined benefit plans is Euros 1.1 million.

Sensitivity analysis:

	Discount rate		Future salary increases	
Sensitivity level	+ 0.5%	-0,5%	+ 0.5%	-0,5%
2020				
Impact on the (Obligations)/Rights under defined benefit plans, net	-6,69%	8,05%	3,94%	-3,72%
2019				
Impact on the (Obligations)/Rights under defined benefit plans, net	-3,73%	4,43%	2,13%	-2,04%

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

p) Share-based payment transactions

At 31 December 2020 and 2019 Alba has no share option schemes.

q) Recognition of income and expenses

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

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

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

r) Right-of-use assets and lease liabilities

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

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

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

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

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

5. Business Combinations

Goodwill generated in 2020

Preving subgroup:

On 27 July 2020, through the Preving subgroup, the Group acquired control of the Preivicaman Group (composed of Previcaman, S.L.U. and Gabinete Previcam, S.L.U.) and Infobit, S.L.U. for a total amount of Euros 4,753 thousand, which included a variable price component of Euros 930 thousand, as specified in the sale-purchase agreement.

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

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

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

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

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

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

The estimate of the fair value of this business combination was calculated internally by Company management, considering that there are no differences between the carrying amount and the fair value of the assets acquired and liabilities assumed. The recognition of this business combination in the consolidated annual accounts at 31 December 2020 has been considered provisional, and any adjustments are to be made within one year from the date of acquisition.

Goodwill generated in 2019 with measurement completed in 2020

Nuadi subgroup:

On 22 October 2019, through Deya Capital IV, SCR, S.A., Alba acquired 37.43% of the Nuadi subgroup, through Miralda Activos, S.L., which has its registered office in Spain, and whose principal activity is the manufacture and distribution of industrial supplies. The main reason for this business combination was that the venture capital management company, Arta Capital, SGEIC, SAU, held a majority interest. The acquiree generated revenue of Euros 6.6 million and a consolidated loss of Euros (0.2) million for Alba from the acquisition date to the reporting date.

Had the acquisition taken place at 1 January 2019, the Group’s revenue and consolidated loss for the year ended 31 December 2019 would have amounted to Euros 51.5 million and Euros (1.1) million, respectively.

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

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

Cash paid	103.4
Fair value of net assets	79.2
Goodwill	24.2

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	61.9	62
Other property, plant and equipment	16.6	6.3	22.9
Cash	3.6	-	3.6
Receivables and other assets	21.5	-	3.6
Total assets	41.8	68.2	110.0
Liabilities derived from temporary differences	-	19.1	19.1
Other liabilities	11.7	-	11.7
Total liabilities	11.7	19.1	30.8
Total net assets			79.2

The fair value of intangible assets reflects the customer portfolio, which has a useful life of 15 years.

The estimated fair value of this business combination, calculated by Duff & Phelps, S.L.U., and the carrying amount recognised in the consolidated annual accounts at 31 December 2020 are considered definitive.

Duff and Phelps, S.L.U. used three basic valuation techniques for the fair value calculations, adopting the most appropriate in each case based on the characteristics of the assets and the data obtained.

The three methods used by the independent expert to estimate the fair value are summarised below:

1) Market approach: this method enables the value to be estimated on the basis of the prices agreed by other market buyers and sellers for comparable assets. This approach is based on the principle of substitution, which states that the upper limit for prices, rents and fees tends to be set in accordance with existing prices, rents and fees for an equally desirable alternative.

2) Risk-based approach: the fair value of assets is calculated on the basis of the forecast future cash flows of a financial asset over its remaining life, discounted at an appropriate discount rate that reflects the economic potential and profitability.

3) Cost approach: this method holds that an investor would not pay more for an asset than it would cost to replicate or replace it.

The customer portfolio was valued using the "multi-period excess earnings method" (MEEM), which considers the use of other assets that are necessary for the generation of the projected cash flows of a specific asset in order to isolate the economic benefit generated by the intangible asset in question. The contribution made to total cash flows by other assets is the contributory asset charge (CAC). Such contributory assets include fixed assets, working capital and the workforce.

The workforce was valued on the basis of the replacement cost.

To determine the fair value of the business and the intangible assets the independent experts used internal data provided by Company management.

Additionally, research was carried out on the industry and sector, as well as considering analysts' opinions on the main competitors. The following external sources of information were used:

- Standard and Poor's Capital IQ;
- Bloomberg database;
- MSCI Barra Betas;
- D&P Small Stock Premium Analysis 2019−MergerMarket;
- IHS Global Insight;
- Sector reports: Statista and Technavio.

Preving subgroup:

On 2 October 2019, through Deya Capital IV, SCR, S.A., Alba acquired 24.81% of the Preving Group, through Marsala Directorship, S.L., which has its registered office in Spain, and whose principal activity is the provision of occupational health and safety advisory services and support. The main reason for this business combination was that the venture capital management company, Arta Capital, SGEIC, SAU, held a majority interest. The acquiree generated revenue of Euros 18.2 million and a consolidated loss of Euros (1.7) million for Alba from the acquisition date to the reporting date.

Had the acquisition taken place at 1 January 2019, the Group's revenue and consolidated loss for the year ended 31 December 2019 would have amounted to Euros 17.8 million and Euros (6.7) million, respectively.

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

Cash paid	86.8
Fair value of net assets	44.3
Goodwill	42.5

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	0.3	67.2	67.5
Other property, plant and equipment	2.6	-	2.6
Cash	5.8	-	5.8
Receivables and other assets	16.6	-	16.6
Total assets	25.3	67.2	92.5
Financial liabilities	10	-	10
Liabilities derived from temporary differences	-	16.8	16.8
Other liabilities	21.4	-	21.4
Total liabilities	31.4	16.8	48.2
Total net assets			44.3

Intangible assets comprise technology (Euros 7.8 million), the trademark (Euros 8.0 million) and the customer portfolio (Euros 51.4 million), with a useful life of between 8 and 20 years.

The estimated fair value of this business combination, calculated by Duff & Phelps, S.L.U., and the carrying amount recognised in the consolidated annual accounts at 31 December 2019 were considered definitive.

Duff and Phelps, S.L.U. used three basic valuation techniques for the fair value calculations, adopting the most appropriate in each case based on the characteristics of the assets and the data obtained. The three methods used are summarised below:

1) Market approach: the market approach consists of comparing the asset valued with other similar assets in the market, making the corresponding adjustments for use, scarcity and demand.

   - Relief from royalty method: in this method, the value of the asset is deemed to be the value of the royalty payments avoided by the company as a result of owning the asset. Therefore, the appropriate royalty rate must be determined, so that the cash inflows from future royalties can be estimated. This method was used to calculate the value of the brand and technology. The following market royalties were used for each intangible asset: trademarks (1%) and computer software (2.75%).

2) Cost approach: in the valuation of assets using the cost approach the new replacement cost of the asset is estimated, deducting the resulting depreciation for wear and tear and obsolescence (functional and economic). The new replacement cost is the cost necessary to replace this asset with another new and modern one that has similar characteristics and functionality and uses the most up-to-date technology.

3) Income approach: the value of the assets is established based on the future benefits they can produce (projections), discounted at an appropriate discount rate that reflects the economic potential and profitability.

   - Discounted cash flow method (DCF): this method assumes that the value of the business is established as the present value of the expected free cash flows, discounted at a rate that reflects the required market rate of return, the specific risk of the investment and the capital structure.

   - Multi-period excess earnings method (MEEM): this method is based on the idea that the profit/loss obtained by the company can be attributed to specific groups of assets. Thus, the results that can be allocated to a specific intangible asset will be obtained as the difference between total profit/loss and the charges or rents that would have to be paid.

     This method was used for the valuation of the customer portfolio, using a discount rate of 9.0% and a tax rate of 25%.

To determine the fair value of the business and the intangible assets the independent experts used both internal data provided by each of the companies and information obtained from external sources.

The internal documentation is mainly based on the budgets and business plans of the companies as well as the annual accounts and balance sheets at the acquisition date.

Additionally, research was carried out on the industry and sector, as well as considering analysts’ opinions on the main competitors. The following external sources of information were used:

- Standard and Poor's Capital IQ;
- Bloomberg database;
- MSCI Barra Betas;
- D&P Small Stock Premium Analysis 2019–MergerMarket;
- IHS Global Insight;
- Royalty Stat database;
- Royalty Source database;

- KtMine royalty database;

- Sector reports: Technavio.

6. Investment Property

This line item comprises buildings intended for lease. In 2020 and 2019 the valuation was performed by Savills Consultores Inmobiliarios, S.A., specialists in the appraisal of this type of investment, in accordance with the Property Appraisal and Valuation Standards and Observations Guide published by the UK's Royal Institution of Chartered Surveyors, and is based on the discounted cash flow method and on comparison.

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

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

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

The geographical distribution of the valuation is as follows:

	2020	2019
Madrid	287,1	308,5
Barcelona	-	16,0
Total	287,1	324,5

Movement in this item is as follows:

Balance at 01/01/2019	327,3
Increases	4,9
Decreases	(10,5)
Change in fair value	2,8
Balance at 31/12/2019	324,5
Balance at 01/01/2020	324,5
Increases	3,6
Decreases	(29,2)
Transfer to non-current assets held for sale	(9,0)
Change in fair value	(2,8)
Balance at 31/12/2020	287,1

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

In 2019, the decreases are due to the sale of several floors of office space and parking spaces at a gain of Euros 0.5 million, while the increases reflect improvements to the buildings.

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

	2020	2019
Above ground surface area (m^2)	61.937	81.944
Rented area (m^2)	49.933	74.938
Occupancy rate (%)	80,6%	91,5%

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"):

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

Year	-10% rent	EXIT YIELD + 25% BP	EXIT YIELD - 25% BP	+10% rent
2020	-9,39%	-3,66%	4,12%	9,39%
2019	-7,46%	-3,47%	3,91%	7,46%

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 2020 and 2019 lease income relating to the non-cancellable period, calculated up to expiry of the lease, is as follows:

	2020	2019
Up to 1 year	10,0	14,7
Between 1 and 5 years	13,6	19,6
More than 5 years	0,3	0,7
TOTAL	23,9	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 01/01/2019	19,6	6,0	25,6
Increases	0,5	1,3	1,8
Business combinations	8,8	7,9	16,7
Balance at 31/12/2019	28,9	15,2	44,1
Accumulated depreciation:			
Balance at 01/01/2019	(14,0)	(3,3)	(17,3)
Increases	(0,8)	(0,9)	(1,7)
Balance at 31/12/2019	(14,8)	(4,2)	(19,0)
Provisions:			
Balance at 01/01/2019	(0,3)	-	(0,3)
Reversals	-	-	-
Balance at 31/12/2019	(0,3)	-	(0,3)
Balance at 31/12/2019	13,8	11,0	24,8
Cost:			
Balance at 01/01/2020	28,9	15,2	44,1
Increases	0,5	7,2	7,7
Business combinations	-	6,3	6,3
Balance at 31/12/2020	29,4	28,7	58,1
Accumulated depreciation:			
Balance at 01/01/2020	(14,8)	(4,2)	(19,0)
Increases	(1,7)	(7,4)	(9,1)
Balance at 31/12/2020	(16,5)	(11,6)	(28,1)
Provisions:			
Balance at 01/01/2020	(0,3)	-	(0,3)
Balance at 31/12/2020	(0,3)	-	(0,3)
Balance at 31/12/2020	12,6	17,1	29,7

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 01/01/2019	5,0
Entry of CGU Nuadi Group	74,4
Entry of CGU Preving Group	41,2
Entry of CGU Satlink	2,1
Balance at 31/12/2019	122,7
PPA Nuadi	(50,2)
Entry of CGU Preving Group	6,0
Entry of CGU Satlink	0,1
Balance at 31/12/2020	78,6

Goodwill has been allocated to the cash-generating units (CGUs) of the Group. In the case of Preving and Satlink, in 2020 and 2019 this item reflects acquisitions carried out, which are not significant.

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

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

No impairment losses were recognised on goodwill in 2020 and 2019.

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 an independent external valuer, specifically Duff & Phelps in 2020 and Deloitte in 2019. The method used to determine the recoverable amount is based on discounted future cash flows.

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

The key valuation variables are as follows: 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.

9. Other Intangible Assets (note 5)

Movement in intangible assets is as follows:

Balance at 31/12/2019	38,1
Due to business combination	70,0
Depreciation and amortisation	(3,7)
Balance at 31/12/2019	104,4
Balance at 01/01/2019	104,4
Additions	2,3
Due to business combination	61,9
Depreciation and amortisation	(16,9)
Balance at 31/12/2020	151,7

Details of intangible assets and movement in 2020 and 2019 are as follows:

	In millions of Euros		Estimated
	2020	2019	useful life
Industrial designs	9,3	10,5	10
Computer software	7,0	9,6	3
Trademarks	9,1	10,6	10
Customer portfolio	118,4	67,8	10/15
Leaseholds	4,5	4,1	-
Other	3,4	1,8	-
Total	151,7	104,4	

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 2020 and 2019.

As indicated in note 2.1, the Group adopted IFRS 16 on 1 January 2019. At that date the Group was only a lessee with regard to certain vehicles and an amount at a subsidiary, these amounts not being relevant. Therefore, application of this standard has had no impact on the Group’s financial statements at the transition date.

Details of the movements in right-of-use assets during the years ended 31 December 2020 and 2019 are as follows:

Cost	
Balance at 01/01/2019	-
Additions due to business combination	4,3
Balance at 31/12/2019	4,3
Additions	1,7
Balance at 31/12/2020	6,0
Amortisation	
Balance at 01/01/2019	-
Additions due to business combination	(0,2)
Balance at 31/12/2019	(0,2)
Additions	(1,3)
Balance at 31/12/2020	(1,5)
Carrying amount at 31/12/2019	4,1
Carrying amount at 31/12/2020	4,5

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

Details of the movements in lease liabilities during the year ended 31 December 2020 are as follows:

Balance at 1/1/2019	-
Transition adjustments (nota 2.1)	-
Additions due to business combinations	3,2
Balance at 31/12/2019	3,2
Additions	0,2
Balance at 31/12/2020	3,4

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

Less than 1 year	1,2
From 1 to 2 years	0,9
From 2 to 3 years	0,6
More than 3 years	0,5

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

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

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.							
2020	2.663,6	2.069,5	1.291,2	1.827,0	4.668,5	49,1	(218,1)
2019	2.463,5	1.933,3	1.214,1	1.253,7	4.753,9	(59,5)	(38,2)
Aegis Lux 2, S.à.r.l.							
2020	540,9	15.894,4	985,3	6.718,0	2.098,6	(6,7)	-
2019	-	-	-	-	-	-	-
Shield Luxco 1.5, S.à.r.l.							
2020	-	-	-	-	-	(130,4)	-
2019	399,7	6.008,2	713,5	5.620,5	1.900,7	(105,6)	-
Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.							
2020	-	-	-	-	-	-	-
2019	12.687,9	197,7	12.440,3	61,7	291,2	122,8	0,5
CIE Automotive, S.A.							
2020	1.441,7	3.541,8	1.784,0	2.204,6	2.882,5	185,2	(231,8)
2019	1.430,1	3.636,9	1.703,3	2.128,7	3.461,1	287,5	(21,7)
Ebro Foods, S.A.							
2020	1.458,2	2.577,5	1.182,7	895,2	2.897,6	192,4	(105,1)
2019	1.398,2	2.982,8	900,4	1.188,9	2.510,4	141,8	56,0
Euskaltel, S.A.							
2020	233,8	2.721,0	402,1	1.543,4	677,8	79,4	-
2019	168,2	2.740,0	401,4	1.524,9	668,3	62,0	-
Indra Sistemas, S.A.							
2020	2.618,6	1.844,4	2.085,2	1.693,8	3.043,4	(65,2)	(46,5)
2019	2.441,6	1.874,9	1.863,0	1.652,7	3.203,9	121,4	(4,1)
Piolin II, S.à.r.l.							
2020	243,5	2.199,5	401,1	1.735,1	249,4	(576,3)	(27,6)
2019	106,1	2.563,9	300,5	1.516,6	130,3	(81,8)	(3,8)
Rioja Luxembourg, S.à.r.l.							
2020	74,0	2.930,0	24,0	1.693,0	-	(172,0)	(164,0)
2019	101,0	3.535,0	-	1.880,0	-	185,0	(78,0)
Viscofan, S.A.							
2020	516,6	523,8	185,6	118,6	912,2	122,5	(63,2)
2019	520,1	564,9	155,5	145,1	849,7	105,6	2,0

Notices of shareholding:

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 (%)	
	2020	2019	2020	2019
Aegis Lux 2, S.à.r.l. (*)	7,72			
Shield Luxco 1.5, S.à.r.l. (*)	-	8,54	-	-
CIE Automotive, S.A.	1,94	0,05	-	-
Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.	-	-	12,06	
Piolín II, S.à.r.l.	-	25,09	-	-
Viscofan, S.A.	-	0,03	-	-

(*) In 2020 the interest in Shield Luxco 1.5, S.à.r.l. was contributed to Aegis Lux 2, S.à.r.l.

Variations in investments in associates in 2020 are as follows:

Company	Consolidated value at 01/01/2020	Profit/(loss) of investees	Dividends accrued d reimbursement share premium	Acquisitions/(disposals) and transfers	Changes in consolidated equity of associates	Reversal/(impairment)	Consolidated value at 31/12/2020	Stock market value at 31/12/2020
Acerinox, S.A.	581,2	9,5	(26,2)	-	(41,4)	-	523,1	472,8
Aegis Lux 2, S.à.r..l. (Verisure)	-	(0,5)	-	501,1	(2,8)	-	497,8	-
Shield Luxco 1.5, S.à.r..l. (Verisure)	546,9	(52,0)	-	(493,9)	(1,0)	-	-	-
CIE Automotive, S.A.	307,0	24,7	(9,7)	37,8	(36,6)	-	323,2	344,1
Ebro Foods, S.A.	412,9	26,9	(54,1)	-	(19,8)	-	365,9	408,1
Euskaltel, S.A.	188,1	8,7	(6,1)	-	0,4	0,9	192,0	171,9
Indra Sistemas, S.A.	229,1	(6,9)	-	-	(5,0)	-	217,2	129,7
Piolin II, S.à.r.l. (Parques Reunidos)	220,2	(144,0)	-	-	7,5	-	83,7	-
Rioja Luxembourg, S.à.r.l. (Naturgy)	471,7	(44,6)	(31,6)	-	(43,1)	-	352,4	578,5 (*)
Viscofan, S.A.	296,0	16,0	(14,4)	-	(8,0)	-	289,6	351,8
TOTAL	3.253,1	(162,2)	(142,1)	45,0	(149,8)	0,9	2.844,9	

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

(**) At 31 December the Company has transferred its entire interest in "Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A." to non-current assets held for sale, in the context of a takeover bid for the shares of this company.

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

The associates whose quoted price at the 2020 year end is lower than their carrying amount are Acerinox, S.A., Euskaltel, S.A. and Indra Sistemas, 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 2020 were as follows:

	Acerinox, S.A.	Euskaltel, S.A.	Indra Sistemas, S.A.
Perpetual growth rate	2,0%	1,5%	1,5%
Discount rate (WACC)	8,0%	6,6%	8,6%
Capital structure:			
Capital	80%	65%	85%
Debt	20%	35%	15%
Equity ratio	9,4%	8,9%	9,7%
Cost of debt after tax	2,3%	2,4%	2,7%
Estimated value in use (€/share)	14,05	11,37	12,52

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

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

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

- When the existing projections, either those prepared by the companies themselves or consensus estimates, do not cover the minimum projected period required, established as at least five years, and it is necessary to extend the estimate to this minimum period.
- In the case of consensus estimates, when it is considered that the sample is not sufficiently representative because too few estimates are included. In general, the number of analysts that contribute to consensus estimates declines as the period gets longer and the consensus ceases to be representative in the final years of the explicit period.

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

At 31 December 2020 financial estimates with a time horizon of five years (2021-2025) 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 (2021-2025) for Acerinox, S.A., Euskaltel, S.A. and Indra Sistemas, S.A. is as follows:

- Growth of income: for all the companies the expected cumulative annual growth rate of income in the explicit period 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 greater initial growth is because in 2021 the companies are expected to recover from the negative impact they suffered in 2020 due to COVID-19.
- EBITDA margins: these are in line with recent historical data (2017-2020) in Euskaltel and show a slight upward trend in Acerinox and Indra Sistemas due to the integration of the acquisitions made and improvements in efficiency, in both cases.
- Investments (expressed as a percentage of sales): these remain stable in the explicit period in all the companies considered, in line with the historical average, after adjustments in some cases for extraordinary investments, such as in Euskaltel (launch of Virgin). Acquisitions are not included in the calculation of the historical average, nor are additional acquisitions considered beyond those already communicated.
- The tax rate applied ranges from the general Spanish income tax rate of 25.0%, to 27.5% at those companies with activities in jurisdictions with higher tax rates, although in many of these countries, such as the United States, tax rates have been reduced in recent years.
- The variation in working capital generally has little impact on these projections, and is in any case in line with historical data.

The WACC rate is calculated on the basis of the capital asset pricing model (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 are 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 (4.5%-5.0%), which is added to the cost of equity. The aim of this additional risk premium is to include issues such as the different liquidity of the shares of these companies in the market and is based strictly on internal estimates performed by Alba. This additional risk premium serves to raise the cost of equity to higher levels than would result from the direct application of the WACC formula, which in the opinion of Alba's Investment Department would, at present, generate discount rates that are too low – and, therefore, valuations that are too high – due to the low interest rate environment.

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

In the valuations carried out at 31 December 2020, the cost of equity varies by company, between 8.9% and 9.7%, while the WACC rate ranges from 6.6% to 8.6%. These discount rates were in line with those used in the previous year for the corresponding companies and are firstly contrasted with the available analyst estimates and, more generally, with the historical information and experience of Alba. In the valuations carried out at 31 December 2019, the cost of equity varies by company, between 9.3% and 10.0%, while the WACC rate ranges from 7.0% to 9.0%.

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 2020 and 2019, the perpetual growth rate ranged from 1.5% to 2.0% per annum, with no variations compared to the most recent valuations of these same companies, which were performed either in December 2019 or June 2020. This variable was also contrasted with a significant sample of recent analyst reports and, as previously commented, there were no significant variations compared to previous valuations.

In 2020, the following sensitivity analysis was performed:

	Acerinox, S.A.	Euskaltel, S.A.	Indra Sistemas, S.A.
Discount rate (WACC)			
Rate used in 2020	8,0%	6,6%	8,6%
Rate equal to carrying amount	9,9%	7,1%	9,0%
Perpetual growth			
Rate used in 2020	2,0%	1,5%	1,5%
Rate equal to carrying amount	-1,3%	1,0%	1,0%
EBITDA margin used to calculate terminal value			
Rate used in 2020	10,2%	47,9%	10,8%
Margin equal to carrying amount	8,1%	44,8%	10,2%
Variation in total sales to equal carrying amount	-22,2%	-7,2%	-4,0%
Variation in EBITDA margin to equal carrying amount	-0,9%	-1,4%	-0,2%

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

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

Change	Acerinox, S.A.	Euskaltel, S.A.	Indra Sistemas, S.A.
Weighted average cost of capital (WACC)			
+ 0.5%	-9,2%	-15,2%	-8,3%
- 0.5%	10,9%	18,4%	9,5%
Perpetual growth			
+ 0.5%	7,4%	15,9%	7,2%
- 0.5%	-6,2%	-13,1%	-6,3%
EBITDA margin			
+ 0.5%	6,8%	2,3%	5,6%
- 0.5%	-6,8%	-2,3%	-5,6%

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

The variations in investments in associates in 2019 were as follows:

Company	Consolidated value at 01/01/2019	Profit/(loss) of investees	Dividends accrued and reimbursement of share premium	Acquisitions/(disposals) and transfers	Changes in consolidated equity of associates	Reversal/(impairment)	Consolidated value at 31/12/2019	Stock market value at 31/12/2019
Acerinox, S.A.	605,6	(11,8)	(26,2)	-	13,6	-	581,2	525,7
Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. (**)	278,8	14,7	(15,8)	(312,7)	(1,1)	36,1	-	346,7
CIE Automotive, S.A.	289,6	28,8	(8,9)	1,4	(3,9)	-	307,0	276,0
Ebro Foods, S.A.	398,9	19,9	(12,3)	-	6,4	-	412,9	415,6
Euskaltel, S.A.	179,3	6,8	(6,1)	-	-	8,1	188,1	176,3
Indra Sistemas, S.A.	216,4	12,8	-	-	(0,1)	-	229,1	189,2
Parques Reunidos Servicios Centrales, S.A.	248,5	(16,7)	(4,6)	(227,2)	-	-	-	-
Piolin II, S.à.r.l. (Parques Reunidos)	-	(21,1)	-	241,2	0,1	-	220,2	-
Rioja Luxembourg, S.à.r.l. (Natrugy)	484,8	44,9	(37,4)	-	(20,6)	-	471,7	730,5 (*)
Shield Luxco 1.5, S.à.r.l. (Verisure)	-	(7,6)	-	558,2	(3,7)	-	546,9	-
Viscofan, S.A.	292,5	13,8	(9,7)	-	(0,6)	-	296,0	285,5
TOTAL	2.994,4	84,5	(121,0)	260,9	(9,9)	44,2	3.253,1	

(*) Reflects the value of the interest in Naturgy.
(**) At 31 December the Company has transferred its entire interest in "Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A." to non-current assets held for sale, in the context of a takeover bid for the shares of this company.

The variations in consolidated equity in 2019 are due primarily to adjustments derived from currency translation, changes in the value of financial assets through equity, variations in own shares and transition adjustments resulting from the application of new accounting standards.

The associates whose quoted price at the 2019 year end was lower than their carrying amount are Acerinox, S.A., CIE Automotive, S.A., Euskaltel, S.A., Indra Sistemas, S.A. and Viscofan, 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 is used, subsequently subtracting the value of net debt and non-controlling interests. The assumptions used in 2019 were as follows:

	Acerinox, S.A.	CIE Automotive, S.A.	Euskaltel, S.A.	Indra Sistemas, S.A.	Viscofan, S.A.
Perpetual growth rate	2,0%	2,0%	1,5%	1,5%	2,0%
Discount rate (WACC)	8,3%	7,9%	7,0%	9,0%	6,8%
Capital structure:					
Capital	80%	80%	65%	85%	80%
Debt	20%	20%	35%	15%	20%
Equity ratio	9,8%	9,3%	9,3%	10,0%	8,0%
Cost of debt after tax	2,6%	2,3%	2,7%	2,9%	2,1%
Estimated value in use (€/share)	13,53	30,41	9,57	14,12	49,93

At 31 December 2019, Alba reversed the full amount of the impairment of its interest in Bolsas y Mercados, Sociedad Holding de Mercados y Sistemas Financieros, S.A., and partially reversed the impairment of Euskaltel, S.A., thus at year end accumulated impairment totalled Euros 0.9 million.

In 2019, the following sensitivity analysis was performed:

	Acerinox, S.A.	CIE Automotive, S.A.	Euskaltel, S.A.	Indra Sistemas, S.A.	Viscofan, S.A.
Discount rate (WACC)					
Rate used in 2019	8,3%	7,9%	7,0%	9,0%	6,8%
Rate equal to carrying amount	9,5%	9,0%	7,0%	9,8%	7,0%
Perpetual growth					
Rate used in 2019	2,0%	2,0%	1,5%	1,5%	2,0%
Rate equal to carrying amount	0,2%	0,6%	1,5%	0,4%	1,9%
EBITDA margin used to calculate terminal value					
Rate used in 2019	10,5%	17,6%	48,5%	11,0%	26,5%
Margin equal to carrying amount	9,1%	15,2%	48,5%	9,7%	26,0%
Variation in total sales to equal carrying amount	-12,1%	-9,9%	-	-9,2%	-2,3%
Variation in EBITDA margin to equal carrying amount	-0,6%	-1,0%	-	-0,9%	-0,2%

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

In 2019, 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:

Variation	Acerinox, S.A.	CIE Automotive, S.A.	Euskaltel, S.A.	Indra Sistemas, S.A.	Viscofan, S.A.
Weighted average cost of capital (WACC)					
+ 0,5%	-8,6%	-11,6%	-15,2%	-7,8%	-9,7%
- 0,5%	10,1%	13,7%	18,3%	8,9%	11,9%
Perpetual growth					
+ 0,5%	6,8%	11,3%	15,6%	7,0%	8,7%
- 0,5%	-5,8%	-9,6%	-13,0%	-6,1%	-7,0%
EBITDA margin					
+ 0,5%	6,3%	4,9%	2,3%	5,0%	2,4%
- 0,5%	-6,3%	-4,9%	-2,3%	-5,0%	-2,4%

11. Investments at Fair Value through Profit or Loss

These investments at 31 December 2020 and 2019 are as follows:

	%	
Non-current, unquoted	2020	2019
Alvinesa, S.A.	16,83	16,83
Alvic, S.A. (through Folkstone, S.L.)	7,76	9,46
Monbake (through Tarasios Investments, S.L.)	3,70	3,70
Telepizza, S.A. (through Tasty Topco, S.C.A.)	3,27	3,27
In-Store Media Group, S.A.	18,89	18,89
TRRG Holding Limited (formerly Ros Roca)	-	7,50
C. E. Extremadura, S.A.	1,01	1,01
Non-current, quoted		
Global Dominion Access, S.A.	5,00	5,00
Befesa Holding, S.à.r.l.	2,32	-
Dividends (quoted and unquoted)	6,1	3,2

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

In 2019 the investment in Mecalux, S.A. was sold for Euros 121.9 million with a return on investment of 1.5x since the original investment was made and an IRR of 4.8% per annum.

Movement during 2020 and 2019 was as follows:

Balance at 01/01/2019	201,1
Additions	38,0
Disposals	(97,5)
Changes in fair value	8,8
Balance at 31/12/2019	150,4
Additions	21,2
Disposals	(18,2)
Changes in fair value	17,6
Balance at 31/12/2020	171,0

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

Additions in 2019 consisted of the acquisitions of interests in Alvic, S.A. and Telepizza, S.A. and disposals reflect the sale of the interest held in Mecalux generating a gain of Euros 24.4 million.

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

As regards the rest of the investments also managed by Artá Capital, S.G.I.C., S.A.U., in 2020 and 2019 the valuations were performed by an external valuer, specifically Duff & Phelps, S.L.U. and Deloitte Financial Advisory, S.L., respectively, both of which issued the pertinent report.

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

Following the valuation criteria of Invest Europe, the investments in Telepizza, S.A. and Alvic, S.A. were valued at cost at 31 December 2019, since they had been in the portfolio for less than one year.

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.

The key valuation variables are as follows: 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.	Alvinesa, S.A.	InStore Media Group, S.A.	Monbake, S.A.	Telepizza, S.A.
2020					
Perpetual growth rate	1,9%	1,8%	1,0%	1,9%	1,9%
Weighted average cost of capital (WACC)	12,0%	9,9%	11,3%	7,6%	9,6%
2019					
Perpetual growth rate	-	1,8%	1,7%	1,8%	-
Weighted average cost of capital (WACC)	-	10,1%	9,8%	7,9%	-

Sensitivity analysis

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

	Grupo Alvic FR Mobiliario, S..A.	Alvinesa, S.A.	InStore Media Group, S.A.	Monbake, S.A.	Telepizza, S.A.
2020					
Weighted average cost of capital (WACC)					
+ 0.5%	-6,4%	-5,9%	-5,6%	-16,3%	-14,1%
- 0.5%	7,0%	6,6%	6,1%	19,4%	16,1%
Perpetual growth rate					
+ 0.5%	4,6%	4,4%	2,7%	16,9%	11,7%
- 0.5%	-4,2%	-3,9%	-2,5%	-14,2%	-10,3%
EBITDA					
+ 5.0%	4,5%	6,5%	10,5%	14,8%	13,6%
- 5.0%	-4,5%	-6,5%	-10,5%	-14,8%	-13,6%
2019					
Weighted average cost of capital (WACC)					
+ 0.5%	-	-6,4%	-5,9%	-14,5%	-
- 0.5%	-	7,3%	6,6%	17,0%	-
Perpetual growth rate					-
+ 0.5%	-	4,8%	4,3%	13,7%	-
- 0.5%	-	-4,1%	-3,8%	-11,6%	-
EBITDA					
+ 5.0%	-	11,8%	8,4%	22,4%	-
- 5.0%	-	-11,8%	-8,4%	-22,4%	-

12. Other Non-current Financial Assets and Liabilities

Details of these items at 31 December 2020 and 2019 are as follows:

Other non-current financial assets	2020	2019
Loans to third parties	43,2	59,2
Guarantees deposited with public entities	1,9	2,3
Other financial assets	15,7	-
Other financial assets with related parties	-	7,7
Balance at 31 December	60,8	69,2
Other non-current financial liabilities		
Other financial liabilities	6,7	9,9
Guarantees received from customers	1,5	2,7
Other financial liabilities with related parties	-	7,7
Balance at 31 December	8,2	20,3

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

This debt is repayable in half-yearly instalments between June 2020 and March 2025 and accrues a market rate of interest, namely Euribor + 250/200 bp. It is expected to be collected through a cash sweep and early repayments that will be mandatory if certain liquidity events occur. In 2020, Euros 15.1 million has been collected on these loans. In 2019, Euros 5.6 million was collected and impairment of Euros 7.7 million was reversed.

The balance at 31 December 2020 and 2019 is Euros 43.2 million and Euros 58.4 million, respectively.

Other financial assets reflect bonds that mature in more than 12 months.

13. Trade and Other Receivables

Details at 31 December 2020 and 2019 are as follows:

	2020	2019
Trade receivables	41,6	40,0
Income tax withholdings and payments on account	36,0	64,5
Accrued dividends receivable	6,7	7,6
Other receivables	2,8	5,7
Prepaid expenses	0,2	0,2
Balance at 31 December	87,3	118,0

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:

	2020	2019
Corporate promissory notes	377,9	114,2
Other financial assets	1,8	-
Balance at 31 December	379,7	114,2

All the promissory notes are issued by Spanish entities.

Details of cash and cash equivalents at 31 December 2020 and 2019 are as follows:

	2020	2019
Cash on hand and at banks	217,6	34,5
Highly liquid current deposits and investments	78,7	43,3
Balance at 31 December	296,3	77,8

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

15. Equity

At 31 December 2020 and 2019 the share capital comprised 58,240,000 shares, all of the same class and represented by book entries. The par value of each share is Euros 1, they are subscribed and fully paid, and have all been listed on the Spanish Stock Exchange Interconnection System (SIBE).

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

- Approval of one or more increases in share capital, up to a total amount equal to half of the share capital, i.e. a maximum amount of Euros 29,120,000. The increases approved as a result of this delegation must be made through cash contributions within a maximum of five (5) years from the approval 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 approval 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 2020 are as follows:

Shareholder	% ownership
Mr Carlos March Delgado	20,138%
Mr Juan March Delgado	19,772%
Banca March, S.A.	15,022%
Mr Juan March de la Lastra	7,300%
Mr Juan March Juan	4,730%
Ms Catalina March Juan	4,270%
Ms Gloria March Delgado	3,700%

There were no movements in Alba’s own shares in 2020 or 2019.

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.

	2020	2019
Profit/(loss) attributable to ordinary shareholders of the Parent		
Continuing operations	(102,4)	179,2
Discontinued operations	-	-
Profit/(loss) attributable to ordinary shareholders of the Parent in respect of basic earnings	(102,4)	179,2
Interest of the holders of financial instruments convertible into ordinary shares	-	-
Profit/(loss) attributable to ordinary shareholders of the Parent in respect of diluted earning	(102,4)	179,2
Average number of ordinary shares for basic earnings per share (*)	58.240.000	58.240.000
Dilution effect	-	-
Average number of ordinary shares adjusted for dilution effect (*)	58.240.000	58.240.000
Earnings/(loss) per share (Euros/share)	(1,76)	3,08

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

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

Details of movement in non-controlling interests in 2020 are as follows:

	Balance at 31/12/2019	Profit/(loss)	Dividends	Other	Balance at 31/12/2020
Alba Investments, S.à.r.l.	99,0	(9,4)	-	-	89,6
Arta Partners, S.A.	0,3	0,8	(0,8)	-	0,3
Nuadi subgroup	28,2	(0,1)	-	2,1	30,2
Preving subgroup	46,1	3,0	-	0,7	49,8
Satlink subgroup	21,0	2,2	(10,1)	-	13,1
TOTAL	194,6	(3,5)	(10,9)	2,8	183,0

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 2020 and 2019 year ends was as follows:

	2020	2019
Loans and borrowings	251,8	218,7
Cash and cash equivalents	(296,3)	(77,8)
Total net debt	(44,5)	140,9
Equity	3.852,1	4.153,6
Equity + net debt	3.807,6	4.276,7
Leverage ratio	-	3,3%

There was no net financial debt in 2020, thus there is no leverage ratio.

17. Provisions

Movement in this item in 2020 and 2019 is as follows:

	2020	2019
Balance at 1 January	1,0	0,8
Charges	0,1	0,2
Balance at 31 December	1,1	1,0

18. Suppliers and Other Payables

Details at 31 December 2020 and 2019 are as follows:

	2020	2019
Suppliers	49,1	38,6
Public entities, other (note 22)	9,7	7,3
Salaries payable	3,1	3,1
Balance at 31 December	61,9	49,0

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

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

Days	2020	2019
Average supplier payment period	42	42
Transactions paid ratio	44	45
Transactions payable ratio	41	40

Millions of Euros		
Total payments made	31,4	23,8
Total payments outstanding	36,9	28,3

19. Loans and Borrowings

Current and non-current:

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

	At 31/12/2020		At 31/12/2019	
Bank	Maturity	Balance drawn down	Maturity	Balance drawn down
Current loans and credit facilities (CURRENT)				
BBVA	2021	39,6	2020	9,5
Syndicated loan (Sabadell, Bankia, Bankinter, BBVA and DB)	2021	2,0	2020	4,1
Caixa	2021	0,5	2020	-
Syndicated loan (BBVA, CaixaBank and Bankia)	2021	3,3	2020	1,2
ICO loans (Bankinter, Ibercaja, Bankia, CaixaBank and Santander)	2021	1,1	-	-
Other	2021	0,2	-	-
Syndicated loan (Bankia and Santander)	2021	2,5	2020	1,9
ICO loan (Caja Rural)	2021	0,4	-	-
		49,6		16,7
Non-current loans and credit facilities (NON-CURRENT)				
BBVA	2022 to 2025	89,8	2021 to 2025	99,5
Syndicated loan (Sabadell, Bankia, Bankinter, BBVA and DB)	2022 to 2026	28,0	2021 to 2026	19,0
Syndicated loan (BBVA, CaixaBank and Bankia)	2022 to 2025	31,3	2021 to 2025	34,6
ICO loans (Bankinter, Ibercaja, Bankia, CaixaBank and Santander)	2022 to 2025	6,1	-	-
Other	2022 to 2025	0,1	-	-
Syndicated loan (Bankia and Santander)	2022 to 2025	45,8	2021 to 2025	48,9
ICO loan (Caja Rural)	2022 to 2023	1,1	-	-
	TOTAL	202,2	TOTAL	202,0

Principal and interest payments are settled every six months. The borrowing cost ranges from 0.7%-3%.

Alba also has five undrawn lines of financing from BBVA, Bankinter, Kutxabank, Santander and Unicaja for a total amount of Euros 320.0 million.

An analysis of the maturities of non-current loans and borrowings (including interest) at 31 December 2020 and 2019 (in millions of Euros) is as follows:

2020	2022	2023	2024	2025	2026	TOTAL
BBVA	10,4	10,5	10,6	60,4	-	91,9
Syndicated loan (Sabadell, Bankia, Bankinter, BBVA and DB)	3,1	4,6	5,5	5,9	11,2	30,3
Syndicated loan (BBVA, CaixaBank and Bankia) ICO loans (Bankinter, Ibercaja, Bankia, CaixaBank and Santander)	6,6	6,9	7,8	18,8	-	40,1
Other	-	-	-	0,1	-	0,1
Syndicated loan (Bankia and Santander)	7,3	7,9	8,3	25,5	-	49,0
ICO loan (Caja Rural)	0,8	0,4	-	-	-	1,2
TOTAL	28,2	30,2	32,1	110,7	11,2	212,5

2019	2021	2022	2023	2024	2025	TOTAL
BBVA	10,3	10,4	10,5	10,6	60,4	102,3
Syndicated loan (Bankinter, BBVA, Caixabank and Sabadell)	6,6	5,4	7,1	-	-	19,1
Syndicated loan (Bankinter and Santander)	5,2	7,1	7,7	8,1	25,2	53,4
Syndicated loan (BBVA, Caixabank and Bankia)	1,4	4,7	5,0	6,0	18,3	35,4
TOTAL	23,6	27,6	30,3	24,7	103,9	210,1

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 01/01/2019	141,7
Business combinations	87,0
Cash flows from (used in) financing activities	(10,0)
Balance at 31/12/2019	218,7
Balance at 01/01/2020	218,7
Cash flows from (used in) financing activities	33,1
Balance at 31/12/2020	251,8

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

20. Fair Value Measurement

Details of assets and liabilities and their fair value measurement hierarchy at 31 December 2020 and 2019 are as follows:

	Total	Quoted price in active markets (Level 1)	Significant unobservable inputs (Level 3)
2020			
Assets measured at fair value			
Investment property (note 6)	287,1	-	287,1
Investments at fair value through profit or loss (notes 11 and 14)	171,0	72,8	98,2
Assets whose fair value is disclosed			
Investments in associates and non-current assets held for sale (note 10)	3.038,4	2.456,9	581,5
Other financial assets (note 12)	60,8	-	60,8
Trade and other receivables (note 13)	87,3	-	87,3
Other financial assets (note 14)	379,7	-	379,7
Liabilities whose fair value is disclosed			
Loans and borrowings (note 19)	251,8	-	251,8
2019			
Assets measured at fair value			
Investment property (note 6)	324,5	-	324,5
Investments at fair value through profit or loss (notes 11 and 14)	150,4	30,9	119,5
Assets whose fair value is disclosed			
Investments in associates and non-current assets held for sale (note 10)	3.565,8	2.798,7	767,1
Other financial assets (note 12)	69,2	-	69,2
Trade and other receivables (note 13)	118,0	-	118,0
Other financial assets (note 14)	114,2	-	114,2
Liabilities whose fair value is disclosed			
Loans and borrowings (note 19)	218,7	-	218,7

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 spaces.

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 revenues, 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.

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 noteworthy that, in addition to the aforementioned Risk Control and Management Department, Corporación Financiera Alba has Regulatory Compliance processes which are performed 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 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 2020 and 2019 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 2020 and 2019 the Group had not arranged any interest rate swaps.

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

<u>Liquidity risk</u>

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 2020 the Group's cash position amounted to Euros 296.3 million, of which Euros 217.7 million comprised cash in hand and at banks, and Euros 78.6 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. For the interim dividend distribution, the Board of Directors prepares an accounting statement demonstrating that sufficient cash is available for the distribution, that the profit available is greater than the dividend to be distributed, and that the Company's cash is greater than the dividend, in accordance with prevailing legislation.

The Group's exposure to liquidity risk at 31 December 2020 and 2019 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 2020 and 2019, by type of asset and maturity, are as follows (in millions of Euros):

	2020		2019	
	Amount	Maturity	Amount	Maturity
Trade receivables	41,7	2021	40,0	2020
Other non-current financial assets	58,9	2021-2025	64,5	2020-2025
Other receivables	9,5	2021	13,5	2020

22. Taxation

Corporación Financiera Alba, S.A., Alba Patrimonio Inmobiliario, S.A.U., Alba Europe, S.à.r.l., Alba Investments, S.à.r.l., Deyá Capital, SCR, S.A.U., 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 2020 and 2019 are as follows:

	2020	2019
Income tax for the year:		
Income tax expense for the year	4,8	0,4
Adjustments to income tax from prior years	-	-
Deferred tax:		
Source and reversal of temporary differences	(1,6)	0,3
Income tax expense recognised in the income statement	3,2	0,7
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 2020 and 2019 is as follows:

	2020	2019
Pre-tax accounting profit from continuing operations	275,6	166,1
Pre-tax profit or loss of discontinued operations	-	-
Pre-tax accounting profit	275,6	166,1
Consolidation differences	4,6	(69,3)
Permanent differences (article 21 of LIS)	(280,2)	(96,8)
Change in deferred tax assets and liabilities and difference in tax rates	(1,6)	0,3
Income tax expense/(income) in the consolidated income statement	3,2	0,7
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 includes certain amendments to the Corporate Income Tax Law (“LIS”).

Such amendments to the LIS include the removal 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 has recognised temporary differences of Euros 1.1 million in relation to its investments. These deferred tax liabilities have been 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:

	01/01/2019	Additions / (derecognitions)	Business combinations	31/12/2019	Additions / (derecognitions)	Business combinations	31/12/2020
Deferred tax assets							
Retirement plans and other expenses	1,3	-	0,8	2,1	0,7	-	2,8
Total deferred tax assets	1,3			2,1			2,8
Deferred tax liabilities							
Gains on investment property	28,5	0,3	-	28,8	0,1	-	28,9
Other deferred tax liabilities	10,5	(0,9)	16,3	26,0	(2,4)	17,2	40,8
Total deferred tax liabilities	39,0			54,8			69,7

At 31 December 2020 and 2019 tax loss carryforwards amounting to Euros 26.2 million and Euros 26.5 million have not been recognised in the accompanying balance sheet.

While 2020 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:

	2020	2019
Payment on account	4,5	4,5
Corporate income tax	3,7	1,3
Personal income tax withholdings	1,3	1,2
VAT and other	0,2	0,3
Total	9,7	7,3

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:

	2020			2019		
	Male	Female	Total	Male	Female	Total
Executive board members	7	-	7	6	-	6
Directors	30	8	38	15	3	18
Heads of department	104	21	125	56	9	65
Administration and other	708	778	1.486	232	196	428
Total	849	807	1.656	309	207	516

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

	2020			2019		
	Male	Female	Total	Male	Female	Total
Executive board members	7	-	7	3	-	3
Directors	30	6	36	12	9	21
Heads of department	100	20	120	97	9	106
Administration and other	754	866	1.620	676	756	1.432
Total	891	892	1.783	788	774	1.562

At 31 December 2020 the Company has 15 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 2020 and 2019 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 companies involving significant influence and generating gains through investments and subsequent sales.

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

No transactions are carried out between the different segments.

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

Segment reporting 2020

(In millions of Euros)

	Property rentals	Investments in transferable securities	Venture capital investments	Income and expenses not allocated to segments	Total Group
Direct income and expenses of the segment					
Revenues	16,1	-	169,2	-	185,3
Supplies	-	-	(45,1)	-	(45,1)
Gains on disposal	2,8	19,3	2,0	-	24,1
Share of the profit/(loss) for the year of associates	-	(162,2)	-	-	(162,2)
Change in fair value of financial instruments	(2,8)	-	(4,0)	21,6	14,8
Depreciation and amortisation	-	-	(24,6)	(1,4)	(26,0)
Personnel expenses	-	-	(57,3)	(15,4)	(72,7)
Other operating expenses	(4,2)	-	(29,0)	(6,6)	(39,8)
Other income/(expenses)	-	-	-	0,6	0,6
Net finance income	-	-	(5,4)	23,7	18,3
Profit/(loss) before taxes and non-controlling interests	11,9	(142,9)	5,8	22,5	(102,7)
Income tax					(3,2)
Profit/(loss) from continuing operations					(105,9)
Profit(loss) attributable to non-controlling interests					3,5
Consolidated profit/(loss) for the year attributable to the Group					(102,4)
Assets and Liabilities					
Segment assets	298,0	2.844,9	405,3		3.548,2
Unallocated assets					878,8
Total assets					4.427,0
Segment liabilities	1,5	-	216,5		218,0
Unallocated liabilities					175,0
Total liabilities					393,0

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

Segment reporting 2019
(In millions of €)

	Propery Rental	Investment in securities	Venture capital investments	Income and expenses not allocated to segments	Group total
Direct income and expenses of the segment					
Revenues	16,9	-	76,5	1,4	94,8
Supplies	-	-	(23,7)	-	(23,7)
Gains on disposal	0,5	-	24,4	-	24,9
Share of the profit for the year of associates	-	84,5	-	-	84,5
Change in fair value of financial instruments	2,8	2,6	14,4	-	19,8
Amortisation and depreciation	-	-	(10,4)	(0,6)	(11,0)
Impairment	-	51,9	-	-	51,9
Personnel expenses	-	-	(23,8)	(17,0)	(40,8)
Other operating expenses	(5,5)	-	(18,5)	(6,2)	(30,2)
Other income/(expenses)	-	-	-	4,8	4,8
Net finance income	-	-	(1,1)	5,1	4,0
Profit/(loss) before taxes and non-controlling interests	14,7	139,0	37,8	(12,5)	179,0
Income tax					(0,7)
Profit from continuing operations					178,3
Profit attributable to minority interests					0,9
Consolidated profit for the year attributable to the Group					179,2
Assets and Liabilities					
Segment assets	326,8	3.548,0	401,7		4.276,5
Unallocated assets					(8,4)
Total assets					4.268,1
Segment liabilities	(2,7)	-	186,6		183,9
Unallocated liabilities					25,3
Total liabilities					209,2

In 2020 and 2019 Alba carried out its activity in Spain, except for the following (see note 5):

	2020		2019	
	Eurozone	Rest of the world	Eurozone	Rest of the world
CGU Satlink Group	14,3	33,5	3,7	39,4
CGU Nuadi Group	42,8	3,7	0,5	4,5
TOTAL	57,1	37,2	4,2	43,9

Unallocated income and costs comprise overheads and other costs not considered to derive from any of the three businesses.

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

25. Other Income and Expenses

Details for 2020 and 2019 are as follows.

a) Personnel expenses

	2020	2019
Salaries and wages	57,6	34,9
Social Security payable by the Company	13,2	2,4
Alternative pension plan schemes	1,5	3,3
Other employee benefits expenses	0,4	0,2
Balance at 31 December	72,7	40,8

b) Finance income

	2020	2019
Interest, dividends and other	25,7	6,6
Balance at 31 December	25,7	6,6

c) Change in fair value of financial instruments

At the 2020 and 2019 year ends this item reflects the change in fair value of investments at fair value through profit or loss (see note 11).

26. Related Parties

Details of transactions carried out in 2020 and 2019 are as follows:

DESCRIPTION OF THE TRANSACTION	AMOUNT 2020	AMOUNT 2019	RELATED PARTY
WITH SIGNIFICANT SHAREHOLDERS OF THE COMPANY			
Services	0,6	0,6	Banca March, S.A.
Dividends	8,7	8,7	Banca March, S.A.
WITH OTHER RELATED PARTIES			
Dividends and other distributions	9,7	8,9	Cie Automotive, S.A.
	31,2	37,2	Rioja Luxembourg, S.à.r.l.
	26,2	26,2	Acerinox, S.A.
	-	15,8	BME
	54,1	12,3	Ebro Foods, S.A.
	14,4	9,8	Viscofan, S.A.
	6,1	6,1	Euskaltel, S.A.
	-	4,6	Parques Reunidos, S.A.
	0,8	1,5	InStore Media Group, S.A.
	4,1	1,7	Alvinesa, S.A.
Collaboration agreements	0,3	0,3	Fundación Juan March

27. Remuneration of the Board of Directors and Senior Management

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

	No. of people	Salaries and other	Alba board meetings	Alternative pension plan schemes and insurance
External proprietary directors	3	-	1.075	-
External independent directors	6	-	835	-
Other external directors	1	1.253	130	-
Executive directors	2	777	200	-
Senior management	5	2.893	-	560
TOTAL		4.923	2.240	560

	2019			
	No. of people	Salaries and other	Alba board meetings	Alternative pension plan schemes and insurance
External proprietary directors	3	579	704	-
External independent directors	8	-	688	-
Executive directors	3	2.283	276	-
Senior management	5	3.058	-	537
TOTAL		5.920	1.668	537

At 31 December 2020 and 2019 the Board of Directors comprised 12 members.

No loans were extended to members of the Board of Directors or Senior Management in 2020 or 2019.

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

Details of the remuneration accrued by each board member in 2020 and 2019, including those who stepped down before 31 December are as follows (in thousands of Euros):

2020	Fixed remuneration	Variable	Alba Group board meetings	Total remuneration	Contribution to retirement plan
De Ampuero y Osma, José Domingo	-	-	165	165	-
Carné Casas, Ramón	486	-	100	586	-
Del Caño Palop, José Ramón	256	35	100	391	-
Girón Dávila, Mª Eugenia	-	-	150	150	-
March de la Lastra, Juan	-	-	330	330	-
March Delgado, Carlos	-	-	415	415	-
March Juan, Juan	-	-	330	330	-
Martínez-Conde Gutiérrez-Barquín, Santos	1.100	153	130	1.383	-
Guibert Ucin, María Luisa	-	-	130	130	-
Pickholz, Claudia	-	-	125	125	-
Pradera Jáuregui, Antón	-	-	130	130	-
Plaza Arregui, Ana María			135	135	-
TOTAL BOARD	1.842	188	2.240	4.270	-

2019	Fixed remuneration	Variable	Alba Group board meetings	Total remuneration	Contribution to retirement plan
De Ampuero y Osma, José Domingo	-	-	125	125	-
Carné Casas, Ramón	431	-	83	514	-
Del Caño Palop, José Ramón	270	207	83	560	-
Garmendia Mendizábal, Cristina	-	-	43	43	-
Girón Dávila, Mª Eugenia	-	-	128	128	-
González Fernández, Carlos Alfonso	-	-	47	47	-
March de la Lastra, Juan	138	247	210	595	-
March Delgado, Carlos	-	-	284	284	-
March Juan, Juan	29	165	210	404	-
Martínez-Conde Gutiérrez-Barquín, Santos	586	789	110	1.485	-
Guibert Ucin, María Luisa	-	-	65	65	-
Pickholz, Claudia	-	-	108	108	-
Pradera Jáuregui, Antón	-	-	105	105	-
Plaza Arregui, Ana María			67	67	-
TOTAL BOARD	1.454	1.408	1.668	4.530	-

In 2020 and 2019 no remuneration was paid to individuals representing Alba on boards or committees of companies in which Alba acts as a director company. In 2020 and 2019, Euros 156 thousand and Euros 146 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 2020. In 2019 Ms María Luisa Guibert Ucín and Ms Ana María Plaza Arregui were appointed as members of the Board of Directors of Corporación Financiera Alba, S.A. for a term of four years and the directors Ms Cristina Garmendia Mendizábal and Mr Carlos González Fernández stepped down from the Board.

At the general meetings held in 2020, 2019 and 2018 the shareholders of Alba approved a variable remuneration scheme linked to the net asset value of the shares for Executive board members, directors representing Alba on the boards of subsidiaries, investees or related parties and certain Company personnel selected by the Board of Directors, in order to foster more direct engagement in the process of creating value for the Company's shareholders. The basic features of the scheme are as follows:

Approval	01/07/2020	07/06/2019	18/06/2018
Maturity	30/06/2023	06/06/2022	17/06/2021
Units assigned	246.500	232.500	283.000
Initial net asset value	64,97	73,66	75,79
Cap between initial and final net asset value	50%	50%	30%

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 additional 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, calculated on the basis of the net asset value (NAV) of the Company, which will come into effect, together with the dividend revaluation, in no less than five years as of the accrual date and no later than eight years after that date, whichever the beneficiary chooses. The amount of this variable remuneration for directors who performed executive duties in 2020 was Euros 188 thousand

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 2020 and 2019 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.

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

28. Audit Fees

In 2020 KPMG Auditores, S.L., the auditor of the Group's annual accounts, accrued fees totalling Euros 174 thousand, of which Euros 139 thousand were for audit services and Euros 12 thousand for the limited review of the consolidated interim financial statements and the agreed-upon procedures report on the ICOFR description. In addition, in 2020 other affiliates of KPMG International invoiced fees of Euros 23 thousand for audit 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. Events after the Reporting Period

The following significant events have occurred since 31 December 2020:

- The sale of a building in Madrid for Euros 9 million, generating an IRR of 16.26% over 21 years.
- Through its venture capital vehicle Deyá Capital IV, S.C.R., S.A., Alba has reached an agreement for the sale of its 16.8% interest in Alvinesa Natural Ingredients, S.A. The effective sale is subject to obtaining the pertinent authorisation for the buyer as provided for in article 7 bis of Law 19/2003 of 4 July 2003 on the legal regime for movements of funds, financial transactions abroad and certain measures for the prevention of money laundering.

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

CERTIFICATION OF THE ACCOUNTS

Mr Javier Fernández Alonso and Mr Carlos Ortega-Arias Paz, Managing Directors, and Mr Ignacio Martínez Santos, CFO, of Corporación Financiera Alba, S.A. certify that the consolidated annual accounts for the year ended 31 December 2020, which are presented to the Company's Board of Directors for authorisation, are complete and give a true and fair view of the consolidated equity and consolidated financial position of the Group at 31 December 2020, and of the consolidated results of its operations and changes in consolidated equity and consolidated cash flows of the Group for the year then ended, and that they include the financial statements of all consolidated investees, in accordance with applicable mercantile and accounting legislation.

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

AUTHORISATION OF THE ACCOUNTS

The Board of Directors approved the authorisation for issue of these annual accounts at its meeting held on 22 March 2021. The accounts will be subject to verification by the auditor and subsequent approval by the shareholders at their general meeting. They comprise 84 pages, excluding this page, all of which have been signed by the Secretary to the Board.

DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the Board of Directors of Corporación Financiera Alba, S.A. hereby confirm that, to the best of their knowledge, the individual and consolidated annual accounts for 2020, which were authorised for issue at the meeting held on 22 March 2021 and were prepared in accordance with the applicable accounting standards, give a true and fair view of the consolidated equity and consolidated financial position of Corporación Financiera Alba, S.A. at 31 December 2020, and of the consolidated results of its operations and changes in consolidated equity and consolidated cash flows of Corporación Financiera Alba, S.A. and the companies included in the consolidated Group as a whole for the year then ended, and that the individual and consolidated directors' reports include a fair analysis of the business performance and results, as well as of the position of Corporación Financiera Alba, S.A. and the companies included in the consolidated Group as a whole, together with a description of the main risks and uncertainties faced.

Mr Carlos March Delgado Chairman	Mr Juan March de la Lastra 1st Vice-chairman
Mr Juan March Juan 2nd Vice-chairman	Mr José Domingo De Ampuero y Osma Board member
Mr Ramón Carné Casas Board member	Ms María Eugenia Girón Dávila Board member
Ms María Luisa Guibert Ucín Board member	Mr Santos Martínez-Conde Gutierrez-Barquín Board member
Ms Claudia Pickholz Board member	Ms Ana María Plaza Arregui Board member
Mr Antón Pradera Jaúregui Board member	Mr José Ramón del Caño Palop Board member - Secretary

CONSOLIDATED DIRECTORS' REPORT OF CORPORACIÓN FINANCIERA ALBA, S.A. AND SUBSIDIARIES FOR 2020

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

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

CONSOLIDATED DIRECTORS' REPORT

2020

1. Business performance and position of the Company

The consolidated annual accounts at 31 December 2020 give a true and fair view of the Group's equity, financial position, results of operations, changes in equity and cash flows for the year then ended, and have been authorised for issue by the Company's directors.

The non-financial information statement is attached as an appendix to this consolidated directors' report, of which it forms an integral part, and has been prepared in accordance with the requirements of Law 11/2018 of 28 December 2018, amending the Spanish Code of Commerce, the Revised Spanish Companies Act approved by Royal Legislative Decree 1/2010 of 2 July 2010 and Audit Law 22/2015 of 20 July 2015, on non-financial and diversity information.

During 2020, 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.
- The promotion and holding of interests in companies.
- Operation of buildings through lease or sale.

The consolidated net loss of Euros 102 million in 2020 contrasts with the Euros 179 million profit posted in the prior year. This fall mainly reflects lower profits obtained by our investees due to a decline in activity, and impairment of assets in some of these companies, essentially as a result of the COVID-19 crisis.

Net asset value (NAV) decreased by 2.1% in the year to Euros 4,304 million at 31 December 2020, equivalent to Euros 73.89 per share. Alba's share price ended the year at Euros 38.95 per share.

During the year, Alba invested Euros 67 million and sold assets totalling Euros 385 million, which significantly increased its net cash position to Euros 523 million at 31 December 2020.

In October, Alba distributed a gross interim dividend of Euros 0.50 per share to its shareholders, with a charge against 2020 profit, representing a disbursement of Euros 29 million. Total dividends distributed during 2020 amounted to Euros 58 million.

2. Most significant transactions

Alba made the following investments in 2020:

- Purchase of a 1.94% interest in CIE Automotive for Euros 37.8 million. The Company's ownership interest at 31 December 2020 was 12.73% due to its acquisitions and the redemption of own shares.

- Several investments totalling Euros 29.6 million.

Divestments made during 2020 were as follows:

- Sale of its interest (12.06%) in the share capital of Bolsas y Mercados Españoles (BME) for Euros 332.6 million in the context of a takeover bid launched by SIX Group AG. Alba achieved an IRR of 6.2% p.a. on this investment over the six years in which it was a shareholder.

- Sale of two buildings in Barcelona and two floors of office space in Madrid for Euros 32.5 million.

- Sale, through Deyá Capital, of its entire 7.5% interest in the share capital of TRRG Holding Ltd. (formerly Ros Roca Environment) to the Terberg Group for Euros 17.3 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:

- Although VDM was brought into the consolidated Group in March, Acerinox's sales in 2020 dropped to Euros 4,668 million, 1.8% lower than in the preceding year due to the downturn in activity as a result of COVID-19. With respect to 2019, excluding VDM, steel production fell by 3.9% to 2.1 million tonnes, while cold rolling dropped by 13.9% to 1.4 million tonnes. Adjusted EBITDA for the year amounted to Euros 398 million, 1.0% less than in the previous year as neither VDM's inclusion nor the cost-cutting measures implemented were sufficient to offset the above-mentioned downturn in activity. However, after the net loss of Euros 60 million reported in 2019, 2020 brought a net profit of Euros 49 million, despite asset impairment. Net financial debt at 31 December 2020 stood at Euros 772 million (2.0 times EBITDA for the year), a level higher than the Euros 278 million recognised one year earlier, partly due to the acquisition of VDM and the consolidation of its debt.

- CIE Automotive's revenue amounted to Euros 2,883 million in 2020, a 16.7% fall on the prior year, due to the sharp impact of the COVID-19 crisis on the automotive sector. In 2020, automobile production contracted by 20.7% in those markets where CIE Automotive operates; nevertheless, CIE Automotive's production fell by a smaller amount than that of each regional market. EBITDA for the year fell by 27.5% compared to 2019, amounting to Euros 431 million, while net profit declined by 35.6% to Euros 185 million. Adjusted net financial debt at 31 December 2020 amounted to Euros 1,575 million, 3.6 times EBITDA for the year.

- Ebro Foods' sales reached Euros 3,237 million in 2020, 15.1% higher than in the prior year. This growth was driven by the healthy performance of both the Pasta division (+14.5%) and the Rice division (+16.1%) owing to the defensive nature of both products during the COVID-19 pandemic; and, to a lesser extent, by the consolidation of Tilda and the decreased relative weight of promotional activities. EBITDA for the year amounted to Euros 435 million, which is 26.9% higher than in 2019, while net profit grew by 35.7% to Euros 192 million. Net financial debt was lowered to Euros 951 million (2.2 times EBITDA for the year), as cash flow for the period and the sale of the pasta business in the USA more than offset the dividend payment (ordinary and extraordinary) and the operating investments made.

- Euskaltel's revenues in 2020 reached Euros 697 million, experiencing a 1.7% rise on the prior year due, among other things, to growth in the Business and Wholesale segments and the launch of the Virgin Telco brand throughout Spain in May 2020. Despite the COVID-19 crisis, the Mass Market segment experienced a net increase in customers as Virgin Telco's launch was well received. EBITDA for the year fell off slightly (-0.5%) vis-à-vis 2019 to Euros 343 million, partly owing to Virgin Telco's negative contribution during the launch phase, while net profit climbed to Euros 79 million, 28.0% more than in 2019. At 31 December 2020, reported net financial debt decreased to Euros 1,455 million (4.2 times EBITDA for the year), 2.1% less than in December of the previous year.

- Despite the inclusion of SIA in the consolidated group, Indra's sales amounted to Euros 3,043 million in 2020, which is 5.0% down on the prior year (-1.6% in local currency), due to the fall in sales in the Transportation & Defence division (-5.8% reported and -4.5% in local currency) and in Minsait (-4.5% reported and +0.1% in local currency), reflecting the downturn in activity due to COVID-19. Notwithstanding the capital gain of Euros 36 million on the sale of Metrocall, the Company posted negative EBIT of Euros 33 million (compared with Euros 221 million in 2019), due to impairment of intangible assets (Euros 95 million), the workforce restructuring plan (Euros 88 million) and the drop-off in activity due to the COVID-19 crisis. A net loss of Euros 65 million was also reported (net profit of Euros 121 million in 2019). At 31 December 2020, net financial debt stood at Euros 481 million (12.8% down on 2019), equivalent to 2.5 times annual EBITDA (excluding the impact of IFRS 16, impairment and the aforementioned capital gain).

- Naturgy achieved sales of Euros 15,345 million in 2020, down 26.1% on the prior year as a result of lower energy demand due to COVID-19, lower average energy prices and the negative impact of Latin American currencies against the Euro. Reported EBITDA in 2020 was Euros 3,449 million, 18.9% below that recognised in 2019 as growth in renewable energies was insufficient to offset a poor performance in the Energy Management and LatAm Networks lines of business, and also due to a slight drop in the Supply line. Excluding exceptional effects, mainly restructuring costs, EBITDA would have dropped by 14.6% to Euros 3,714 million. The net loss for the year was Euros 347 million, compared with a net profit of Euros 1,401 million reported in the prior year, due to the fall in results from operating activities and the significant impairment on the carrying amount of conventional generation assets in Spain (Euros 858 million) and gas activities in Argentina (Euros 152 million). At 31 December 2020, net financial debt stood at Euros 13,612 million (3.9 times EBITDA for the year), 10.8% less than at the end of the previous year.

- Verisure, a company that also operates under the "Securitas Direct" trademark, achieved revenues of Euros 2,139 million in 2020, up 12.5% on the previous year. This improvement was driven by growth in the customer base, which climbed to 3.8 million customers (+12.5%). The adjusted EBITDA of the customer portfolio amounted to Euros 1,256 million in the year, up 16.8% on the prior year. Total adjusted EBITDA reached Euros 920 million, which is 20.8% higher than in 2019. The result was a net loss of Euros 93 million, exceeding that of the previous year (Euros 60 million), mainly due to translation differences and hedge accounting, but having no impact on cash flow. Net financial debt at 31 December 2020 stood at Euros 5,108 million, practically the same as in the prior year.

- Viscofan's sales in 2020 grew 7.4% compared to the prior year, up to Euros 912 million, fuelled by larger volumes and higher prices across all product families, in addition to the incorporation of Nitta Casings into the consolidated group, which offset the negative effect of exchange rate trends and lower profits from cogeneration activities. In comparable terms, sales have increased by 8.3% on 2019. EBITDA for the year grew by 16.7% to Euros 234 million, reflecting higher revenues, production efficiency gains and savings from new cellulose and fibre technologies in Spain. Net profit totalled Euros 123 million, 16.0% up on 2019. At 31 December 2020, Viscofan's net bank debt stood at Euros 38 million (0.2 times EBITDA for the year), a reduction of 10.2% on the previous year (Euros 43 million).

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

4. Investment portfolio

Alba's investment portfolio at 31 December 2020 was as follows:

	Stake %	Value in € million (1)
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	
Through Deyá Capital		
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**

(1) Closing price at 31 December for listed companies, external valuation for non-listed companies, except for internal valuation for In-Store Media, and external appraisals for real estate.
(2) Includes an indirect 5.33% interest and a direct interest of 0.11%.
(3) Fully consolidated.

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

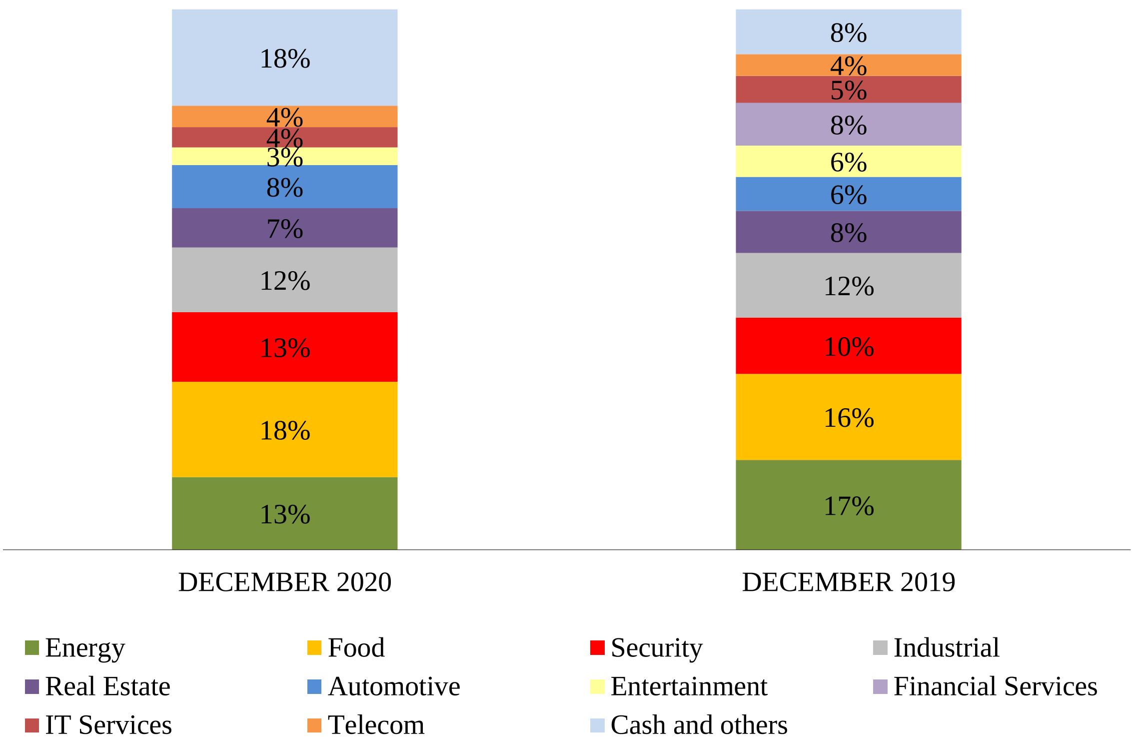
5. Net asset value (NAV)

The most representative indicator for a company such as Alba is net asset value (NAV). Calculated based on criteria typically used in the market, the NAV of Alba at 31 December 2020 before taxes amounted to Euros 4,304 million or Euros 73.89 per share, which represents a 2.1% decline on the prior year.

	Million euros	
	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 balanca sheet (pages 8 and 9).

6. Sector distribution of gross asset value (1)((GAV)



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

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

7. Consolidated results

CONSOLIDATED INCOME STATEMENT (1)

	Million euros	
	31/12/2020	31/12/2019
Share of net results of associates	(162)	84
Rental income and other	186	95
Of leases and others	*17*	*18*
From other companies by global integration	*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	**82**	**285**
Operating expenses	(158)	(95)
From Alba	*(28)*	*(29)*
From other companies by global integration	*(130)*	*(66)*
Depreciation	(26)	(11)
From Alba	*(1)*	*(1)*
From other companies by global integration	*(25)*	*(10)*
Corporate income tax	(3)	(1)
Minority shareholders	3	1
Sum	**(184)**	**(106)**
Net result	**(102)**	**179**
EPS (€)	**(1.76)**	**3.08**

(1) Satlink, Nuadi and Preving are fully consolidated. Satlink has consolidated since 2017 and Nuadi and Preving joined the consolidated group in the last quarter of 2019.

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

CONSOLIDATED BALANCE SHEET (1)

	ASSETS	Million euros	
		31/12/2020	31/12/2019
	Intangible asstes	231	227
	Goodwill	*79*	*123*
	Other intangible assets	*152*	*104*
(a)	Real Estate Investments	287	325
(a)	Fixed assets	30	25
(b)	Investments in Associates	2,845	3,253
(b)	Financial assets at fair value through P & L	171	150
	Other financial investments and other assets	61	69
	Non-current assets	**3,625**	**4,049**
(a) (b)	Non-current assets held for sale	9	313
	Stock	17	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	**788**	**641**
	Total assets	**4,413**	**4,690**

	LIABILITIES	Million euros	
		31/12/2020	31/12/2019
	Share capital	58	58
	Reserves and treasury stock	3,885	3,916
	Earnings for the year	(102)	179
	Minority interests	183	195
	Shareholders' equity	**4,024**	**4,348**
	Other non-current liabilities	9	14
	Net deferred tax	67	53
(c)	Long-term debts with credit institutions	202	210
	Non-current liabilities	**278**	**277**
(c)	Short-term debts with credit institutions	50	18
	Current liabilities	61	47
	Current liabilities	**111**	**65**
	Total shareholders' equity and liabilities	**4,413**	**4,690**

(1) Satlink, Nuadi and Preving are fully consolidated. Shown at fair value in the NAV.

(a) Corresponds to “Buildings” in the NAV.

(b) Corresponds to “Listed securities” and “Unlisted securities” in the NAV.

(c) Corresponds to “Net cash” in the NAV.

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

8. Share price performance

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

9. Events After the Reporting Period

The following significant events have occurred since 31 December 2020:

- The sale of a building in Madrid for Euros 9 million, generating an IRR of 16.26% over 21 years.
- Through its venture capital vehicle Deyá Capital IV, S.C.R., S.A., Alba has reached an agreement for the sale of its 16.8% interest in Alvinesa Natural Ingredients, S.A. The effective sale is subject to obtaining the pertinent authorisation for the buyer as provided for in article 7 bis of Law 19/2003 of 4 July 2003 on the legal regime for movements of funds, financial transactions abroad and certain measures for the prevention of money laundering.

10. Acquisitions and disposals of own shares

In 2020 and 2019 there was no movement in Alba own shares.

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

11. Research and development activities

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

12. Average supplier payment period

Details of the average supplier payment period are as follows:

Days	2020	2019
Average supplier payment period	42	42
Transactions paid ratio	44	45
Transactions payable ratio	41	40

In millions of Euros		
Total payments made	31.4	23.8
Total payments outstanding	36.9	28.3

13. Risk management and control policy

The Board of Directors of Corporación Financiera Alba, S.A. has drawn up the following risk management and control policy:

1.- Types of risk faced by the Company

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

Corporación Financiera Alba engages in two principal activities:

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

(ii) investment in buildings leased as office spaces.

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 revenues, 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.

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 noteworthy that, in addition to the aforementioned Risk Control and Management Department, Corporación Financiera Alba has Regulatory Compliance processes which are performed 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 Policy establishes the basic principles, guidelines and general framework for actions to control and manage the various types of risk (financial and non-financial) faced. The Group does not use derivatives to mitigate certain risks.

14. Annual Corporate Governance Report

This is attached as Appendix I.

15. Non-financial Information Statement

This is attached as Appendix II.

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

APPROVAL OF THE BOARD

At its meeting held on 22 March 2021, the Board of Directors of Corporación Financiera Alba, S.A. approved this directors' report, written on 16 pages, excluding this final page, all signed by the Secretary to the Board.

DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the Board of Directors of Corporación Financiera Alba, S.A. hereby confirm that, to the best of their knowledge, the individual and consolidated annual accounts for 2020, which were authorised for issue at the meeting held on 22 March 2021 and were prepared in accordance with the applicable accounting standards, give a true and fair view of the consolidated equity and consolidated financial position of Corporación Financiera Alba, S.A. at 31 December 2020, and of the consolidated results of its operations and changes in consolidated equity and consolidated cash flows of Corporación Financiera Alba, S.A. and the companies included in the consolidated Group as a whole for the year then ended, and that the individual and consolidated directors' reports include a fair analysis of the business performance and results, as well as of the position of Corporación Financiera Alba, S.A. and the companies included in the consolidated Group as a whole, together with a description of the main risks and uncertainties faced.

Mr Carlos March Delgado
Chairman

Mr Juan March de la Lastra
1st Vice-chairman

Mr Juan March Juan
2nd Vice-chairman

Mr José Domingo De Ampuero y Osma
Board member

Mr Ramón Carné Casas
Board member

Ms Maria Eugenia Girón Dávila
Board member

Ms Maria Luisa Guibert Ucin
Board member

Mr Santos Martinez-Conde Gutierrez-Barquin
Board member

Ms Claudia Pickholz
Board member

Ms Ana Maria Plaza Arregui
Board member

Mr Antón Pradera Jaúregui
Board member

Mr José Ramón del Caño Palop
Board member - Secretary

ANNUAL CORPORATE GOVERNANCE REPORT
OF LISTED PUBLIC LIMITED COMPANIES

ISSUER IDENTIFICATION DETAILS

Year-end date: 31/12/2020

TAX ID (CIF): A-28060903

Company Name:

CORPORACION FINANCIERA ALBA, S.A.

Registered Office:

CASTELLO, 77, 5ª PLANTA MADRID

A. OWNERSHIP STRUCTURE

A.1. Complete the table below with details of the company's share capital:

Date of last change	Share capital (euros)	Number of shares	Number of voting rights
18/06/2018	58.240.000,00	58.240.000	58.240.000

Indicate whether there are different classes of shares with different associated rights:

[ ] Yes
[√] No

A.2. List the company's significant direct and indirect shareholders at year end, excluding any directors:

Name or company name of the shareholder	% of voting rights attached to the shares		% voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
GLORIA MARCH DELGADO	3,69	0,01	0,00	0,00	3,70
JUAN MARCH DELGADO	11,74	8,03	0,00	0,00	19,77
CATALINA MARCH JUAN	4,27	0,00	0,00	0,00	4,27
BANCA MARCH, S.A.	15,02	0,00	0,00	0,00	15,02

For explanatory purposes, Ms GLORIA MARCH DELGADO has an indirect shareholding in the share capital of 0.006% through AGROPECUARIA EL AGUILA, S.A. It is indicated as 0.01 because the system only admits two decimal points.

Mr JUAN MARCH DELGADO is the Chairman of the Board of Trustees of the JUAN MARCH FOUNDATION and the JUAN MARCH STUDY AND RESEARCH INSTITUTE.

In addition, the following directors are regarded as significant shareholders:
Mr CARLOS MARCH DELGADO, whose shareholdings, direct and indirect, amount to 20.144%. Mr JUAN MARCH DE LA LASTRA, whose shareholdings, direct and indirect, amount to 7.295%. Mr JUAN MARCH JUAN, whose shareholdings, direct and indirect, amount to 4.727%.
For more information about their shareholdings, see section A.3. below.

Breakdown of the indirect holding:

Name or company name of the indirect shareholder	Name or company name of the direct shareholder	% of voting rights attached to the shares	% voting rights through financial instruments	% of total voting rights
GLORIA MARCH DELGADO	AGROPECUARIA EL AGUILA, S.A.	0,01	0,00	0,01
JUAN MARCH DELGADO	SURISLA, S.A.	0,79	0,00	0,79
JUAN MARCH DELGADO	M.B. DE INVERSIONES, S.A.	5,00	0,00	5,00
JUAN MARCH DELGADO	FUNDACION JUAN MARCH	0,65	0,00	0,65
JUAN MARCH DELGADO	FUNDACION INSTITUTO JUAN MARCH DE ESTUDIOS E INVESTIGACIONES	1,59	0,00	1,59

Indicate the most significant changes in the shareholder structure during the year:

A.3. Complete the following tables on members of the company's Board of Directors holding voting rights on the company's shares

Name or company name of the board member	% of voting rights attached to the shares		% voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
DON SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	0,00	0,00	0,00	0,00	0,00	0,00	0,00
DON JOSE DOMINGO DE AMPUERO Y OSMA	0,02	0,01	0,00	0,00	0,03	0,00	0,00
DON JUAN MARCH JUAN	3,47	1,25	0,00	0,00	4,73	0,00	0,00
DON CARLOS MARCH DELGADO	18,91	1,23	0,00	0,00	20,14	0,00	0,00
DON JUAN MARCH DE LA LASTRA	6,13	1,17	0,00	0,00	7,30	0,00	0,00

Name or company name of the board member	% of voting rights attached to the shares		% voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
DON JOSE RAMON DEL CAÑO PALOP	0,00	0,00	0,00	0,00	0,00	0,00	0,00

Total percentage of voting rights held by the Board of Directors	32,17

Breakdown of the indirect holding:

Name or company name of the board member	Name or company name of the direct shareholder	% of voting rights attached to the shares	% voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments
DON JUAN MARCH JUAN	PEÑA TAJADA,	1,25	0,00	1,25	0,00
DON CARLOS MARCH DELGADO	MS CONCEPCION DE LA LASTRA	0,42	0,00	0,42	0,00
DON CARLOS MARCH DELGADO	SON DAVIU, S.L.	0,81	0,00	0,81	0,00
DON JUAN MARCH DE LA LASTRA	ATACAMPA, S.A.	1,16	0,00	1,16	0,00

The significant shareholder BANCA MARCH, S.A. which has a 15.02% shareholding in the company appoints MR JUAN MARCH DE LA LASTRA as its representative in the Board of Directors of Corporación Financiera Alba, S.A.
MR JOSÉ RAMÓN DEL CAÑO PALOP is a direct shareholder of 0.003% of the company.
MR SANTOS MARTINEZ- GUTIERREZ-BARQUIN is a direct shareholder of 0.003% of the company.

A.4. If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Name or company name of related party	Nature of relationship	Brief description
MR JUAN MARCH DELGADO, MS GLORIA MARCH DELGADO	Family-related	MR JUAN MARCH DELGADO and MS GLORIA MARCH DELGADO are brother and sister.

Name or company name of related party	Nature of relationship	Brief description
MR CARLOS MARCH DELGADO, MS GLORIA MARCH DELGADO	Family-related	MR CARLOS MARCH DELGADO and MS GLORIA MARCH DELGADO are brother and sister.
MR JUAN MARCH DELGADO, MR CARLOS MARCH DELGADO	Family-related	MR JUAN MARCH DELGADO and MR CARLOS MARCH DELGADO are brothers.
MR JUAN MARCH DELGADO, MR JUAN MARCH JUAN	Family-related	MR JUAN MARCH DELGADO and MR JUAN MARCH JUAN are father and son.
MR JUAN MARCH DELGADO, MS CATALINA MARCH JUAN	Family-related	MR JUAN MARCH DELGADO and MS CATALINA MARCH JUAN are father and
MR JUAN MARCH JUAN, MS CATALINA MARCH JUAN	Family-related	MR JUAN MARCH JUAN and MS CATALINA MARCH JUAN are brother and sister.
MR JUAN MARCH DELGADO, MR JUAN MARCH DE LA LASTRA	Family-related	MR JUAN MARCH DELGADO, MR JUAN MARCH DE LA LASTRA are father and son.

A.5. If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
No data		

A.6. Describe the relationships, unless insignificant for both parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

Explain, if applicable, how significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders or who are linked to significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors of the listed company, or their representatives, as the case may be, of the listed company, who are, in turn, members or representatives of members of the Board of Directors that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of the related director or representative	Name or company name of the related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
MR JUAN MARCH JUAN	MR JUAN MARCH DELGADO	MR JUAN MARCH DELGADO	MR JUAN MARCH JUAN is the son of MR JUAN MARCH DELGADO
MR JUAN MARCH JUAN	BANCA MARCH, S.A.	BANCA MARCH, S.A.	MR JUAN MARCH JUAN is a Director of BANCA MARCH, S.A.

Name or company name of the related director or representative	Name or company name of the related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
MR CARLOS MARCH DELGADO	BANCA MARCH, S.A.	BANCA MARCH, S.A.	MR CARLOS MARCH DELGADO is a Director of BANCA MARCH, S.A.
MR JUAN MARCH DE LA LASTRA	MAR CARLOS MARCH DELGADO	MAR CARLOS MARCH DELGADO	MR JUAN MARCH DE LA LASTRA is the son of MR CARLOS MARCH DELGADO
MR JUAN MARCH DE LA LASTRA	BANCA MARCH, S.A.	BANCA MARCH, S.A.	MR JUAN MARCH DE LA LASTRA is a Director of BANCA MARCH, S.A.

BANCA MARCH, S.A. has endorsed MR JUAN MARCH DE LA LASTRA as its representative on the Board of Directors of CORPORACION FINANCIERA ALBA as a proprietary director.

Mr SANTOS MARTÍNEZ-CONDE GUTIERREZ-BARQUIN stood down as director of BANCA MARCH, S.A. 26 November 2020.

A.7. Indicate whether the company has been notified of any shareholders’ agreements that may affect it, in accordance with Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

[ ] Yes
[√] No

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

[ ] Yes
[√] No

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

A.8. Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them.

[ ] Yes
[√] No

A.9. Complete the following table with details of the company's treasury shares:

At the close of the fiscal year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
		0,00

(*) Through:

Name or company name of the direct owner of the stake	Number of direct shares
No data	

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares:

The buyback of shares in the Company is authorised by the General Shareholders' Meeting, up to the maximum permitted by Law, using a sale transaction and subject to the requirements of applicable provisions in this regard.

The authorisation extends to buybacks that, within the limit indicated, are conducted by subsidiaries of Corporación Financiera Alba, S.A., as well as applying the shares bought by virtue of this authorisation and prior authorisations to the execution of the Compensation Plans of Executive Board Members and Directors, which involve the transfer of shares or options on these shares.

The acquisition price will be that corresponding to the Stock Market price on the date when it is performed or, where applicable, authorised by the stock market body.

The authorisations in force in 2020 were those agreed by the General Shareholders' Meeting on 17 June 2019 (until 18 June 2020) and by the General Shareholders' Meeting of 18 June 2020, and approved for a period of five years commencing as of that date.

A.11. Estimated floating capital:

	Esti
mated floating capital	26.27

A.12. Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

[ ] Yes
[√] No

A.13. Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

[ ] Yes
[√] No

Where applicable, explain the measures approved and the terms under which the restrictions may be inapplicable:

A.14. Indicate whether the company has issued shares that are not traded on a regulated EU market.

[ ] Yes
[√] No

If so, please list each type of share and the rights and obligations conferred on each type of share:

B. GENERAL SHAREHOLDERS' MEETING

B.1. Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details:

[ ] Yes
[√] No

B.2. Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details:

[ ] Yes
[√] No

B.3. Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

The procedure for amending by Company's Articles of Association is regulated in the Capital Companies Act, which requires approval from the General Shareholders' Meeting, with the majorities provided in article 194 of the aforementioned Law, without establishing, in this regard, any specialisation in these Articles of Association.

Amendment of the Articles of Association is expressly included among the powers of the Assembly, which are detailed in the Regulation of the General Shareholders'
Assembly, without being subject to majorities other than those stipulated in the Law.

B.4. Give details of attendance at General Shareholders' Meetings held during the reporting year and of the two previous years:

	Attendance data				
Date of the general meeting	% physically present	% represent by proxy	% distance voting Electronic voting	Other	Total
18/06/2018	67.87	23.24	0.00	0.00	91.11
Of which floating capital	1.94	19.13	0.00	0.00	21.07
17/06/2019	66.48	26.53	0.00	0.00	93.01
Of which floating capital	2.74	18.15	0.00	0.00	20.89
18/06/2020	42.78	49.84	0.00	0.00	92.62
Of which floating capital	0,00	20.71	0.00	0.00	20.71

The Ordinary and Extraordinary General Shareholders' Meetings of 18/06/2020 were held by remote means. Three shareholders voted by electronic means during this General Meeting, representing 0.00011% of the share capital. On the table, the percentage for voting by remote means appears as a 0.00 because the system does not permit additional decimals to be included.

B.5. Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason:

[ ] Yes
[√] No

B.6. Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

[√] Yes
[ ] No

Number of shares needed to attend the General Shareholders' Meetings	25
Number of shares required for distance voting	25

B.7. Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders’ Meeting:

[ ] Yes
[√] No

B.8. Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders’ Meetings that must be made available to shareholders through the company website:

Website: www.corporacionalba.es
Access path: Main Menu/Shareholders and Investors/Corporate Governance
Main Menu/Shareholders and Investors/General Shareholders’ Meeting

C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	7
Number of directors set by the General Shareholders' Meeting	13

Notwithstanding the number of Directors established by the General Shareholders' Meeting of 17 June 2019, during 2020, the Board of Directors comprised 12 Directors.

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date last appointed	Election procedure
MS MARÍA EUGENIA GIRÓN DAVILA		Independent	BOARD MEMBER	08/06/2016	18/06/2020	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN		Other External	BOARD MEMBER	27/09/2006	18/06/2020	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR JOSE DOMINGO DE AMPUERO Y OSMA		Independent	INDEPENDENT LEAD DIRECTOR	29/05/2013	19/06/2017	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR ANTONIO MARIA PRADERA JAUREGUI		Independent	BOARD MEMBER	10/06/2015	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MS MARÍA LUISA GUIBERT UCÍN		Independent	BOARD MEMBER	17/06/2019	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR JUAN MARCH JUAN		Proprietary	VICE-CHAIRPERSON 1st	23/03/2011	17/06/2019	RESOLUTION GENERAL

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date last appointed	Election procedure
						SHAREHOLDERS' MEETING
MR RAMON CARNE CASAS		Executive	BOARD MEMBER	25/05/2011	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR CARLOS MARCH DELGADO		Proprietary	CHAIRPERSON	22/06/1988	18/06/2020	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR JUAN MARCH DE LA LASTRA		Proprietary	VICE-CHAIRPERSON 1st	28/05/2008	18/06/2020	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MS ANA MARÍA PLAZA ARREGUI		Independent	BOARD MEMBER	17/06/2019	17/06/2019	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MR JOSE RAMON DEL CAÑO PALOP		Executive	BOARD SECRETARY	27/05/2009	19/06/2017	RESOLUTION GENERAL SHAREHOLDERS' MEETING
MS CLAUDIA PICKHOLZ		Independent	BOARD MEMBER	08/06/2016	18/06/2020	RESOLUTION GENERAL SHAREHOLDERS' MEETING

Total number of directors	12

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Director type at time of leaving	Date of last appointment	Date of cessation	Specialised committees of which he/she was a	Indicate whether the director left before the end of his or her term
No data					

C.1.3 Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE BOARD MEMBERS

Name or company name of director	Post in organisation chart of the	Profile
MR RAMON CARNE CASAS	BOARD MEMBER	Industrial Engineer from the Polytechnic University of Barcelona and MBA from INSEAD. He is currently the Chairman and Managing Director of Artá Capital, SGEIC, S.A. He has previously worked at Procter & Gamble, Torras Papiers France and was a member if Mercapital (from 1992 to 2011). He is a member of the Board of Directors of Satlink and Alvinesa. He has previously been a member of the Board of ACS Servicios, Comunicaciones y Energía, Continental Auto, Vías y Construcciones, Yoigo, Bodegas Lan, Grupo Lasem, Emergia, Grupo Hospitalario Quirón, Pepe Jeans, Flex, Panasa, Energyco/Gascan, Mecalux and Terberg Ros Roca Ltd,.
MR JOSE RAMON DEL CAÑO PALOP	BOARD SECRETARY	State Attorney (not practising). He has been Secretary of the Board and Director of Legal Services of the National Securities Market Commission and the Bank of Spain, as well as a member of various working groups of the European Commission and the European Central Bank. Secretary of the Board of Corporación Financiera Alba, S.A. and its Committees, and member of the Board of Directors of various companies of the March Group.

Total number of executive board members	2
% of the total board	16.67

Mr. Santos Martínez-Conde Gutiérrez Barquín held the position of Executive Director until 15 November 2020, the date on which he stood down as the Chief Executive Officer on the grounds of retirement, but staying on as a Director.
Two Managing Directors have been appointed, which was communicated to the CNMV as Other Relevant Information, on 13 November 2020, and entered in the registry under number 5733.

EXTERNAL PROPRIETARY BOARD MEMBERS

Name or company name of director	Name or company name of the significant shareholder represented or that proposed their appointment	Profile
MR CARLOS MARCH DELGADO	MR CARLOS MARCH DELGADO	Law graduate. Director of Banca March, S.A. Vice-Chairperson of the Board of Trustees of the Juan March Foundation and the Juan March Study and Research Institute. He has been Vice-Chairperson of Grupo Carrefour, Chairperson of the Spanish section of the Board of Directors of the Association for the Monetary Union of Europe, founding member and first Chairperson of the Institute of Economic Studies, Chairperson of the Spanish group on the Trilateral Commission, member of the International Committee of JP Morgan and of the International Advisory Board of

EXTERNAL PROPRIETARY BOARD MEMBERS		
Name or company name of director	Name or company name of the significant shareholder represented or that proposed their appointment	Profile
		Columbia University. He has been granted the Legion of Honour by the French Government.
MR JUAN MARCH DE LA LASTRA	MR JUAN MARCH DE LA LASTRA	Bachelor's degree in Business Administration and Management from University Carlos III of Madrid. Master's degree in Global Markets (JP Morgan New York). He is the current Chairman of Banca March, S.A. and a Director at Viscofan, S.A. and is entrusted with the representation of Banca March, S.A, on the Board of Directors of Corporación Financiera Alba, S.A. as a Proprietary Director. He started off his professional career at JP Morgan and has been the Managing Director and Chairman of March Gestión de Fondos SGIIC, S.A. and March Gestión de Pensiones SGFP, S.A. He is also a member of the board of Indra Sistemas, S.A., ACS, Actividades de Construcción y Servicios, S.A. and Acerinox, S.A.
MR JUAN MARCH JUAN	MR JUAN MARCH JUAN	Bachelor's degree in Business Administration and Management from CUNEF and Executive MBA from IESE. He currently holds the position of Director and is a member of the Delegate Committee of Banca March, S.A., Vice-Chairman of Artá Capital, SGEIC, S.A.U. He previously worked at Goldman Sachs (London) in the Departments dedicated to assessing the Natural Resources and Energy, Industry, Transport and Infrastructures sectors. He sat on the Board of Directors of Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros, S.A., Cobra, the Pepe Jeans/Hakectt Group and Mecalux, and others.

Total number of proprietary board members	3
% of the total board	25.00

For further information on Mr Juan March de la Lastra, see the comments in Section A.3.

EXTERNAL INDEPENDENT BOARD MEMBERS	
Name or company name of director	Profile
MR JOSE DOMINGO DE AMPUERO Y OSMA	Industrial Engineer (Bilbao ES de Ingenieros) and Master of Business Administration (University of Southern California). He has held other positions such as, Director of San Telmo Ibérica Minera, Vice-Chairperson of Naviera Vizcaína, Chairperson of S.A. de Alimentación, Vice-Chairperson of BBVA Bancomer, Chairperson of Bodegas y Bebidas, Vice-Chairperson of Banco Bilbao Vizcaya Argentaria, Vice-Chairperson of Iberdrola, Chairperson of Cementos Lemona, and also Member of the Governing Body of the Association for the Progress of Management and member of the Governing Body of the Basque Country Business Circle. He is the current Chairperson of Autopista Vasco-Aragonesa, S.A., Executive Chairperson of Viscofan, S.A., and member of the Spanish-US Council Foundation.

EXTERNAL INDEPENDENT BOARD MEMBERS	
Name or company name of director	Profile
MS MARÍA LUISA GUIBERT UCÍN	Holds a degree in Law and Business Science from ICADE. Chairperson of the Algeposa Group and Chairperson or Director of investees, dedicated to port and railway logistics. She is also a Director of Rugui, S.L. and the Atusa Grupo Empresarial, S.A. She has sat on the Board of Directors since 2010, is Chairperson of the Appointments and Remunerations Committee, chairperson of the Audit Committee and Lead Director of Iberpapel Gestión, S.A. She is Vice-Chairperson of the Matía Foundation and a member of the Board of Trustees of Aquarium in San Sebastián. She is a member of the Management Committee of the Basque Country Business Circle. She has been Vice-Chairperson of the Gipuzkoa Chamber of Commerce and member of the Board of Directors of the Pasaia Port Authority.
MS MARÍA EUGENIA GIRÓN DAVILA	Industrial Engineering qualification from ICAI and MBA from Harvard Business School. She was a Director at the Loewe and the Chief Executive Officer at Carrera y Carrera after heading up the “Management Buy-in Process”. She is the Vice Chairperson of the International Board of Trustees of Oceana and a member of the Boards of Trustees of the Royal Tapestry Factory and the IE University, and she is also the Chairperson of the Diversity Foundation. She is a jury member of the European Innovation Council Accelerator of the European Commission and the Green Deal. She promotes technology start-ups through the Rising Tide Europe platform and Go Beyond Investments. She is also the Co-Chairperson of Women Corporate Directors, Member of the Board of the Institute of Directors and Managers. She is currently the Executive Director of IE University Premium & Prestige Observatory, and a member of the advisory council for premium sector companies.
MS CLAUDIA PICKHOLZ	Born in the USA, she holds a Degree in Economics from Rutgers University (New Brunswick, USA), an MBA from Harvard School of Business Administration (Boston, USA), and studied on the TCL Programme at INSEAD (Fontainebleau, France). She began her professional career at the Irving Trust Company, as Analyst for Europe and Latin America, before subsequently joining McKinsey & Company, as a Consultant. In 1987 she joined SC Johnson Wax Española, S.A. and was ultimately promoted to Marketing Director. Subsequently, in 1994 she joined Coca-Cola, first in Spain, as Marketing Director and Planning and Control Director, then in the United Kingdom, as Client Marketing Director for Europe. She was Managing Director of McCann-Erickson Madrid, before joining Kodak, S.A. in 2003, where she held such senior positions as Marketing and Communications Director and Strategic Products Director for Europe, Africa and the Middle East. She was more recently Managing Director for Spain and Latin America of Elsevier, S.A. and she is currently an independent Director of Quabit Inmobiliaria, S.A. and the General Manager for the Iberian Peninsula and Coordinator for Latin America at TCC (The Continuity Company).
MS ANA MARÍA PLAZA ARREGUI	Graduate in Economics and Business Studies and in Geography and History. She has postgraduate diplomas from IESE, Harvard Kennedy School, The Valley and ESADE. She is currently a Director at Renault España S.A., Vice-Chairperson of the Spanish Association Against Cancer (AECC) a member of the Board of Trustees and the Permanent Committee of the Loyola Andalucía University. She also sits on several advisory councils. She has also been an independent Director and Chairperson of the Audit Committee of the Isolux Corsán Group. She has more than 25 years of experience in the financial area. First as an auditor for Pricewaterhouse. Then, as the head of Internal Audit and Consolidation at Abengoa; Director of finance and investor relations at Telvent and Finance Director of Microsoft Spain. She then joined the Spanish Confederation of Business Organisations (CEOE), first as the Director of Operations and then as the Managing Director. Lastly, she has been appointed the Managing Director of the Immune Coding Institute. She was recognised as a Young Global Leader by the World Economic Forum in 2007.

EXTERNAL INDEPENDENT BOARD MEMBERS	
Name or company name of director	Profile
MR ANTONIO MARIA PRADERA JAUREGUI	He is a Roads, Canals and Ports Engineer. In 1979, he began work as the director of Banco Bilbao, where he remained until 1985. In 1988, he was appointed the Executive Director of Nerisa, where he remained until 1993. In 1993, he moved to SEAT as the Director of Strategy. In 1995, he played an important role in creating the Instituto Sectorial de Promoción y Gestión de Empresas, S.A. (INSSEC), becoming the Managing Director and remaining in the position until 2010. He is currently a Director the Board of Directors of Cie Automotive, S.A., Chairman of Global Dominion Access, S.A. and a Director at Tubacex, S.A.

Total number of independent board members	6
% of the total board	50.00

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is	Profile
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	He was an Executive Director of the Company until 15 November 2020.	CORPORACIÓN FINANCIERA ALBA, S.A.	Roads, Canals and Ports Engineer. He has a master's in Business Administration Management from the ICADE and has a Diploma in Nuclear Technology from ICAI. Chief Executive Officer of Corporación

OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is	Profile
			Financiera Alba, S.A. until November 2020. He is currently a Director at Acerinox, S.A., at Indra Sistemas, S.A. and CIE Automotive, S.A. He has been a Director at ACS, Actividades de Construcción y Servicios, S.A., Unión Fenosa, S.A., Artá Capital, SGEIC, S.A., at Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros, S.A. and Banca March, S.A. Before joining the March Group he worked at Sener Técnica Naval e Industrial, S.A., Técnicas Reunidas, S.A., Bestinver, S.A., Corporación Borealis and Banco Urquijo, S.A.

Total number of other external directors	1
Percentage of Board	8.33

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	15/11/2020	Executive	Other External

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of the total directors of each category			
	2020 Financial Year	2019 Financial Year	2018 Financial Year	2017 Financial Year	2020 Financial Year	2019 Financial Year	2018 Financial Year	2017 Financial Year
Executive					0.00	0.00	0.00	0.00

	Number of female directors				% of the total directors of each category			
	2020 Financial Year	2019 Financial Year	2018 Financial Year	2017 Financial Year	2020 Financial Year	2019 Financial Year	2018 Financial Year	2017 Financial Year
Proprietary					0.00	0.00	0.00	0.00
Independent	4	4	3	3	66.66	66.66	50.00	50.00
Other External					0.00	0.00	0.00	0.00
Total	4	4	3	3	33.33	33.33	25.00	21.43

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such matters as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

[√] Yes
[ ] No
[ ] Partial Policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved

The Board of Directors at its session of 17 June 2019, and with a favourable report by the Appointments and Remuneration Committee, updated the Director Selection Policy, in order to adapt it to Law 11/2018 of 28 December concerning non-financial information and diversity and to CNMV [Spanish Securities Market Commission] Technical Guide 1/2019 of 20 February, on Appointments and Remuneration Committees. Among the objectives and principles contained in this policy for the selection of candidates, it is considered that the selection of Directors should be based on the analysis of the Company by the Board of Directors under the advisement of the Appointments and Remuneration Committee. Similarly, individuals must be selected whose appointment encourages diversity of knowledge, experience and gender and age within the Board. It will furthermore be ensured that during the selection of candidates an appropriate balance is struck on the Board as a whole, to enrich decision-making and contribute a plurality of perspectives in debating the matters within its purview.

The Appointments and Remunerations Committee, since 2015, has approved the requirements that candidates must meet for the various classifications of Board Members of Corporación Financiera Alba, S.A.:

1. Executive Board Members will be selected bearing in mind their knowledge of the activities of the company, their professional background and experience, which will be suited to performing executive duties in the company.
2. In order to elect proprietary Board Members, who are appointed on the proposal of the significant shareholder, gender diversity must be respected, avoiding gender discrimination and candidates must also have a suitable professional background and experience for the company.
3. In the case of independent Board Members, the professional background and experience of the candidate must be taken into account, ensuring that it is different from the other Board members. It is expressly stipulated that gender and nationality or habitual residence are kept in mind if this is relevant for offering the Board a different point of view.

During 2020 the Appointments and Remuneration Committee has made the corresponding follow-up of the Policy for the selection of candidates as Directors, which has been applied in the re-election the Board Members Mr Carlos March Delgado, Mr Juan March de la Lastra, Ms María Eugenia Girón Dávila and Ms Claudia Pickholz. With these re-elections, the number of Women Directors has been maintained at 33.33% of board Directors. It was also debated that the target for representing the least represented gender should reach 40% of all members of the Board of Directors.

C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures

- Including female candidates in all Board Member selection processes.

- Including, to the extent possible, a comparable number of candidates of each gender in the selection process.

- When the quality of the candidates is the same, in terms of training and experience, provided the representation target has not been met, the selection of female candidates will be prioritised.

These guidelines have been ratified by the Appointments and Remuneration Committee in its meeting of 21 October 2020. Subsequently, the Appointments and Remuneration Committee, in accordance with the amendments to the Good Governance Code of Listed Companies approved by the CNMV on 26 June 2020 considered that the target for representing the least represented gender comprised reaching 40% of the total number of members of the Board of Directors. In 2020, Female Directors represented 33.33% of the Board.

In relation to senior management, the Company follows the Selection Policy that it has approved, and which respects the principles set out in the question, but are not formalised in a specific document.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

Explanation of reasons

Female Directors represent 33.33% of the total members of the Board of Directors.

Turning to senior management, the executives have a long history of service in the company, with no new additions. Any new addition will take into account the least represented gender objectives, as established by the Directors.

C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The Board of Directors, at its session on 17 June 2019 updated the Director Selection Policy of Corporación Financiera Alba in accordance with that set forth in Law 11/2018 and the provisions of the Technical Guides of the CNMV/1/2019.

In this regard, the findings of the Appointments and Remuneration Committee concerning the compliance with the Director Selection Policy is that the policy has been adequately followed, both in terms of the targets and criteria of the selection process, as well as the procedural aspects and the attributes that the candidates should possess, having had a Skills Matrix approved in 2019, and which has been subject to review and confirmation during the present year.

With regard to the target fixed by the Appointments and Remuneration Committee in 2016, in which 2020 was established as the year by when the number of female Directors should represent at least 30% of the total number of members of the Board, this figure was reached in 2019, with female directors representing 33.33% of the members of the Board. This percentage is maintained in 2020, and it is considered that the target for representing the least represented gender should reach 40% of the total number of members of the Board of Directors.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of the shareholder	Reason
No data	

Indicate whether formal requests for presence on the Board have been received from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

[ ] Yes
[√] No

C.1.9 Indicate the powers, if any, delegated by the Board of Directors to directors or Board committees:

Name or company name of the board member or committee	Brief description
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	The Managing Director has powers conferred with regard the staff of the Company, as well as broad powers to represent the company, to enter into contracts, to carry out investments and disinvestments, subject to certain limits. On 15 November 2020, the Chief Executive Officer, Mr Santos Martínez-Conde Gutiérrez Barquín, stood down as Chief Executive Officer due to retirement, but stayed on as a Director.
INVESTMENTS COMMITTEE	The Investment Committee was conferred the responsibility to adopt investment or divestiture decisions within certain limits, and in the case of an emergency, to adopt those investment or divestiture decisions that are the responsibility of the Board of Directors, requiring ratification by the Board. Furthermore, it was responsible for monitoring the investments and their suitability to the objectives and principles of the Company's Investment Policy.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
MR JUAN MARCH JUAN	ARTÁ CAPITAL, SGEIC, S.A.U.	VICE-CHAIRPERSON	NO
MR RAMON CARNE CASAS	ARTÁ CAPITAL, SGEIC, S.A.U.	CHAIRPERSON	YES
MR RAMON CARNE CASAS	DEYA CAPITAL II SCR, S.A.	BOARD MEMBER	NO
MR RAMON CARNE CASAS	ARTA PARTNERS, S.A.	BOARD MEMBER	NO
MR JOSE RAMON DEL CAÑO PALOP	DEYÁ CAPITAL, SCR, S.A.U.	BOARD MEMBER SECRETARY	NO
MR JOSE RAMON DEL CAÑO PALOP	ARTÁ CAPITAL, SGEIC, S.A.U.	BOARD MEMBER SECRETARY	NO

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
MR JOSE RAMON DEL CAÑO PALOP	ARTA PARTNERS, S.A.	BOARD MEMBER SECRETARY	NO
MR JOSE RAMON DEL CAÑO PALOP	ALBA PATRIMONIO INMOBILIARIO, S.A.U.	BOARD MEMBER	NO
MR JOSE RAMON DEL CAÑO PALOP	DEYÁ CAPITAL IV, SCR, S.A.U.	BOARD MEMBER SECRETARY	NO
MR JOSE RAMON DEL CAÑO PALOP	ALBA EUROPE, S.A.R.L.	BOARD MEMBER	NO
MR JOSE RAMON DEL CAÑO PALOP	ALBA INVESTMENTS, S.A.R.L.	BOARD MEMBER	NO

C.1.11 List any directors or representatives of legal-person directors of your company who are members of the Board of Directors or representatives of legal-person directors of other companies listed on regulated markets other than group companies of which the company has been informed:

Name or company name of director	Company name of the listed entity	Positio n
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	CIE AUTOMOTIVE, S.A.	BOARD MEMBER
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	ACERINOX. S.A.	BOARD MEMBER
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	INDRA SISTEMAS, S.A.	BOARD MEMBER
MR JOSE DOMINGO DE AMPUERO Y OSMA	VISCOFAN, S.A	CHAIRPERSON
MR ANTONIO MARIA PRADERA JAUREGUI	TUBACEX, S.A.	BOARD MEMBER
MR ANTONIO MARIA PRADERA JAUREGUI	CIE AUTOMOTIVE, S.A.	CHAIRPERSON
MR ANTONIO MARIA PRADERA JAUREGUI	GLOBAL DOMINION ACCESS, S.A.	CHAIRPERSON
MS MARÍA LUISA GUIBERT UCÍN	IBERPAPEL GESTIÓN, S.A.	BOARD MEMBER
MR JUAN MARCH DE LA LASTRA	VISCOFAN, S.A.	BOARD MEMBER
MS CLAUDIA PICKHOLZ	QUABIT INMOBILIARIA, S.A.	BOARD MEMBER

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable

[√] Yes
[ ] No

Explanation of the rules and identification of the document where this is regulated

According to the provisions of Article 41 of the Board of Directors Regulation of Corporación Financiera Alba, Board Members must be adequately dedicated to their duties and, to this end, the maximum number of Boards of other companies on which the Board Members may serve is six, even if the Board Members considers all positions on the boards of a single group of companies or organisations in which one of these companies has a significant stake as a single position.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	4,271
Amount of pension rights accumulated by directors currently in office (thousands of euros)	
Amount of pension rights accumulated by former directors (thousands of euros)	

According to the Remunerations Policy of the Board of Directors, of which an amendment was approved by the General Assembly held on 17 June 2019, the remuneration collected by all Board Members, regardless of the type of Board Member, is 100,000 euros per year each. Similarly, the following additional remuneration is established.
For the Chairman, 300,000 euros per year.
For the Vice-Chairpersons, 200,000 euros per year.
For the members of the Audit and Compliance Committee, 25,000 euros per year and for its Chairman, 35,000 euros per year.
For the members of the Appointments and Remuneration Committee, 15,000 euros per year and for its Chairman, 25,000 euros per year.
For the members of the Investment Committee, 30,000 euros per year and for its Chairman, 50,000 euros per year.
There is an additional remuneration of 15,000 euros per year with the same accrual system as the annual remuneration, for the participation in any Committee other than those mentioned above, that may be established.

There are no "rights accumulated by Board Members in terms of pensions". However, in the Annual Report on Board Member Compensation (Section C.1.a.-iii- Long term savings schemes) the figure of the mathematical provisions which apply on the reference date of the report is included as "accumulated funds".

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)
MR NICOLAS JIMENEZ-UGARTE LUELMO	DIRECTOR
MR ANDRES ZUNZUNEGUI RUANO	DIRECTOR
MR CARLOS ORTEGA ARIAS-PAZ	MANAGING DIRECTOR
MR IGNACIO MARTINEZ SANTOS	DIRECTOR
MR JAVIER FERNANDEZ ALONSO	MANAGING DIRECTOR

Number of women in senior management	
Percentage of total senior management	0.00

Total remuneration of senior management (thousands of euros)	2,893

C.1.15 Indicate whether the Board regulations were amended during the year:

[√] Yes
[ ] No

Description of amendment(s)

The Amendment to the Rules and Regulations of the Board of Directors was in order to incorporate the recommendations introduced in the Good Governance Code of Listed Companies, approved by resolution of the CNMV on 26 June 2020.
The amendments have affected the following articles: With regard the structure of the Board of Directors:
Article 11. The CEO
With regard to the appointment and removal of Directors:
Article 19. Discharge of Directors
With regard to the Audit and Compliance Committee.:
Article 22. Sphere of operation
Article 24. Functions associated with the financial and non-financial information and the internal audit.
Article 25. Functions regarding the external auditing of the annual accounts
Article 27. Composition
Article 28. Appointment and dismissal
Article 29. Sessions
Article 34. Powers
With regard to the relations of the Board of Directors:
Article 48. Evaluation of the Board

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

Selection and Appointment:
On 17.06.2019 the Board of Directors approved a Director Selection Policy, in which reference is made to the selection targets and principles, the selection process, the qualities the candidates must have and the limits on applying as a candidate. Furthermore, the Regulations of the Board contain the following provisions:
1. Board Members will be appointed by the General Shareholders’ Meeting or by the Board on a provisional basis.
2. The proposals for Board Member appointments submitted by the Board to the General Shareholders’ Meeting and the appointment agreements adopted by this body in the case of co-opting must respect the provisions of the Regulation with regard to the distribution of Board Members among executives and external Board Members and, among these, between proprietary and independent board members. The Board of Directors will ensure that the selection procedures foster diversity of gender, experience and knowledge, and are not subject to any implicit bias that could entail any form of discrimination.
3. Once there is a vacancy, the Chairman or any Board Member may propose candidates, and these will be deliberated by the Board. The proposals for appointment or re-election of Board Members which are made by the Board to the General Shareholders’ Meeting, as well as their temporary appointment by co-opting, will be approved by the Board at the recommendation of the Appointments and Remuneration Committee in the case of Independent Directors, and following a report from the Appointments and Remuneration Committee for the remaining Directors. The proposal must be accompanied by an explanatory report from the Board (for the General Shareholders’ Meeting) and from the Appointments and Remuneration Committee.

Re-election:
According to Rules and Regulations of the Board of Directors, the re-election proposals for Board Members to be submitted before the General Shareholders' Meeting must undergo a formal preparation process, including a report by the Appointments and Remuneration Committee and the deliberations of the Board regarding the quality of work and commitment to the post during the preceding term of office.

Evaluation:
The evaluation process of the Board and its Committees is conducted annually by preparing a questionnaire which is sent to the Board Members and which addresses matters related both to the powers of these bodies and to their actions. The answers to the questionnaire serve as the basis for the Board’s evaluation, which is prepared by the Appointments and Remuneration Committee and referred to the Board for its approval. Furthermore, based on the recommendations of the CNMV’s Good Governance Code of 2015, every three years, the company has the Board evaluated by an external consultant, and Board Members, in addition to completing a questionnaire, are interviewed by the consultant. The last evaluation by an external consultant was in 2019. The areas evaluated in 2020 are detailed in section C.1.17.

Termination:
In accordance with the Rules and Regulations of the Board:
1. Board Members will stand down from their position once the period for which they were appointed has passed, or when decided by the General Shareholders’ Meeting.
2. Directors will stand down from the Board of Directors and tender the necessary resignation if the Board deems this appropriate, in the cases detailed in section C.1.19.
3. In the case of external proprietary and independent Directors, elected by the general Shareholders’ Meeting, the Board will not propose their termination before reaching the statutory period for which they were appointed, except for just cause, deemed as such by the Board itself, and subject to a report by the Appointments

and Remuneration Committee. Justified grounds will be deemed to exist if the Director has been in breach of any of the duties inherent in the position, or incurred any of the situations referred to in Article 8.1B of the Rules and Regulations of the Board of Directors.

4. Directors must inform the Board when circumstances arise which affect them, whether or not related to their actions in the company itself, and in particular of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold. When the Board is informed or becomes aware of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure must be adopted, such as opening an internal investigation, asking the director to resign or proposing that he or she be dismissed. These events must be reported in the ACGR, unless there are any special reasons not to do so, which must also be noted in the minutes

5. When a Director stands down before completing his or her term of office, due to resignation or any other grounds, the Director will provide sufficient reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons for the termination by the General Shareholders' Meeting, in a letter addressed to the members of the Board. This will be detailed in the ACGR, in so far as it is relevant for investors.

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendment(s)

Based on the self-assessment performed by the Board of Directors, changes to the internal organisation or to the procedures applicable to their activities were not considered necessary, without prejudice to some recommendations for improvement.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

In 2020, an assessment of the Board was carried out with regard to the 2019 financial year, with the assistance of an external consultant.

The assessment process of the Board and its Committees for 2020 was conducted under the coordination of the Chairman of the Board with the participation of the Directors (by answering questionnaires prepared for this purpose), as well as the participation of the different Committees (through the preparation of reports on their activities) and the Appointments and Remuneration Committee.

The questionnaire for the Directors covered aspects associated to both the functioning and composition of these bodies as well as their actions. The Directors' answers have served as the basis for the Board's assessment, which is prepared by the Appointments and Remuneration Committee and submitted to the Board of Directors for its approval.

The areas assessed with regard to 2020 were as follows: Corporate Governance in general; composition and diversity of the Board; competences of the Board; frequency and attendance of the meetings; Commitment of the directors, information to the Directors; conduct of the meeting; performance of the Directors; Board Committees; training for Directors; application of the Code of Ethics and Conduct and the Internal Regulations on Conduct within the scope of the Securities Market and of the Crime Prevention and Anti-Fraud Policy.

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

-

C.1.19 Indicate the cases in which directors are obliged to resign.

Board Members, according to the provisions of the Regulations of the Board, must stand down from their position on the Board and formalise, if the Board considers this appropriate, the corresponding resignation, in the following cases:

a) When the Board Member reaches the age of 70.

b) When they are affected by any of the cases of incompatibility or prohibition provided by law.

c) When they are affected by circumstances that could prejudice the credibility and reputation of the company and, specifically, when they are prosecuted for an alleged crime or are undergoing disciplinary proceedings for serious or very serious misconduct brought by the authorities supervising the Securities Market.

d) When they are seriously admonished by the Audit Committee on the grounds that they violated their obligations as Board Members, and

e) When the reasons for which they were appointed are no longer relevant and, specifically, when an Independent Board Member or a Proprietary Board Member loses their respective status.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

[ ] Yes
[√] No

If so, please describe any differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

[ ] Yes
[√] No

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

[ ] Yes
[√] No

As a general rule for all Board Members, when they reach 70 years of age, they must stand down from the Board, and the Board may ask them to formalise their resignation.

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

[ ] Yes
[√] No

C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, please briefly describe these rules.

Board Members may delegate their representation and voting rights to another Board Member in the event that they are absent at the Board's sessions. These rights must be delegated in a letter sent to the Chairman.

A maximum number of proxies per Board Member has not been established. Non-executive Board Members may only delegate their representation rights to another non-executive Board Member.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year.
Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	10
Number of board meetings held without the chairman's presence	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	1

Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the AUDIT AND COMPLIANCE COMMITTEE	7
Number of meetings of held by the INVESTMENTS COMMITTEE	7
Number of meetings held by the APPOINTMENTS AND REMUNERATION COMMITTEE	7

Normally two meetings are held by the Lead Director with the executive Directors, but in 2020, due to the COVID-19 scenario, only one meeting was held.

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings in which at least 80% of directors were present in person	10
Attendance in person as a % of total votes during the year	100.00
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	10
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100.00

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

[√] Yes
[ ] No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Positio
MR IGNACIO MARTINEZ SANTOS	FINANCIAL DIRECTOR
MR JAVIER FERNANDEZ ALONSO	MANAGING DIRECTOR
MR CARLOS ORTEGA ARIAS-PAZ	MANAGING DIRECTOR

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

Among its various functions, the Audit and Compliance Committee liaises with the External Auditors and, as part of this work, it must monitor that the opinion of the audit report on the annual accounts does not contain any kind of reservations. The audit reports concerning the company's annual accounts have never contained reservations.

C.1.29 Is the secretary of the Board also a director?

[√] Yes
[ ] No

If the secretary is not a director, complete the following table:

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

It is the responsibility of the Audit and Compliance Committee, among other tasks, and in accordance with the Law, to ensure the independence of the external Auditors and, especially, to receive information concerning matters which could jeopardise their independence.

In this sense, the Audit and Compliance Committee is responsible for the selection process of the auditors and to receive written confirmation of the auditors on their independence and to issue a report on the Committee's opinion in this regard. Similarly, it authorises the provision of services other than those of the legal audit in accordance with the Policy on the External Auditor's Provision of Services other than the Legal Audit that it approved in 2017.

The Company also fully respects the prohibitions and incompatibilities stipulated in the Audit

Law, after the enactment of Law 22/2015 of 20 June.

In 2020, the independence of the External Expert was reported on in the Audit and Compliance Committee and the independence report issued by the External Expert was examined.

With regards to financial analysts and investment banks, at this time, there is no established procedure aimed at guaranteeing the independence of these bodies, though the company has always acted transparently with them.

With regards to rating agencies, this is not applicable as at this time there is no relationship with any of them.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors.

[ ] Yes
[√] No

If there were any disagreements with the outgoing auditor, explain their content:

[ ] Yes
[√] No

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work.

[√] Yes
[ ] No

	Society	Group Companie	Total
Amount invoiced for non-audit services (thousands of euros)	11	16	27
Amount invoiced for non-audit work/Amount for audit work (in %)	17.70	32.90	18.29

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

[ ] Yes
[√] No

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of uninterrupted financial years	4	4

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	13.30	13.30

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

[√] Yes
[ ] No

Details of the procedure

It will be the responsibility of the Chairperson and the Secretary of the Board to prepare and provide to the Directors all information necessary to pass the resolutions proposed on the agenda of each meeting of the Board of Directors, at least three working days in advance of the date of the meeting in question.

Furthermore, the board members have a duty to request and the right to collect from the Company the appropriate and necessary information for the fulfilment of its obligations and shall be channelled through the Chairman. They may also obtain any advice they may need about any aspect of the Company, which will be channelled through the Chairman.

The External Board Members may mutually agree on the engagement of the expert Company, which shall be communicated to the Company Chairman and shall be implemented by the Managing Director, and may be vetoed by a majority of two-thirds of the Board if it is not deemed accurate for the performance of its duties or is not reasonable.

In the Audit and Compliance Committee and the Appointments and Remuneration Committee, the Secretary shall provide its members with the resources and documentation to fulfil their duties and it is also anticipated that external information and advice may be collected on any aspect of the Company, in this latter case by prior communication and approval by the Chairman, which will not be rejected except for justified reasons.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

[√] Yes
[ ] No

Explain the rules

Board Members must inform the Board of the criminal cases in which they are involved as defendants, as well as subsequent procedural events.

When the Board is informed or becomes aware of any of the circumstances mentioned in the above paragraph, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure must be adopted, such as opening an internal investigation, asking the director to resign or proposing that he or she be dismissed. These events must be reported in the ACGR, unless there are any special reasons not to do so, which must also be noted in the minutes

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

[ ] Yes
[√] No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid and their effects.

The company has not adopted any agreement coming into force in case of a change of control of the company as a result of a takeover bid.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	8
Type of beneficiary	Description of the agreement
Executive Board Members and Directors	In the event that an Executive Board Member who has not had a previous employment relationship with Alba is dismissed, the Executive Board Member is entitled to a compensation equivalent to one year's Fixed Remuneration, increased by one twelfth of that year's Fixed Remuneration for each year of service in Alba, subject to a limit of two years. If an Executive Board Member who has had a previous employment relationship with Alba is dismissed, if the previous employment relationship is resumed and terminated by decision of Alba, the compensation will be in accordance with employment regulations, and the greater of the following amounts will be paid (i) the amount of the fund set up as a pension supplement, or (ii) the amount of one year's Fixed Remuneration, plus one twelfth of that annuity for each year of service with Alba. The compensation is not paid until it is verified that the Executive Board Member has met the performance criteria established.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General Shareholders' Meeting
Body authorising the clauses	√	

	Ye	No
Are these clauses notified to the General Shareholders'	√	

The contracts that must be approved by the company's bodies are those of the executive Board Members. In the Remuneration Policy of the Board of Directors approved by the General Shareholders' Meeting of 2019, and amended in 2020, there is still a section concerning the basic conditions of the contracts of these Board Members, including a section concerning compensation for early cancellation or termination of the contractual relationship between the company and the Board Member

However, according to the provisions of article 249 bis. h) and 529 quindecies.3.e) and g) of the Capital Companies Act, as well as articles 5.2.1. h) and 36. e) and g) of the Regulation of the Board of Directors of Corporación Financiera Alba, S.A., it is the responsibility of the Board of Directors, after informing the Appointments and Remunerations Committee, to appoint and dismiss Directors who reported directly to the Board or any of its members, as well as establishing the basic condition of their contracts and the remuneration policy applicable to these Directors.

The Board of Directors of Corporación Financiera Alba, S.A., in its meeting of 2019, approved the basic conditions and the Remuneration Policy for the Directors of the Company, following the Remuneration Policy of the Board of Directors approved by the General Shareholders' Meeting on that same year. In 2020 the following conditions remained in effect.

C.2. Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

AUDIT AND COMPLIANCE COMMITTEE

Name	Positio	Category
MS MARÍA EUGENIA GIRÓN DAVILA	MEMBER	Independent
MS ANA MARÍA PLAZA ARREGUI	CHAIRPERSON	Independent
MS CLAUDIA PICKHOLZ	MEMBER	Independent

% executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of other external directors	0.00

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Since 2017, it has had its own Rules and Regulations which were amended by the Board on 26/10/2020 to adapt it to CNMV resolution of 26/06/2020, amending the Good Governance Code.
a) Duties:
1.Inform the General Shareholders' Meeting about issues within its remit, the result of the audit and how this has contributed to the integrity of the financial information and its function in that process.
2.Supervise the effectiveness of the company's internal control, internal audit and risk management systems, discussing with the auditor any significant weaknesses in the internal control system detected in the audit, without impinging upon their independence, and may present recommendations or proposals to the Board and timeframes for monitoring it.
3. Oversee the preparation and presentation of the financial and non-financial information, as well as its communication policy, and submit recommendations or proposals to the Board to safeguard its integrity.
4.Submit before the Board any proposals for the selection, appointment, re-election and replacement of the accounts auditor, and is responsible for the selection process and the terms and conditions of the engagement. Gather information on the audit plan and its execution, and maintain its independence during the performance of its duties.
5.Establish relations with the external auditor in order to receive information on matters that may pose a threat to its independence, for examination by the Committee, and others concerning the performance of the auditing of the accounts, and on the authorisation of services different to those prohibited, regarding the regime of independence, as well as other communications concerning the legislation and rules on the auditing of accounts. Receive the annual statement of independence and information on the additional services provided and the fees paid.
6.Annually issue, prior to the account audit report, an opinion report on whether the independence of auditor of accounts is compromised, and detail the assessment of the provision of the additional services referred, considered individually and as a whole, in relation to the regime of independence or the regulation of the auditing activity.
7.Informs the Board in advance about the matters set forth in the Law, articles of association and Board Rules, and in particular, the financial information to be published periodically; the creation or acquisition of interests in special purpose entities or domiciled in tax havens; and related parties.
8. Supervise the compliance with corporate governance rules, internal codes of conduct and the sustainability policy. b) Composition and organisation: A minimum of 3 and a maximum of 5 members, all external or non-executive board members. The majority, and the Chairperson must be independent directors. All members, in particular the Chairperson, will have a knowledge of accounting, auditing, experience in financial aspects, internal control and risk management. As a whole, it will have relevant technical knowledge concerning the area of activity of the Company. The Secretary, which may be a member, is the Secretary to the Board. Substitutes may be appointed from among the cited Board Members, in case of vacancies, absences or conflicts of interest. The post lasts until the mandate as board member is terminated, and there is a possibility of re-election. It will be summoned in advance with a minimum of five days' notice and will include the agenda. For it to be validly in session, the majority of its members, present or represented, may be convened and represented by another member. Agreements are adopted based on a majority of those present or represented. The Chairperson has the casting vote. It periodically informs the Board, via its Chairperson, of its activities, and advises and proposes measures within the scope of their duties.
c) Actions: In 2020, its three members held seven meetings. The following actions are highlighted in the following areas:

1.Review of periodic financial information: it made suggestions and intended to publish them on the Company's website.
2.External audit and relations with the auditors: It was briefed on Annual Accounts for the year, the review of the first half of 2020 financial statements and the 2020 audit planning. It assessed the external auditor and reported on its independence. It submitted the proposed re-election of the external auditor for the financial year 2020 to 2022 before the Board of the Directors.
3.Risk identification and internal control system. Five meetings addressed risk management and tracking, examining follow-up reports, or being informed by the Company's persons in charge of risk management and analysing the impact of COVID-19.
4.Internal audit: It approved its Activities Plan for 2020, was informed of its duties and reported to the Board as well as the follow-up of the SCIIF. It evaluated the Internal Audit Service.
5.Review of non-financial information. The 2019 NFRS reported favourably, including the Progress Report for the Global Compact, as a signatory member. It reported on the new Sustainability Policy approved by the Board on 12/11/2020, which replaced the CSR Policy.

6.Regulatory compliance and others: Examined Compliance Follow-up reports. It approved the updated Crime Prevention Model. It issued the Related Operations Report in 2019 and examined the ACGR project. It assessed its performance in 2019, without changes in the internal organisation and company procedures. It reported on the amendment to the ICC within the scope of the Securities Market, the Rules and Regulations of the Board of Directors and of the Audit and Compliance Committee, the Code of Ethics and Conduct and the Communication and Sustainability Policies. It reported on the adherence to the Code of Good Tax Practices. Its action report is published with the summoning of the General Shareholders' Meeting.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed

Names of directors with experience	MS ANA MARÍA PLAZA ARREGUI
Date of appointment of the chairperson	17/06/2019

INVESTMENTS COMMITTEE

Name	Positio	Category
MR SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	MEMBER	Other External
MR JOSE DOMINGO DE AMPUERO Y OSMA	CHAIRPERSON	Independent
MR ANTONIO MARIA PRADERA JAUREGUI	MEMBER	Independent
MS MARÍA LUISA GUIBERT UCÍN	MEMBER	Independent
MR JUAN MARCH JUAN	MEMBER	Proprietary
MR JUAN MARCH DE LA LASTRA	MEMBER	Proprietary

% executive directors	0.00
% of proprietary directors	33.33
% of independent directors	50.00
% of other external directors	16.67

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Investment Committee was formed by the Board of Directors at its session of 17 June 2019. a) Duties
- Report on the Company's investment strategy.

- Reporting, optionally, on the investment or divestment decisions which fall under the responsibility of the Board of Directors in a plenary session. Investments or disinvestments of more than 200 million euros are considered to fall under the responsibility of the Board of Directors in a plenary session.
- Make investment and divestment decisions when these exceed the following amounts, and the amount provided in the section above is not reached:

(i) Investment or disinvestments in securities issued by entities which, at all times, form a direct or indirect part of the securities portfolio: 25 million euros.
(i) Investments in securities issued by entities which do not form a direct or indirect part of the securities portfolio: 10 million euros.(iii) Real estate investment and divestments: 25 million euros.
- Make investment or divestment decisions which fall under the responsibility of the Board of Directors, in a plenary session, in emergencies. These decisions must be ratified by the Board of Directors in the first session of the Board held after adoption of the decision.
- Receive information concerning changes in the entities in which Corporación Financiera Alba, S.A. has an ownership interest, with a view to tracking its strategy, compliance with its business plans and budgets and general changes to the entities and their sectors.
- Track the investments made in order to check that they comply with the targets and principles of the Investment Policy approved by the Board of Directors.
- Proposal of measures or decisions which are considered fitting for optimising the profitability of the investments.
- Proposals to the Board of Directors for the amendment of the shareholding or to agree the divestment.
- Any other duties related with matters falling under its responsibility which are requested by the Board of Directors or by its Chairperson.

b) Composition and organisation
The Investment Committee will be comprised of a minimum of three and a maximum of six Board Members who have the knowledge, abilities and experience of the Board Members and the tasks of the Committee. The Board will appoint the Chairman of the Committee and the Secretary of the Board of Directors or, failing this, the person appointed by the Committee for each session will act as the non-member Secretary.
The duration of the position will be for the period remaining up until termination of the mandate as a Board Member, however re-election is possible.
The Investment Committee will meet as many times as it is convened, based on an agreement of the Committee itself or its Chairman, with at least 24 hours' notice. Any person in the Company that the Committee considers appropriate may be invited and attend the meetings. The meetings of the Investment Committee will normally take place at the registered office, but can also be held in any other location determined by the Chairman and indicated in the call to meeting. Meetings may likewise be held by conference call for videoconferencing, provided that the Directors have appropriate technical resources in place, and no Director objects to this.
Likewise, in order to better perform its duties, the Committee may solicit the advice of external professionals, first informing the Chairman of the Board of Directors and receiving the Chairman's approval.
In order to be deemed quorate, the Committee's meetings must be attended, in person or by proxy, by the majority of its members. Each member of the Committee may vest powers of representation in another Member. This power of representation must be granted in writing. A fax or email sent to the Chairman of the Committee will be acceptable.
Resolutions will be passed by the majority of the members present in person or by proxy. In the event of a tie, the President will hold the casting vote.

The Secretary of the Committee will draw up the Minutes of each of the meetings held, to be approved at the meeting itself or that immediately following. A copy of the minutes of the meetings will be sent to all members of the Board.

c) Additional regulation
In matters not specifically provided for, the Investment Committee may regulated itself, with the Regulations of the Board of Directors relating to its functioning being supplementarily applicable.

d) Actions
In 2020, the Investment Monitoring Committee comprised of six members, and met on seven occasions.

In 2020, the Investment Committee reported on the matters within its remit. It examined the situation of the investments in five listed companies and in nine non-listed companies in the investment portfolio, the divestment in a listed company, as well as the proposals for investments in a listed company and a fund. A summary of its activities is included in the corresponding report on the actions of the Investment Committee, which is made public with the call to meeting of the General Shareholders' Meeting.

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Positio	Category
MS MARÍA EUGENIA GIRÓN DAVILA	CHAIRPERSON	Independent
MR JOSE DOMINGO DE AMPUERO Y OSMA	MEMBER	Independent
MR CARLOS MARCH DELGADO	MEMBER	Proprietary

% executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67

% of other external directors	0.00

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Since 2019, it has had its own Rules and Regulations which were amended by the Board on 26/10/2020 to adapt them to CNMV resolution of 26/06/2020, amending the Good Governance Code.
a) Duties:
- Assess the skills, knowledge and experience needed on the Board of Directors. It will define the duties and abilities needed in the candidates who must fill vacant positions and assess the time and dedication needed to efficiently perform their tasks.
- Establish a representation target for the least represented gender on the Board of Directors and prepare guidelines on how to reach this target.
- Present proposals before the Board for the appointment of independent Directors and report on proposals for the appointment of remaining Board Members for their appointment by co-opting or to submit them for a decision by the General Shareholders' Meeting, as well as proposals for re-election or dismissal of these board members by the General Shareholders' Meeting.
- Announce proposals for the appointment and dismissal of senior executives and the basic conditions of their contracts.
- Examine and organise the succession of the Chairman of the Board and the company's top executive and make proposals to the Board so that this is in an orderly and organised manner.
- Propose, to the Board, the remuneration policy for the board members and general directors, or individuals performing senior management duties, reporting directly to the Board, Executive Committees or Managing Directors, and individual compensation and other contractual conditions of the executive Board Members, ensuring these are observed.
- Periodically review the remuneration policy applied to Board Members and senior executives, including share-based remuneration systems and their application, in addition to guaranteeing that their individual remuneration is proportional to what is paid to other Board Members and senior executives of the company.
- Report on the proposed appointment and dismissal of the Secretary of the Board.
- Examine the information provided by the Board Members concerning their other professional obligations, should these interfere with the level of dedication required.
- Review the classification of the Board Members on an annual basis.
- Check information concerning the remuneration of Board Members and senior executives in the corporate documents, including the ARR, and ensure the remuneration is transparent and that it is included in the Annual Report on Director's Remuneration.
- Ensure any conflicts of interest do not jeopardise the independence of the external advice provided to the Committee.
b) Composition and organisation: a minimum of 3 and a maximum of 5 members, all external or non-executive board members. At least two, among them the Chairperson, will be independent directors The Chairperson will be appointed by the Board, taking into account their knowledge and experience in corporate governance, human resources, the selection of directors and senior management, performance of senior management tasks and remuneration of directors and senior management. All efforts will be made to ensure that as a whole, they have the sufficient knowledge and experience to discharge their duties, while favouring the diversity in its composition in terms of gender, age and professional experience. The Secretary of the Board will act as Secretary. The Board may also appoint substitutes from among the Board Member categories indicated, in case of vacancies, absences or conflicts of interest. The duration of the position will be for the period remaining up until the termination of the mandate as a Board Member, however re-election is possible. It shall convene as often as is required by agreement of the Committee or its Chairman, or at the request of the Board of Directors, and at least three time a year. In order to be deemed quorate, the Committee's meetings must be attended, in person or by proxy, by the majority of its members. Another member of the committee may be appointed as a proxy. Resolutions will be passed by the majority of the members present in person or by proxy. The Chairperson has the casting vote. It can gather all types of information on the Company, and obtain advice from external professionals for technical or significant aspects, with the approval of the Chairman of the Board of Directors, who will not deny such a request without reason.
c) Actions: During 2020, its three members met on seven occasions. It has made proposals and issued reports concerning the matters within its remit: the review of the remuneration of the Executive Directors and Executive Managers; the ARR for 2019 and the transparency of the information included in the Annual Accounts regarding Director remuneration; the amendment on 18/06/2020 of the Directors' Remuneration Policy approved on 17/06/2019; the monitoring of the Remuneration Policy, the annual variable remuneration and the multi-year variable remuneration plan and its amendment; the renewal of the Directors and their classes; the composition and renewal of the Committees; the amendment to the category of a Director; the skills matrix of the Board of Directors; the proposal for the succession of the Chief Executive; the new professional activities of a Director; the self-assessment of the Board of Directors in 2019 and its assessment by an external expert and the activity of the Committee in 2019; the monitoring of the Director selection policy; the target for representing the least represented gender; the proposed amendment to its Rules and Regulations. The summary of its activities detailed in the report on its actions, published with the call for the General Shareholders' Meeting.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	2020 Financial Year		2019 Financial Year		2018 Financial Year		2017 Financial Year	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND COMPLIANCE COMMITTEE	3	100.00	3	100.00	2	66.66	1	33.33
INVESTMENTS COMMITTEE	1	16.67	1	16.67	0	0.00	0	0.00
APPOINTMENTS AND REMUNERATION COMMITTEE	1	16.76	1	16.76	2	66.66	2	66.66

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The regulations of the Audit and Compliance Committee are contained in the Rules and Regulation of the Board of Directors and in its own Rules and Regulations, which were approved by the Board of Directors in its meeting of 23 October 2017, following Recommendation number 19 of the Technical Guide of the CNMV 3/2017 concerning Audit Committees in Public Interest Entities, and were amended on 26 October 2020 to adapt them to the recommendations introduced by CNMV Resolution of 26 June 2020 on the Good Governance Code of Listed Companies.

The regulations of the Appointments and Remuneration Committee is included in articles 35 and 36 of the Regulation of the Board of Directors and in its own Rules and Regulations, which were approved by the Board on 17 June 2019, in accordance with section 3.2 of Technical Guide of the CNMV 1/2019 of 20 February concerning Appointments and Remuneration Committees and amended on 26 October 2020 to adapt them to the recommendations introduced by CNMV Resolution of 26 June 2020 on the Good Governance Code of Listed Companies.

The regulations of the Investment Committee are contained in its charter and delegation of the powers of this Committee, adopted in a session of the Board of Directors on 17 June 2019.

The Regulations of the Board of Directors, the Audit and Compliance Committee and the Appointments and Remuneration Committee are available on the corporate website (www.corporacionalba.es) and at its corporate address.

The Audit and Compliance Committee, the Appointments and Remuneration Committee, and the Investment Committee submitted a report on their activities in the previous year which are available on the Company's website due to the call of the General Shareholders' Meeting.

D. RELATED PARTY AND INTRAGROUP TRANSACTIONS

D.1. Describe, if applicable, the procedure and competent bodies for the approval of related party and intragroup transactions.

Report of the Audit and Compliance Committee and approval by the Board of Directors.

D.2. Describe any transactions that are significant, either because of the amount involved or the subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name or company name of the significant shareholder	Name or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
BANCA MARCH, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Corporate	Dividends and other gains distributed	8,748
BANCA MARCH, S.A.	ARTÁ CAPITAL, SGEIC, S.A.U.	Contractual	Other	592

All transactions with Banca March, S.A. constitute the company's ordinary traffic and are performed under normal market conditions.
In 2020, the signing of an investment commitment in a risk capital fund promoted by Banker March was authorised, without this representing any payment of monies by the Company.

D.3. Describe any transactions that are significant, either because of their amount or the subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name or company name of director(s) or manager(s)	Name or company name of the company or entity within its group	Relationship	Type of transaction	Amount (thousands of euros)
No data				N/A

D.4. Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the consolidation process and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the group	Brief description of the transaction	Amount (thousands of euros)
No data		N/A

D.5. Report any material transactions carried out by the company or entities belonging to its group with other related parties parties that have not been reported in the previous sections.

Company name of the related party	Brief description of the transaction	Amount (thousands of euros)
FUNDACION INSTITUTO JUAN MARCH DE ESTUDIOS E INVESTIGACIONES	Partnership Agreement	300

D.6. List the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

According to the provisions of the Regulations of the Board, Board Members cannot directly or indirectly make professional or commercial transactions with the entity or with any of its subsidiary Companies, unless they inform the Board of Directors of these subsidiaries in advance and the Board of Directors, subject to a report by the Audit and Compliance Committee approving the transaction.

On the other hand, in the event of public requests to delegate voting powers made by the Board of Directors or any of its members, the direction in which the representative will vote must be indicated in the event that no instructions have been given by the shareholder. Furthermore, in case of a public request to delegate voting powers, the Director cannot exercise the voting power for the shares represented concerning matters on the agenda where there is a conflict of interest.

D.7. Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

[ ] Yes
[√] No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's Risk Management and Control System, including tax risk:

Corporación Financiera Alba, S.A. (hereinafter Alba or the Group) has defined an Integrated Risk Management System aimed mainly at:

• 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 efforts which, in terms of risk management, the company is performing.
• Achieving reasonable risk acceptance and reinforcing the responsibility of employees of the Company.
• Ensuring the control systems are aligned with the real risks of the Company.
• Facilitating and streamlining the application of corrective measures.

This Integrated Risk Management System was implemented at a corporate level to mitigate the risks encountered by the Group, given the nature and degree of complexity of its transactions and the environment in which it operates. This System unites three key components:

(i) Continued Risk Management process, understood as those activities performed by all individuals in the Company under the supervision of the Audit and Compliance Committee that are focused on identifying those potential risk events that could affect it, managing the risks identified and ensuring reasonable security in achieving the Company's objectives.

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

• Identifying and assessing the risks that could affect the Company.
• Determining the level of risk that is can be tolerated, by defining key risk indicators (KRIs) for each critical risk and establishing tolerance levels for these risks.
• Identifying checks.
• Identifying the processes in which these risks and controls occur.
• Assessing the effectiveness of the checks in mitigating the risks identified.
• Design and implementation of action plans, as a response to the risks.

In this regard, Alba has prepared the company's Risk Map, which shows the company's key risks based on their impact and probability. In order for this risk map to be effectively configured as a management tool allowing the company to reach informed decisions, it is periodically reviewed and updated to adapt it to the Company's current situation. Alba's Risk Map was last updated in 2019 with the agreement of the Audit and Compliance Committee as well as the Board of Directors.

The Company has likewise defined the Risk Datasheets for the most critical risks, identifying the key risk indicators (with their corresponding tolerances), the associate controls and, where applicable, the action plans to be implemented.

These Indexes allow the Company to periodically assess and monitor its risks and to determine the most appropriate response to these risks.

(ii) An organisational focus, with clearly defined and communicated roles and responsibilities. Full risk management affects all staff of the Company, as a result, it is vital to establish an organisational focus on risk management that is suited to the organisational structure and the Company's corporate culture.

Though the Integrated Risk Management System affects and involves all Company staff, the main participants, as are described in the next section (E.2), are as follows: risk managers, the Risk Control and Management Department, the Audit and Compliance Committee and the Board of Directors.

(iii) A tracking model, which identifies and provides the crucial information needed so that all those involved in the risk management process can make informed decisions concerning the risks. This tracking model is cross-sectional as it 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.

These components combine to form a model which allows appropriate management of risks and checks to mitigate risks at a corporate level, which applies to all risks indicated in section E.3, which includes the fiscal risks

In 2020 it was not deemed necessary to update or amend the review of the Risks Map carried out in 2019.

There was also an assessment of the impact of COVID-19 on Alba's risk management system this year, using the Risks Map and the critical risks that follow as a starting point, as well as an assessment of the organisation's response level to address the challenges generated by COVID-19 on the business model and the corporate risk management systems. The main conclusions drawn are: (i) the adequate level of response by Management to the challenges and additional requirements caused by the impact of COVID-19; (ii) the existence of response measures already implemented that allowed the residual risk to remain within the established risk appetite limits; and (iii) the recommendation to maintain the implemented response measures, in so far as the risk situation does not suffer any changes.

E.2. Identify the bodies within the company responsible for preparing and executing the Risk Management and Control System, including tax risk.

Alba's Integrated Risk Management System involves all the Company's staff, though the main parties responsible for the System are as follows:

a) Board of Directors.
The Board of Directors has reserved the right to determine the risk control and management policy, including for tax risks, and to supervise the internal reporting and control systems.
In this regard, the Board of Directors is the main body responsible for the risk management system, since it develops the mechanisms needed so that all the relevant risks involved in the activities and business dealings are adequately identified, managed and controlled within the limits established.

b) The Audit and Compliance Committee.
The Audit and Compliance Committee, which has been entrusted, among other duties, with supervising the effectiveness of the company's internal checks, internal audits and risk management systems. It assesses whether or not there is sufficient organisation, staff, policies and processes needed to identify and control its main risks.

c) The Risk Control and Management Department.
The Risk Control and Management Department is under the direct supervision of the Audit and Compliance Committee and has been expressly given the following duties, which are included in its Articles of Association, and which have been approved by the Board of Directors:

• 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 appropriately quantified.
• Actively participating in preparing the risk strategy and important decisions concerning its management.
• Ensuring that the risk control and management systems appropriately mitigate risks, as part of the policy identified by the Board of Directors.

d) Risk Managers.
They are responsible for monitoring the risks assigned to them and for reporting any relevant information in this regard to the Risk Management and Control Unit.

With regard to the risk management processes, it is noteworthy that, in addition to the aforementioned Risk Management and Control Department, Alba has Regulatory Compliance processes which are performed by the various operational and support departments, as well as an Internal Audit Service (SAI), which is defined as an advisory and control body in the service of the Audit and Compliance Committee,
that is independent within the organisation as regards its actions, aimed at assessing the various areas and functional activities of the Company, as is stipulated in the Charter of the Internal Auditing Service.

The analysis and proposal of recommendations for improving the risk management processes, as well as performing independent assessments concerning the effectiveness and efficiency of internal checks are included among the duties entrusted to the Internal Audit Service, which works in partnership with the Risk Control and Management Department in order to avoid duplicating tasks and/or areas without sufficient coverage.

In relation to crime prevention, Alba has an Organisation and Management Model for preventing the commission of crimes, alongside the Crime Prevention Manual, which was updated in 2020. The Risk and Control Matrixes were updated in 2019.

E.3. Indicate the main risks, including tax risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives:

The Group is subject to various risks inherent to the different sectors and markets in which it or its associated companies or companies in which it has holdings operate, and which could prevent it from achieving its targets and successfully executing its strategies.

As indicated above, Alba has a Risk Map, which is a tool that makes it possible to put the risks that could affect corporate targets into context, in addition to identifying and prioritising the most relevant and critical risks, making it possible to make decisions concerning steps to take to mitigate these risks.

Alba has a risk tracking and updating system which makes it possible to identify and incorporate any new risk identified during the financial year in the company's map. Likewise, the system ensures that all key risks are reviewed at least twice per year. As a result of this review and analysis process. the current Risks Map, reviewed in 2019, has a total of nine risks.

As a result, in the process of identifying and assessing risks affecting the Group, the following risk factors were considered to inherently be the most relevant (in other words, before applying the checks established):

· Macro-economic and socio-political factors
· Investment management
· Measurement and monitoring of investments
· Requirements regarding financial and non-financial information
· Tax management
· CNMV requirements
· Technological security
· Corporate reputation

The Crime Prevention Manual, by identifying the criminal risks likely to affect the Company, highlights the crimes of corruption in business dealings, among other offences. Based on the risk tracking reports, there do not appear to be any significant corruption risks that affect the Company. The Code of Ethics and Conduct formally expresses the Company's condemnation of any form of corruption.

E.4. Indicate whether the entity has risk tolerance levels, including for tax risk:

Alba's risk assessment and management model categorises risks, including tax, into four classifications, based on the impact of the risk and the probability of occurrence, as well as the perceived degree of internal control mitigating these risks.

Based on these parameters, the risks are classified as:

• Minor risks: Risks whose inherent criticality is medium-low and whose perceived degree of internal control is medium-high. These risks are managed with a view to rationalising the efforts made to mitigate these risks, without this causing appreciable damage to the perceived degree of internal control.
• Average risks: Risks whose inherent criticality is medium-low and whose perceived degree of internal control is medium-low. These risks are tracked with a view to confirming that they maintain a medium-low level of inherent criticality, otherwise, the corresponding corrective measures will be taken.
• High risks: Risks whose inherent criticality is medium-high and whose perceived degree of internal control is medium-high. For this type of risk, the associated checks are assessed in order to confirm the effectiveness of their design and method, and to confirm that the checks adequately mitigate the risks.

• Critical risks: Risks whose inherent criticality is medium-high and whose perceived degree of internal control is medium-low. These risks are continually monitored by the of Alba's Management and action plans will be established to increase their degree of internal control, where necessary.

Alba has identified Key Risk Indicators (KRIs) for all risks categorised as high and critical and has established tolerance levels for each of the risks. The results are periodically assessed and reported within Alba's Integrated Risk Management System tracking model (see detailed explanation in section E.6).

E.5. Indicate which risks, including tax risks, have materialised during the year:

During the 2020 financial year, and in spite of the impact of COVID-19, the most relevant risks for the Group did not materialise.

E.6. Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise:

As stated in the previous sections, Alba has appointed a Risk Manager for each risk assessed as being critical or high. The Risk Manager is responsible for monitoring each risk assessed and for informing the Risk Control and Management Department of relevant information concerning such risks, basically:

• Changes in the perception of the risk level.
• Effective operation of the checks identified for mitigation of these risks (and, where applicable, the potential effects).
• Values collected using the indicators and comparison with established tolerance levels.
• Status of the actions plans underway (if there is an action plan for this risk) and, where applicable, proposal of new action plans.

The effective operation of this key process of the Integrated Risk Management System is based on the existence of a Tracking Model (as indicated in section E.1) which is a cross-sectional component that allows the System to have dynamic behaviour and, above all, to anticipate risks, allowing for risk management and control within the limits set by Alba. With this as a basis, the persons in charge of risk management periodically provide relevant information to the Risk Unit, which conducts an independent and informed assessment of the Risk Unit and prepares the relevant risk report for the Audit and Compliance Committee, which is assigned to, among others, the role of monitoring the effectiveness of internal control of the company, internal audit and risk management systems.

The Integrated Risk Management System, alongside of Alba's policies and management and control systems, have made it possible to identify risks and new threats sufficiently in advance, which are the focus of the tracking report that is submitted for inspection to the Board of Directors.

The Regulatory Compliance function coordinates, systematises and monitors the various actions and efforts in this regard with the Board of Directors approving the compliance model established and its tracking. In 2020, tracking reports were drawn up and submitted to the Board of Directors, which has approved them.

The Integrated Risk Management System (described in section E.1), together with the Risk Management Policy, the Risk Management and Control Function Charter, and the remaining elements of that System, such as the ongoing risk management process, the main participants (section E.2) allow the Board of Directors to identify and respond to issues arising in relation to the risks that may affect the Company.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1. The entity's control environment.

Report on at least the following, describing their principal features:

F.1.1 The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The Internal Financial Information Control System (SCIIF) is part of the risk management and control system of Corporación Financiera Alba, S.A. (hereinafter, "ALBA" or the "Group"), the purpose of which is to ensure reasonable security over the reliability of the financial information that Alba, as a listed company, distributes to the stock markets.

The bodies of Alba responsible for the existence and maintenance of an appropriate and effective SCIIF, as well as its duties, are as follows:

The Board of Directors, which has ultimate responsibility in this regard, according to the provisions of article 5 section 2.2.b) of the Regulation of the Board of Directors.

The Audit and Compliance Committee, for its part, is responsible for supervising the effectiveness of the company's internal checks and audit services, as well as supervising the process of preparing and presenting regulated financial information and the company's internal control systems in this regard. Following Recommendation number 19 of the Technical Guide of the CNMV no. 3/2017, on Audit Committees of Public Interest Entities, in 2017, the Board of Directors approved the Regulations of the Audit and Compliance Committee, which were amended on 26 October 2020 to adapt them to the recommendations introduced by CNMV Resolution of 26 June 2020 on the Good Governance Code of Listed Companies.

According to this Regulation, the Audit and Compliance Committee is responsible for:

- "Periodically reviewing the internal control and risk management systems, so that the main risks are identified, managed and suitably reported."
- "Reviewing the process for preparing the Company's financial information, in order to establish its integrity, technological quality and internal check quality, compliance with regulatory requirements, proper delimitation of the consolidation perimeter, proper application of generally accepted accounting principles and standards, which are duly documented in an Accounts Plan, and compliance with remaining legal requirements concerning this information."
- "Ensuring the independence of the department assuming internal audit duties."
- "Reviewing updates to financial information on the Company's website".

The Audit and Compliance Committee is supported by the Internal Audit Service which is responsible for, among other matters, the preparation and execution of an annual action plan; ensuring compliance with established standards and instructions; assessing the sufficiency and application of internal checks; informing the Audit and Compliance Committee of irregularities detected and tracking accepted recommendations. These responsibilities are formalised in the Charter of the Internal Audit Service, which were updated by the Board of Directors in 2017.

In relation to the audit plans on the review of the SCIIF, in 2020, the Audit and Compliance Committee examined the internal audit on the review of the SCIIF carried out in 2019, which indicated that the Company complied with the standards defined within the regulatory framework in the principles proposed by the CNMV and making some proposals for improvement. Furthermore, the review of the SCIIF was included in the Internal Audit Plan of Activities for 2020, without any irregularities being detected. The review of the SCIIF was included among the audits of the Plan of Activities for 2021.

On the other hand, Financial Management is responsible for designing, establishing and operating the SCIIF, as well as identifying and assessing risks and determining the checks to be established.

F.1.2 Indicate whether the following exist, especially in relation to the drawing up of financial information:

· Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity:

The Board of Directors, as established in its Regulation:
• Is responsible for approving the definition of the structure of the Group of companies, as well as the corporate governance policy. Additionally, at the suggestion of the company's first executives, the Board decides to appoint and potentially to dismiss the Group's senior executives.
• Likewise, the Board reserves, as part of its duties, the right to approve the company's general Policies and strategies and, in particular, the strategic or business Plan, as well as management targets, the Group's investment and financing Policy, determination of the Risk and Management Policy and the determination of the company's tax strategy. The Board also reserves the power to supervise and check that Management has met the targets set and is respecting the Company's purpose and corporate interests.
Financial Management is principally responsible for preparing the financial information. This Management department establishes the structure of those responsible for financial information and the status of the internal control system for financial information, in addition to coordinating and supervising its actions.
The Board of Directors, via the corresponding areas and departments, distributes relevant information concerning the Company including, but not limited to, information concerning the summons of the general shareholders' assembly, its agenda, relevant events, internal corporate governance regulation and the Annual Report, among other information.
The means of dissemination used guarantee communication without restrictions, and in due time and manner, including their potential publication on the web page and/or intranet. At its session of 10 June 2015, the Board of Directors approved the initial Communication Policy of the Company, which has been replaced by a new version, approved during the session of 12 November 2020 to include the recommendations introduced in the Good Governance Code of Listed Companies via CNMV Resolution of 26 June 2020, in particular, those relating to the communication of financial information.

· Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions:

The ALBA Group has had a Code of Ethics and Conduct since December 2011.
Following the favourable report from the Audit and Compliance Committee, the Board of Directors approved in 2018 a new Code of Ethics and Conduct, to address, in particular, the evolution of the legal regulation of criminal liability of legal persons, which was amended, subject to a favourable report by the Audit and Compliance Committee, by the Board of Directors on 26 October 2020 to include the recommendations introduced by CNMV Resolution of 26 June 2020 in the Good Governance Code of Listed Companies
The Code of Ethics and Conduct of Corporación Financiera Alba, S.A. and the companies in its Group is a formal expression of the values and principles which must govern the conduct of the entities in the ALBA group and the individuals accountable to the Group in the performance of its activities and duties, its labour, commercial and professional relations, with a view to achieving a universally accepted corporate ethic.
The Board of Directors is responsible for reviewing and updating the Code of Conduct and for enhanced supervision of effective compliance with the Code of Conduct, in addition to the adoption of measures which may be required to make the Code consistent with other corporate governance regulations and procedures.
The Code of Ethics and Conduct has been sent individually to all persons to whom the Code applies, by sending the Code to its recipients. The Code was accepted in writing and is available on the Company's intranet and on the corporate web page.
Training concerning the Code is mainly provided with the training on criminal prevention and using reminders
or digital communications concerning its most relevant aspects. In 2020, a training session on crime prevention for employees was carried out and a reminder of the main points of the Code was sent to recipients of the Code. Likewise, a copy of the Code is given to new hires for their written adherence.
The Group's Code of Conduct is based on the following values:
• Supporting and respecting internationally recognised human rights.
• Ethical and legal conduct.
• Fair and respectful treatment with employees and co-workers, ensuring equal opportunities and non-discrimination of individuals.
• Respect of the interests of others related to the Company, including customers, suppliers, authorities, shareholders and other stakeholders.
• Professionalism and correction of conduct in the development of business in accordance with corporate policies.
• Prudence when performing activities, assuming risks and in relations with customers and suppliers.
• Commitment to the United Nations Global Compact.
• Respect toward the environment.
• The treatment of information with rigour, integrity and transparency. Likewise, it addresses matters of:
• Conflicts of interest and provides guidelines for reporting such conflicts.
• Improper use or application of goods, business opportunities, confidential information and privileged information.

• Obligation to internally report possible failures to comply with the Code, or alternatively to use the Complaints Channel.
• Relationships with shareholders, government agencies, and Suppliers, contractors and collaborators as well as the defence of competitors.
• Bribes and gifts.
• Preventing money laundering and terrorism financing.
• Dedication and incompatibilities.

Furthermore, section 6.14 of the Code expressly stipulates that: "ALBA considers the veracity of information as a basic principle of its actions, as a result, Affected Persons must truthfully convey information they must report, both internally and externally, and, under no circumstances will they knowingly provide incorrect or inaccurate information which may cause errors or confusion.
The economic and financial information will faithfully reflect the economic, financial and equity circumstances of ALBA, according to generally accepted accounting principles and international financial information standards that apply. To this end, no Affected Person will conceal or distort the information on ALBA's accounting registers or reports, which will be complete, accurate and true."
For its part, sections 6.17 and 6.19 provide that:
"The information sent to shareholders will be true and complete and will provide an adequate reflection of the Company's circumstances."
"Correspondence concerning financial information or other matters sent on behalf of ALBA will, under no circumstances, contain misleading or fictitious data or data which has not been thoroughly checked."
The body responsible for ensuring compliance with the Code and proposing corrective measures, where applicable, is the Monitoring Commitee of the Code of Ethics and
Conduct.

· Whistleblower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported:

The 2011 Code of Ethics and Conduct contemplated a "confidential complaints channel," which was effectively implemented.
Given the importance of internal reporting channels, an annex to the Code of Ethics and Conduct approved in 2018 is now included, which outlines a more detailed procedure for handling complaints that allows one to confidentially report any acts or conduct committed that may be contrary to applicable regulations or the Code of Ethics and Conduct within the company, in the performance of third parties that are in contract with the company or to its detriment.
Following the recommendations introduced by CNMV Resolution of 26 June 2020 in the Good Governance Code of Listed
Companies, the cases in which anonymous reports are admissible has been included in the Whistleblowing Channel Appendix.
The description of the operations of the channel includes the identity of the individuals to whom these complaints can be sent (these are
the Chairman of the Audit and Compliance Committee or the Code of Ethics and Conduct Tracking Committee) and the options for sending this complaint
(email or ordinary post sent to the address of the managers indicated).
Preliminary examination for the admission or filing of the complaint is commissioned to the Chairman of the Audit and Compliance Committee.
The complaints will be processed by the Tracking Committee of the Code of Ethics and Conduct, unless the complaints are against one of its members, in which case the Chairman of the Audit and Compliance Committee will carry out the preliminary inspection and handle the complaint.
This Tracking Committee is comprised of the Secretary of the Board, the Chief Financial Officer, the Director of Investments and a member of the Legal Consultancy Board.
In addition, the Crime Prevention Model, updated in 2020, can also be referenced and which aims to:
- Raise awareness among and training Board Members, Directors and employees of the Group concerning the importance of regulatory compliance, especially the prevention of criminal proceedings.
- Inform employees of the consequences of violating the provisions of the Code of Ethics and Conduct and the Crime Prevention Manual.
- Expressly record the clear condemnation of Corporación Financiera Alba of any illegal conduct which, in addition to contravening legal provisions, is contrary to the Group's values.

The Audit and Compliance Committee has considered the monitoring of the Crime Prevention Model appropriate.

· Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management:

Staff involved in preparing and reviewing financial information, as well managing and supervising the SCIIF, receives, based on their various responsibilities, periodical training concerning accounting, auditing, internal control and risk management regulation.
In this manner, Financial Management periodically makes training efforts for staff involved in preparing the Financial Statements and managing the Group's SCIIF. These training actions are primarily focused on deepening knowledge and update to International Financial Reporting Standards (IFRS) and legislation and other regulations concerning Internal Control of Financial Information.
Likewise, the staff of the Internal Audit Service is updated on a continued basis concerning changes to Internal Controls, especially Financial Information and Risk Management.
Additionally, Financial Management and other areas involved in the preparation, review and reporting of financial information have received various publications updating accounting, financial, internal control and tax regulation.

F.2. **Assessment of risks in financial reporting.**

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:

· Whether the process exists and is documented:

In fiscal year 2011, the Group undertook an examination process for identifying business risks of all kinds (operational, technological, financial, legal, reputational, environmental etc.) that could affect the achievement of its targets. The result of this was an initial version of the Risk Map for this which was duly documented, examined by the Audit Committee and approved by the Board of Directors in 2015.

The Risks Map is subject to regular review to assess whether it needs to be updated, the last review was carried out in 2019, which was reported on during the Board Meeting of January 2020.

After the review in 2020, it was not deemed necessary to update or amend the Risks Map.

Likewise, Alba has a process for identifying and assessing specific risks concerning financial information, both in terms of its consolidated accounts, the entity and business processes, which is updated at least once a year.

The process is updated annually at the very least. The process is based on the consolidated financial information and uses this information to categorise accounting headings and notes, as well as identifying those which are the most relevant, according to quantitative (material aspects) and qualitative criteria.

The categorised headings and notes are associated with the Group's processes or business areas, in order to classify these processes or business areas in terms of their relevance in generating financial information.

The most important processes or areas are analysed and documented. These documents identify and analyse transaction flows, possible risks of error or fraud in the financial information, associated checks which mitigate these risks and features such as Integrity, Existence & Occurrence, Rights & Obligations, Measurement & Valuation and Presentation.

The process and criteria used for assessing these risks are documented in the "ALBA Group's Internal Control System on Financial Information (SCIIF) Manual", the latest revision carried out was in 2019.

· Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.

As discussed above, the significant processes or areas generating financial information are analysed on at least an annual basis, in order to identify possible risks of error or fraud involving the financial information, and as regards its objectives of Integrity, Existence & Occurrence, Rights & Obligations, Measurement & Valuation and Presentation, which cover all the objectives of the financial information.

· The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles:

Financial Management is responsible for analysing the companies that are included and those that are no longer part of this perimeter, as well as any change to the percentage ownership interest in these companies. Both the establishment and acquisition of ownership interests in companies and the sale of these interests or the liquidation of these interests are subject to internal authorisation processes that make it possible to clearly identify incoming items, outgoing items and changes to the consolidation perimeter.

The Group's scope of consolidation is submitted to the Audit and Compliance Committee every six months.

The main duties of the Audit and Compliance Committee are to review the "process for preparing the Company's financial information, with a view to confirming its integrity, technological quality and for internal control, as well as compliance with regulatory requirements, proper delimitation of the consolidation perimeter, proper application of generally accepted accounting principles and standards, and compliance with remaining legal requirements concerning this information."

· Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements:

The process for identifying risks of error or fraud in the financial information takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental etc.), to the extent that these affect the financial statements. These risks are assessed and managed by the Company (according to the description in Section E of this Report).

- The governing body within the company that supervises the process:

The Financial Management is responsible of the process for identifying and assessing specific risks concerning financial information, both in terms of its consolidated accounts, the entity and business processes, which is updated at least once a year. Likewise, the Audit and Compliance Committee is responsible for its supervision.

F.3. **Control activities.**

Report on whether the company has at least the following, describing their main characteristics:

F3.1.1 Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

According to the provisions of the Regulation of the Board of Directors:

• The approval of financial information to be made periodically is the responsibility of the Board of Directors (including the description of the Group SCIIF).

• Likewise, when the financial statements are submitted for deliberation by the Board of Directors, they must first be certified with regard to their accuracy and integrity, by the Managing Director and the Chief Financial Officer.

Likewise, according to the provisions of the Regulation of the Audit and Compliance Committee:

• The main duties of the Audit and Compliance Committee are to review the process for preparing the Company's financial information, with a view to confirming its integrity, technological quality and for internal control, as well as compliance with regulatory requirements, proper delimitation of the scope of consolidation, proper application of generally accepted accounting principles and standards, and compliance with remaining legal requirements concerning this information.

The information review process takes the following flow:

The Group has a procedure for closing the accounts and performs a specific review of opinions, estimates, valuations and relevant forecasts. The respective units make the estimates, ratings or projections of those aspects that they are competent and the reasonableness of them is valued by the Financial Management; they are subsequently submitted to the Audit and Compliance Committee and

the Board of Directors, as part of the exposure of the financial statements.

The Group publishes financial information on a quarterly basis. This information is prepared by Financial Management which performs, as

part of the account closure process, the control activities identified in the process, as well as analysing and reviewing the information prepared. The information prepared is then sent to the Audit and Compliance Committee for its supervision.

The six-monthly financial reports and the individual and consolidated annual accounts of Alba, the Report and the Annual Corporate Governance Report (which includes, by way of additional information, a description of the SCIIF) are reviewed by the Audit and Compliance Committee before being reviewed by the Board of Directors. Likewise, the Audit and Compliance Committee reviews the remaining financial information and any other relevant information before submitting this information to the markets or to the supervisory bodies.

The Group has an internal financial information control system based on the COSO [Committee of Sponsoring Organisations of the Treadway Commission] model, which provides reasonable certainty with regards to achieving the targets of this system, in other words: effectiveness and efficiency of the operations, safeguard of the assets, reliability of the financial reports and compliance with the applicable laws and regulations, the latest version being 2019.

The principles and criteria for defining and managing the SCIIF are documented in the Group's SCIIF Manual. The Group has documents describing the flows of activities and checks (including those associated with the risk of fraud) of the various kinds of transactions that can have a real impact on the financial statements. These documents include the significant and matrix processes for risks and checks.

According to the SCIIF Manual, Financial Management is responsible for identifying and documenting these significant processes in addition to being responsible for managing the internal SCIIF certification process for evaluating its efficiency.

F.3.2 Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

Among the checks considered for mitigating or managing risks of error in the financial information, there are some related to more relevant IT applications, such as checks of user access permits or those related to the integrity of the transfer of information between applications.

Additionally, the Group has guidelines or regulations and internal control procedures on information systems regarding software acquisition and development, system infrastructure acquisition, software installation and testing, change management, service level management, third-party service management, system security and access, incident management, operations management, operations continuity and segregation of duties.

These guidelines and procedures are applied to all the information systems, including those that support the relevant financial information generation processes, and on the infrastructure needed for its operation.

This entire internal network of IT infrastructure is controlled by a Department of internal professionals responsible for defining and executing the Group's IT strategy, as well as supporting users, operating the system and IT security. Likewise, the Group has systems security and contingency programmes.

The Group's SCIIF Manual provides that, on an annual basis, the systems manager of the group certifies the effectiveness of the internal checks established for the IT systems.

F.3.3 Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

Generally speaking, the ALBA Group does not subcontract important duties to third parties that have a direct impact on the financial information, evaluations, calculations or valuations that could have a material impact on the financial statements, with the exception of the valuation of its investments in property, the actuarial valuation of pensions and the valuation of investments in non-listed companies.

There are internal checks for selecting the property valuation provider, which include the following supervisory criteria: Type and frequency of the reports; competence and independence of the provider; methodology and validation of the information

and database used for the analysis; reasonableness of the hypotheses and criteria applied; methodology for reviewing the findings and

Reports prepared.

With regard to the actuary valuation of pensions, the existence of the policies used as well as the coherence and consistency of the databases used is checked.

F.4. Information and communication

Report on whether the company has at least the following, describing their main characteristics::

F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

Financial Management is responsible for defining and keeping accounting policies up-to-date as well as resolving doubts or conflicts associated with their interpretation and maintaining smooth communication with those responsible for operations in the organisation. To this end, accounting changes are periodically identified and communicated to the various Management supervisors. Likewise, in the event that application queries arise, these are referred to and resolved by the Head of Administration and the Chief Financial Officer.

Alba considers that accounting standards are directly applicable, given the low level of complexity of its transactions. Accounting standards are kept up-to-date and are at the disposal of Financial Management staff.

F.4.2 Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

The Group has mechanisms for capturing and preparing financial information, with suitable formats and applications, which is used by all the departments. Centralised and uniform IT systems are used for the Group. Likewise, there are checks that are needed for the IT systems and a supervisory and review process is performed by Financial Management.

F.5. **Supervision of the functioning of the system.**

Report on at least the following, describing their principal features:

F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFRF. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

The Regulations of the Board of Directors and the Regulations of the Audit and Compliance Committee entrust the following duties to the Audit and Compliance Committee:

• Supervise the efficiency of the internal control of the company, the internal audit and the risk management systems, including tax risks, discussing significant weaknesses in the internal control system that are detected as part of the audit with the accounts auditor.

• Supervise the process for preparing and presenting the mandatory financial information.

The SCIIF supervisory activities performed by the Audit and Compliance Committee essentially include:

• Monitoring the process of evaluating the SCIIF by Financial Management.

• Reviewing the process for preparing the Company's financial information, with a focus in confirming its integrity, technological quality and for internal control, as well as compliance with regulatory requirements, proper delimitation of the consolidation perimeter, proper application of generally accepted accounting principles and standards, and compliance with remaining legal requirements concerning this information.

• Reviewing the periodical financial statements that must be submitted by the Company to the markets and its supervisory bodies, prior to approval by the Board, in its plenary session.

• Evaluating and approving the proposals suggested by Management concerning changes to the accounting principles and standards.

• Supervising Management's decisions of adjustments proposed by the external auditor, as well as familiarising itself with and, where applicable, mediating in disagreements between them.

• Reviewing, with the support of the Internal Audit Service, the design and operation of the internal control system, in order to evaluate its effectiveness and,

• Holding periodical meetings with external auditors, internal auditors and senior management in order to review, analyse and discuss the financial information, the perimeter of companies they cover and the accounting criteria applied, as well as, where applicable, significant internal control weaknesses identified.

Additionally, the Audit and Compliance Committee is responsible for overseeing the definition of the Annual and Strategic Internal Audit Plan as well as its development in the SCIIF.

Likewise, since 2011, the Group has had an Internal Audit Service, whose Articles of Association provide that it is its responsibility to ensure that this process happens and that the checks established work effectively. Its role is targeted towards assisting the Group in maintaining effective checks, by evaluating the efficiency and effectiveness of them and driving efforts of continuous improvement. The Regulations of the Internal Audit Service were updated by the Board of Directors in 2017.

According to the Group's SCIIF Manual, the Audit and Compliance Committee has entrusted performing this duty to the Internal Audit Service. The SCIIF supervision process, via the Internal Audit Service, includes the following tasks:

• Validate the SCIIF model with regard to the definition of the SCIIF scope or the documents concerning the significant processes (Narrative and Risk and Control Matrixes).

• Review and evaluating the process and the findings concerning the effectiveness resulting from the annual review performed by Financial Management.

• Include, as part of the Internal Audit Strategic Plan and the Internal Audit Annual Plan, where applicable, the SCIIF processes to be reviewed.

• Assess and communicate the results obtained from the SCIIF supervision process and the checks on the processes involving the affected department and the Financial Management.

• Inform the Audit and Compliance Committee of the degree of progress of the supervision, the results obtained and the weaknesses detected, where applicable, when presenting the degree of progress and results of the internal audit works for the financial year. Finally, the Group's SCIIF Manual sets criteria for categorising issues based on their potential impact on financial information and probability of occurrence after detection and subsequent communication and monitoring process.

F.5.2 Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

Generally speaking, the discussion procedure concerning significant internal control weaknesses identified is based on periodical meetings which the various agents hold.

To this end, the Audit and Compliance Committee holds meetings with Internal Auditing and Financial Management for the bi-annual and for the annual closure and, also, with the External Auditor, for the annual closure, in order to discuss any relevant aspect of the process of preparing the resulting financial information.

Specifically, the Regulations of the Board of Directors and the Regulations of the Audit and Compliance Committee provide that the Audit and Compliance Committee must:

• Discuss the significant weaknesses in the internal control system detected when performing the audit with the accounts auditors or audit firms.

• Establish appropriate relations with the accounts auditors or audit firms in order to receive information concerning matters that could threaten their independence, for examination by the Committee, and any other matter related to the process of performing the accounts audit, as well as other announcements provided in accounts auditing legislation and in auditing standards.

For its part, the Articles of Association of the Internal Audit Service provide that the Audit and Compliance Committee must maintain free and open communication with the Director of the Internal Audit Service. Specifically, the Director of the Internal Audit Service has direct access to the Audit and Compliance Committee, with which it will address the following matters, among others:

• The significant events observed when performing the internal audits.

• The degree of compliance with the most relevant recommendations.

• The most significant risks and the level of Internal Control in the Group, bearing in mind the results of the audits performed and the evaluation of the Internal Control performed by the Internal Audit Service.

• Coordination with external auditors and the remaining individuals responsible for supervising the Internal Control.

Likewise, Financial Management also holds meetings with the Internal Audit Service, both for the bi-annual closure and for the annual closure, and with External Auditors for the annual closure, with a view to addressing significant questions concerning the financial information.

F.6. Other relevant information.

The Audit and Compliance Committee examined and approved in 2019 the new SCIIF manual, with the aim of updating and simplifying the Manual of 2013, in order to adapt it to the reality of the Group and to take into account the activities it carries out.

In addition to the SCIIF supervision process (entrusted to the Internal Audit Service), according to the ALBA’s SCIIF Manual, in 2020 the corresponding process for the annual evaluation of the effectiveness and validity of the process was performed by Financial Management.

In the development of the Risk Management function, entrusted to the Risk Management and Control Unit, Alba has had since 2015 a Charter for the Risk Management and Control Function which allows this Unit to supervise the smooth running of the risk control and management systems and, specifically, that all the important risks affecting the company are identified, managed and appropriately quantified; actively participate in preparing the risk strategy and important decisions concerning its management; and ensure that the risk control and management systems appropriately mitigate risks, as part of the policy identified by the Board of Directors.

Likewise, the purpose of the Regulatory Compliance service is to provide reasonable security that Alba is complying with key legal and normative requirements, identifying the main legislative and normative obligations of the company, designing a compliance model and a Monitoring and tracking model for the Compliance activities. In 2020, the Crime Prevention Model was updated with this in mind. In 2018, the Board of Directors approved a Charter for the Regulatory Compliance Function so that the Compliance Unit can establish adequate control and an efficient and prudent management of regulatory obligations.

F.7. External auditor's report.

Report:

F.7.1 Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

The SCIIF information sent to the markets was submitted for review by the external auditor, whose report is attached as an Annex.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company´s conduct. General explanations are not acceptable.

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

   Complies [X]   Explain [ ]

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

   a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.

   b) The mechanisms in place to resolve any conflicts of interest that may arise.

   Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

   a) Changes that have occurred since the last General Shareholders' Meeting.

   b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

   Complies [X]   Complies partially [ ]   Explain [ ]

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies [X] Complies partially [ ] Explain [ ]

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies [X] Complies partially [ ] Explain [ ]

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

a) Report on the auditor's independencer.

b) Reports on the workings of the audit and nomination and remuneration committees.

c) Report by the audit committee on related party transactions.

Complies [X] Complies partially [ ] Explain [ ]

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies [X] Complies partially [ ] Explain [ ]

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies [X]   Complies partially [ ]   Explain [ ]

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies [X]   Complies partially [ ]   Explain [ ]

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

a) Should immediately distribute such complementary points and new proposals for resolutions.

b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

c) Should submits all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

    And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment the community as a whole and the environment.

    Complies [X]   Complies partially [ ]   Explain [ ]

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

    Complies [X]   Explain [ ]

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

    a) Is concrete and verifiable;

    b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

    c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

    That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re- election of each director is submitted.

    The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

    Complies [X]   Complies partially [ ]   Explain [ ]

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less than 30% prior to that date.

Complies [X] Complies partially [ ] Explain [ ]

16. That the number of proprietary directors as a percentage of the total number of non- executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

a) In large-cap companies where very few shareholdings are legally considered significant.

b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies [X] Explain [ ]

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies [X] Explain [ ]

18. That companies should publish the following information on its directors on their website, and keep it up to date:

a) Professional profile and biography.

b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.

c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.

d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.

e) Company shares and share options that they own.

Complies [X] Complies partially [ ] Explain [ ]

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies [X] Explain [ ]

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

    And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

    Complies [X] Complies partially [ ] Explain [ ]

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

    Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

    This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

    Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

    And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

    Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies [X] Complies partially [ ] Explain [ ]

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies [X] Complies partially [ ] Explain [ ]

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies [X] Complies partially [ ] Explain [ ]

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies [X] Complies partially [ ] Explain [ ]

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies [X] Explain [ ] Not applicable [ ]

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

    When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

    Complies [X]   Complies partially [ ]   Explain [ ]

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

    Complies [X]   Complies partially [ ]   Explain [ ]

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

    Complies [X]   Complies partially [ ]   Explain [ ]

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

    Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

    Complies [X]   Explain [ ]

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.

b) The workings and composition of its committees.

c) Diversity in the composition and skills of the Board of Directors.

d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies [X] Complies partially [ ] Explain [ ]

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies [X] Complies partially [ ] Explain [ ]

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies [X]   Complies partially [ ]   Explain [ ]

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption – reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature,
that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor’s Independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor’s business, and, in general, all other rules regarding auditors' independence.

Complies [X] Complies partially [ ] Explain [ ]

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies [X] Complies partially [ ] Explain [ ]

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.

e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies [X] Complies partially [ ] Explain [ ]

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.

b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.

c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies [X] Complies partially [ ] Explain [ ]

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies [X] Complies partially [ ] Explain [ ]

48. That large-cap companies have separate nomination and remuneration committees.

Complies [ ] Explain [ ] Not applicable [X]

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies [X] Complies partially [ ] Explain [ ]

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

a) Proposing the basic conditions of employment for senior management to the Board of Directors.

b) Verifying compliance with the company's remuneration policy.

c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies [X] Complies partially [ ] Explain [ ]

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies [X] Complies partially [ ] Explain [ ]

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

a) That they be composed exclusively of non-executive directors, with a majority of independent directors.

b) That their chairpersons be independent directors.

c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and their minutes be made available to all directors.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies [X]   Complies partially [ ]   Explain [ ]

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies [X]   Complies partially [ ]   Explain [ ]

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Means or systems for monitoring compliance with these policies, their associated risks, and management.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies [X]   Complies partially [ ]   Explain [ ]

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies [X]   Explain [ ]

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies [ ]   Complies partially [X]   Explain [ ]

The annual variable remuneration is only received by the executive Directors and the multi-year variable remuneration can be established in favour of the executive Directors and those other Directors of the Company that represent the governing bodies of investee companies, subsidiaries or related companies (only in the case of proprietary directors).

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies [ ]   Complies partially [X]   Explain [ ]   Not applicable [ ]

In the event the Executive Board Member who has not had a previous employment relationship with Alba, the payments for termination of the contract will consist of a compensation equivalent to one year's Fixed Remuneration, increased by one twelfth of that year's Fixed Remuneration for each year of service in Alba, subject to a limit of two years.

If an Executive Board Member who has had a previous employment relationship with Alba is dismissed, if the previous employment relationship is resumed and terminated by decision of Alba, the compensation will be in accordance with employment regulations, and the greater of the following amounts will be paid (i) the amount of the fund set up as a pension supplement, or (ii) the amount of one year's Fixed Remuneration, plus one twelfth of that annuity for each year of service with Alba.

In both cases the compensation is not paid until it is verified that the Executive Board Member has met the performance criteria established.

H. FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

   Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or
best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

H.1.1. and H.1.2.

SECTION C.1.7.
In 2019, and in accordance with the provisions set forth in its Regulations, the Appointments and Remuneration Committee approved the Board of Directors' Skills Matrix, which is detailed below, together with the result of the assessment by the Directors, which was the object of review and confirmation in 2020.

SKILLS	TOTAL DIRECTOR	PERCENTAGE (%)
- Investments and Capital Risk	11	91.6
- Financial Sector	07	58.3
- Industrial Sector	11	91.6
- Accounting, Finance, Risks	12	100.0
- Senior Management	12	100.0
- HR and Organisation	09	75.0
- Legal, Public Sector	03	25.0
- Corporate Governance and Sustainability	10	83.0
- Strategy	11	91.6
- Technology and Digital Transformation	04	33.3
- International	10	83.0

SECTION G, Recommendation 10
In 2020, there was no situation in which this recommendation was applied.

SECTION G, Recommendation 15
in 2019, 33.33% of the members of the Board were women, exceeding the target of 30% for Female Directors, which had been set for 2020.
This percentage has been maintained during 2020, and it has been considered that the objective for representing the least represented gender should be 40% of the total number of members of the Board of Directors.

SECTION G, Recommendation 20
In 2020, there was no situation in which this recommendation was applied.

SECTION G, Recommendation 21
In 2020, there was no situation in which this recommendation was applied.

SECTION G, Recommendation 22
Article 19.4 of the Rules and Regulations of the Board of Directors, amended in 2020, expressly establishes that Directors must inform the Board when circumstances arise which affect them, whether or not related to their actions in the company itself, and in particular of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

When the Board is informed or becomes aware of any of the circumstances mentioned in the above paragraph, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure must be adopted, such as opening an internal investigation, asking the director to resign or proposing that he or she be dismissed. These events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes.

In 2020, there was no situation in which this standard was applied.

SECTION G, Recommendation 23
Article 15.5 of the Regulations of the Board specifically provides that "Board Members must clearly express their opposition when they think that any proposed decision brought before the Board of Directors could be contrary to the interests of the company. They must likewise do so, in particular in the case of independent Directors and others not affected by a potential conflict of interest, in the case of decisions that could be to the detriment of shareholders not represented on the Board.

In 2020, there was no situation in which this standard was applied.

SECTION G, Recommendation 28
Article 15.6 of the Board Regulation specifies that when the Board members or the Secretary express concern about any proposal or, in the case of Board members, concerning the running of the Company and these concerns are not resolved by the Board, at the request of the person who expressed the concerns, they may request that this be recorded in the minutes of the meeting.

In 2020, there was no situation in which this standard was applied.

SECTION G, Recommendation 31
In 2020, there was no situation in which this recommendation was applied.

SECTION G, Recommendation 34
According to the provisions of article 529 f.2 of the Capital Companies Act, the appointment of a Coordinating Board Member is only provided for cases in which the Chairman of the Board of Directors is also an Executive Director, which is not the case with Corporación Financiera Alba, S.A.

However, since this is considered as a good Corporate Governance practice and in order to facilitate its actions, the Board of Directors of Corporación Financiera Alba, S.A., in 2016, appointed, with the abstention of the executive Board Members, one Coordinating Board Member from the independent Board Members.

SECTION G, Recommendation 36
In relation to the activities of the Board in 2020, the assessment process was carried out under the coordination of the Chairman of the Board of Directors and with the participation of the Board Members (by answering questionnaires prepared for this purpose) of the different Committees (by preparing reports concerning their activities in the financial year) and with the intervention of the Appointments and Remunerations Committee. The Board assessment report includes some findings concerning the smooth running of the Board.

The last assessment of the Board's activities with the assistance of an external assessor took place in 2020 in relation to its activities for 2019.

SECTION G, Recommendation 62
In 2020, the variable remuneration plan referenced to the share value approved by the Company's General Shareholders' Meeting on 19 June 2017 matured. This plan did not result in any remuneration, therefore Recommendation 62 is not applicable.

H.1.3. Adherence to codes of ethics or good practices.

a) The Company has adhered to the United Nations Global Compact since 22 December 2015.

b) In 2020, Corporación Financiera Alba, by way of resolution of its Board of Directors, it has the added to the Code of Good Tax Practices backed by the Ministry of Economy and Public Finance (20/07/2010), with the aim to reinforce its commitment, not only in complying with tax regulations, but also its active and transparent contribution to sustainability.
In relation to this Code, Alba has fulfilled its tax obligations and presented the corresponding returns; it has not used opaque infrastructures or base companies in tax havens or non-cooperating jurisdictions; it has not detected any fraudulent tax practices; and it has informed the Board of Directors and the Audit and Compliance Committee of the compliance with the approved Tax Policy.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on:

22/03/2021

State whether any director has voted against or abstained from approving this report.

[ ] Yes
[..,j] No

CORPORACIÓN FINANCIERA ALBA, S.A.

Informe de auditor referido a la "Información relativa al Sistema de Control Interno sobre la Información Financiera (SCIIF)" de Corporación Financiera Alba, S.A. correspondiente al ejercicio 2020

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

Informe de auditor referido a la "Información relativa al Sistema de Control Interno sobre la Información Financiera (SCIIF)" de Corporación Financiera Alba, S.A. correspondiente al ejercicio 2020

A los administradores de Corporación Financiera Alba, S.A.

De acuerdo con la solicitud del Consejo de Administración de Corporación Financiera Alba, S.A. (la "Sociedad") y con nuestra carta propuesta de fecha 19 de enero de 2021, hemos aplicado determinados procedimientos sobre la "Información relativa al SCIIF" adjunta en el apartado F del Informe Anual de Gobierno Corporativo de Corporación Financiera Alba, S.A. correspondiente al ejercicio 2020, en el que se resumen los procedimientos de control interno de la Sociedad en relación a la información financiera anual.

El Consejo de Administración es responsable de adoptar las medidas oportunas para garantizar razonablemente la implantación, mantenimiento y supervisión de un adecuado sistema de control interno así como del desarrollo de mejoras de dicho sistema y de la preparación y establecimiento del contenido de la Información relativa al SCIIF adjunta.

En este sentido, hay que tener en cuenta que, con independencia de la calidad del diseño y operatividad del sistema de control interno adoptado por la Sociedad en relación a la información financiera anual, éste sólo puede permitir una seguridad razonable, pero no absoluta, en relación con los objetivos que persigue, debido a las limitaciones inherentes a todo sistema de control interno.

En el curso de nuestro trabajo de auditoría de las cuentas anuales y conforme a las Normas Técnicas de Auditoría, nuestra evaluación del control interno de la Sociedad ha tenido como único propósito el permitirnos establecer el alcance, la naturaleza y el momento de realización de los procedimientos de auditoría de las cuentas anuales de la Sociedad. Por consiguiente, nuestra evaluación del control interno, realizada a efectos de dicha auditoría de cuentas, no ha tenido la extensión suficiente para permitirnos emitir una opinión específica sobre la eficacia de dicho control interno sobre la información financiera anual regulada.

A los efectos de la emisión de este informe, hemos aplicado exclusivamente los procedimientos específicos descritos a continuación e indicados en la *Guía de Actuación sobre el Informe del auditor referido a la Información relativa al Sistema de Control Interno sobre la Información Financiera de las entidades cotizadas*, publicada por la Comisión Nacional del Mercado de Valores en su página web, que establece el trabajo a realizar, el alcance mínimo del mismo, así como el contenido de este informe. Como el trabajo resultante de dichos procedimientos tiene, en cualquier caso, un alcance reducido y sustancialmente menor que el de una auditoría o una revisión sobre el sistema de control interno, no expresamos una opinión sobre la efectividad del mismo, ni sobre su diseño y su eficacia operativa, en relación a la información financiera anual de la Sociedad correspondiente al ejercicio 2020 que se describe en la Información relativa al SCIIF adjunta. En consecuencia, si hubiéramos aplicado procedimientos adicionales a los determinados por la citada Guía o realizado una auditoría o una revisión sobre el sistema de control interno en relación a la información financiera anual regulada, se podrían haber puesto de manifiesto otros hechos o aspectos sobre los que les habríamos informado.

Asimismo, dado que este trabajo especial no constituye una auditoría de cuentas ni se encuentra sometido a la normativa vigente en materia de auditoría de cuentas en España, no expresamos una opinión de auditoría en los términos previstos en la citada normativa.

Se relacionan a continuación los procedimientos aplicados:

1. Lectura y entendimiento de la información preparada por la Sociedad en relación con el SCIIF – información de desglose incluida en el Informe de Gestión - y evaluación de si dicha información aborda la totalidad de la información requerida que seguirá el contenido mínimo descrito en el apartado F, relativo a la descripción del SCIIF, del modelo de IAGC según se establece en la Circular 5/2013 de 12 de junio de la Comisión Nacional del Mercado de Valores (CNMV), posteriormente modificada por la Circular 7/2015 de 22 de diciembre de la CNMV, por la Circular 2/2018, de 12 de junio de la CNMV y por la Circular 1/2020, de 6 de octubre (en adelante, las Circulares de la CNMV).

2. Preguntas al personal encargado de la elaboración de la información detallada en el punto 1 anterior con el fin de: (i) obtener un entendimiento del proceso seguido en su elaboración; (ii) obtener información que permita evaluar si la terminología utilizada se ajusta a las definiciones del marco de referencia; (iii) obtener información sobre si los procedimientos de control descritos están implantados y en funcionamiento en la Sociedad.

3. Revisión de la documentación explicativa soporte de la información detallada en el punto 1 anterior, y que comprenderá, principalmente, aquella directamente puesta a disposición de los responsables de formular la información descriptiva del SCIIF. En este sentido, dicha documentación incluye informes preparados por la función de auditoría interna, alta dirección y otros especialistas internos o externos en sus funciones de soporte a la comisión de auditoría.

4. Comparación de la información detallada en el punto 1 anterior con el conocimiento del SCIIF de la Sociedad obtenido como resultado de la aplicación de los procedimientos realizados en el marco de los trabajos de la auditoría de cuentas anuales.

5. Lectura de actas de reuniones del consejo de administración, comisión de auditoría y otras comisiones de la Sociedad a los efectos de evaluar la consistencia entre los asuntos en ellas abordados en relación al SCIIF y la información detallada en el punto 1 anterior.

6. Obtención de la carta de manifestaciones relativa al trabajo realizado adecuadamente firmada por los responsables de la preparación y formulación de la información detallada en el punto 1 anterior.

Como resultado de los procedimientos aplicados sobre la Información relativa al SCIIF no se han puesto de manifiesto inconsistencias o incidencias que puedan afectar a la misma.

Este informe ha sido preparado exclusivamente en el contexto de los requerimientos establecidos por el artículo 540 del Texto Refundido de la Ley de Sociedades de Capital y por las Circulares de la CNMV a los efectos de la descripción del SCIIF en los Informes Anuales de Gobierno Corporativo.

KPMG Auditores, S.L.

Borja Guinea López

26 de abril de 2021

CORPORACIÓN FINANCIERA ALBA, S.A.
and Subsidiaries

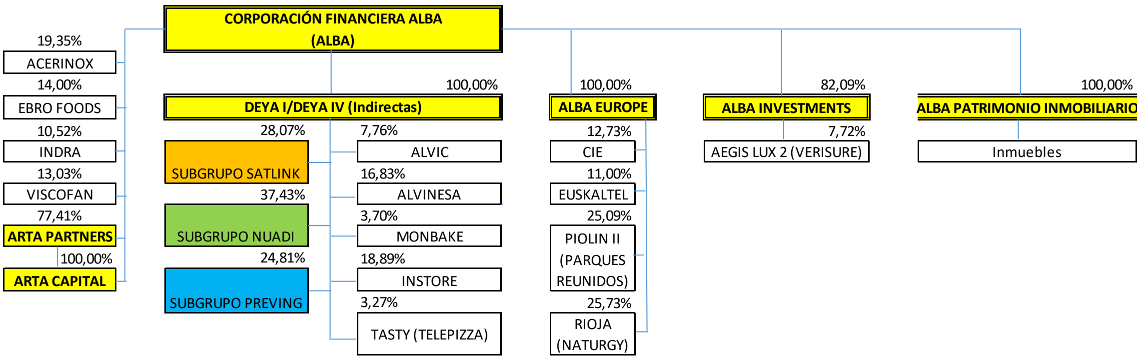
NON-FINANCIAL INFORMATION STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1. Introduction

This non-financial information statement, which forms part of the Alba Group's consolidated directors' report, is published in compliance with Spanish Non-Financial Information and Diversity Law 11/2018, of 28 December, which amended the Spanish Commercial Code, the Consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010, of 2 July, and Spanish Audit Law 22/2015, of 20 July, in matters concerning non-financial information and diversity.

Corporación Financiera Alba, S.A. ("**Alba**") is an investment company holding significant ownership interests in various listed and unlisted companies with activities in diverse economic sectors. It also holds interests in companies through venture capital activities.

The organisation chart of the Alba Group is as follows:



Alba and its Group: Corporación Financiera Alba, S.A., Deyá Capital SCR, S.A., Deyá Capital IV, SCR, S.A., Alba Europe, Sàrl., Alba Investments, Sàrl., Alba Patrimonio Inmobiliario, S.A., Artá Partners, S.A. and Artá Capital SGEIC, S.A.

The scope of this non-financial information statement includes the Alba Group's activities, and the activities of the Satlink, Nuadi and Preving subgroups (its subsidiaries).

It was prepared using the most up-to-date version of the internationally recognised Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, i.e. the GRI Standards.

Also, the context and regulation of the industries in which the subgroups operate, the industry trends and best practices were taken into account to determine the non-financial matters that are relevant to the Alba Group. The main relevant matters identified were, therefore, as follows:

- Attraction and retention of talent
- Compliance and business ethics
- Diversity and equality
- Occupational health and safety
- Consumer satisfaction and safety
- Company commitment to society

- Energy efficiency and environmental management

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.

2. Business model

Alba is an investment company, established in 1986 and listed on the Spanish Stock Market Interconnection System, which has significant ownership interests in various listed and unlisted companies with activities in diverse economic sectors. It also engages in the lease of properties and holds interests in companies through venture capital.

Alba, whose objective is to create value for its shareholders in the long term, has an Investment Policy that establishes a responsible investment philosophy based on a set of principles and criteria for carrying on its business activity.

One of these principles is the requirement to have in-depth knowledge of the investments, both at the initial analysis stage and in the ongoing monitoring of the company in which the investment is made, its industry and the markets in which it operates. Thus, Alba establishes the most appropriate procedures to gain an understanding of the quantitative and qualitative aspects defining the investees' activities, the latter being of special importance to Alba's long-term decision making. For this purpose, it engages external advisory services whenever necessary.

As regards the geographical sphere of its operations, the need to diversify risk has led the Group 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.

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

The **Preving** subgroup has an extensive infrastructure in Spain and carries on its business activity in the following areas:

- Advisory services for occupational risk prevention plans.
- Services in the field of ergonomics to adapt the working environment to people.
- Occupational safety plans aimed at reducing or eliminating risks that could cause work-related injuries or ill health.

- Industrial Hygiene, an activity that involves the prevention of physical, chemical and biological risks that might arise in the working environment.
- Health Surveillance, which is one of the instruments employed in Occupational Healthcare to monitor the consequences of working conditions on the health of workers.
- Applied psychosociology: prevention of psychosocial risks defined as those resulting from the interactions between the organisational characteristics of the work and the capabilities, needs and expectations of the workers.
- Occupational Health Promotion (OHP): advisory services relating to strategies to prevent occupational risks and increase the ability of workers to maintain their health and quality of life.
- Business Activity Coordination (BAC), through advisory services for fulfilment of obligations in this area.

The main activity of the **Nuadi** subgroup is the manufacture and marketing of disc brake pad components for various applications: motorcycles, cars, road freight transport, public works and railways. Its products are aimed mainly at the spare parts market, which accounts for 94% of its total production. The remaining 6% relates to the original equipment and original replacement parts market.

The **Satlink** subgroup is a technology-based group and a leader in R&D solutions for sustainable fisheries and satellite communications services, with 98% of revenue generated by proprietary products. It is the world's number one producer of smart buoys for tuna fishing. It is also a leader in solutions for fisheries management and in satellite telecommunications for the maritime and defence industries.

3. Information on social- and personnel-related matters

3.1. Policies

Alba promotes, both directly and indirectly through its investees, the values and ethics required to form trustworthy and competent teams capable of working to achieve the sustainability of companies. The commitment of Alba and its subsidiaries to equal opportunities for workers ensures that selection, hiring, employment and professional development conditions are based 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. The Alba Group's commitment to employment is mirrored directly by the number of employees it has, and indirectly by the total number of jobs created, both directly and indirectly, at all of its investees and subsidiaries, as well as by the promotion of good human resources-related practices.

Also, in 2020 the Alba Group's companies adapted to the scenarios resulting from the covid-19 pandemic, with specific measures being taken at each of them to guarantee the minimisation of the impact of the pandemic on the workforce, both in terms of the levels of employment and in order to maintain the health and safety of their professionals.

Consequently, Alba adopted all the measures required to ensure that employees were able to comply with the health measures and mobility restrictions imposed by the competent authorities, through the preparation of a covid-19 action protocol, which has been regularly updated. The main measure was the implementation of remote working.

In the case of the **Satlink** subgroup, in view of the connection of its business with fisheries, its business activity was deemed to be necessary during the pandemic, which allowed it to continue operating with the compulsory safety measures and the restrictions imposed by the public authorities. The maintenance of this subgroup's level of activity made it possible to avoid furlough-type arrangements and dismissals caused by covid-19.

The **Nuadi and Preving** subgroups, for their part, centred their efforts in 2020 on public health and on the wellbeing of the society and communities in which they operate, through the implementation of specific measures to protect their workers.

3.2. Corporate management and performance

3.2.1. Employment and remuneration

Since it is aware of the value of human capital, **Alba** aims to maintain favourable employment policies that are in line with the needs of its employees, and with the company's specific operating requirements. Talent management and retention, and the provision of dignified employment, adequate professional development, good permanent employment contract conditions and employee benefits make it possible to keep workforce turnover rates low, year after year.

Alba and its subsidiaries had 1,717 employees in Spain at 2020 year-end. More than 86% of the employees have permanent contracts. The detail of the workforce at year-end, including the employees of Alba and its subsidiaries in Spain (the Alba Group), is as follows.

Detail of workforce by gender

	Men	Women	Total 2020	Total 2019
Permanent Contract	742	741	1,483	1,402
Temporary Contract	112	122	234	160
Total	**854**	**863**	**1,717**	**1,562**
Full-Time	739	585	1,324	1,180
Part-Time	115	278	393	382
Total	**854**	**863**	**1,717**	**1,562**
Average remuneration	36,975	23,844		
Number of dismissals	18	13	31	7

Detail of workforce by age

	< 35 years old	35-50 years old	> 50 years old	Total 2020	Total 2019
Permanent Contract	154	1,006	323	1,483	1,402
Temporary Contract	68	131	35	234	160
Total	**222**	**1,137**	**358**	**1,717**	**1,562**
Full-Time	190	856	278	1,324	1,180
Part-Time	32	281	80	393	382
Total	**222**	**1,137**	**358**	**1,717**	**1,562**
Average remuneration	22,330	28,653	40,833		
Number of dismissals	5	22	4	31	7

Detail of workforce by professional category

	Factory Workers and Clerical Staff	Middle Management	Executives	Total 2020	Total 2019
Permanent Contract	1,368	84	31	1,483	1,402
Temporary Contract	233	1	-	234	160
Total	**1,601**	**85**	**31**	**1,717**	**1,562**
Full-Time	1,215	79	30	1,324	1,180
Part-Time	386	6	1	393	382
Total	**1,601**	**85**	**31**	**1,717**	**1,562**
Average remuneration	25,160	81,017	228,642		
Number of dismissals	30	1	0	31	7

Employees with a disability

	Total 2020	Total 2019
Number of employees with disabilities at year-end	15	17

Also, the Satlink and Nuadi subgroups have workers who perform their activities in other countries, all of whom have indefinite-term full-time contracts, the detail being as follows:

	Men	Women	Total 2020
China	23	23	46
Ecuador	4	2	6
Korea	3	3	6
Seychelles	2	0	2
Fiji	2	1	3
Taiwan	3	0	3
Total	**37**	**29**	**66**

	< 35 years old	35-50 years old	> 50 years old	Total 2020
China	11	34	1	46
Ecuador	4	1	1	6
Korea	2	4	0	6
Seychelles	1	1	0	2
Fiji	3	0	0	3
Taiwan	2	0	1	3
Total	**23**	**40**	**3**	**66**

	Factory Workers and Clerical Staff	Middle Management	Executives	Total 2020
China	36	8	2	46
Ecuador	5	1	0	6
Korea	5	1	0	6
Seychelles	2	0	0	2
Fiji	2	1	0	3
Taiwan	2	1	0	3
Total	**52**	**12**	**2**	**66**

Both **Alba** and its subsidiaries are committed to maintaining a remuneration model for their employees that guarantees effective application of the principle of equal pay for work of equal value, as well as to the non-existence of salary differences due to gender or on any other discriminatory grounds, and they base the distribution of remuneration on salary brackets according to the level of responsibility, the type of work, alignment with market remuneration for positions with the same conditions, and taking into account the sustainability of the company in this regard.

The pay gap is measured as the difference between the average remuneration received by men and the average remuneration received by women. In carrying out the pay-gap exercise Alba included the data on its subsidiaries in Spain in order to encompass the remuneration received by all employees at the consolidated Group, and obtained a gross figure of 35.5%. This difference is due to the high percentage of men with long service records at the Parent in senior positions, and to the large number of technical and administrative positions held by women. As mentioned above, the remuneration models applied do not discriminate on the basis of gender; however, Alba is working to correct these differences through the effective application of the principle of equality.

3.2.2. Organisation of the work

Alba's Code of Ethics and Conduct addresses respect for the personal and family life of its professionals and implements measures aimed at facilitating flexibility and reconciliation to promote the necessary work-life balance of its employees.

In 2020, Alba did not have to adopt any measures in relation to furlough-type arrangements. Throughout the year, and in accordance with the various measures imposed or recommended by the authorities, employees were encouraged to organise their departments in such a way as to favour the work-life balance, with reduced attendance in person and, during lockdown, the performance of activities exclusively through remote working.

Alba's subsidiaries also have specific work-life balance and flexibility measures in place, which are adapted to the characteristics of each company. In 2020, as a result of the circumstances of the pandemic, these measures were strengthened at the subsidiaries, through the implementation of measures such as remote working for those positions and functions where it was possible and the reorganisation of working hours to avoid crowds of employees entering or leaving the workplace, the aim being to safeguard employee health and the health of their families, and to promote the work-life balance.

At the **Preving** subgroup, work-life balance policies are promoted to foster the necessary balance between the personal and professional lives of its employees, with specific measures such as 30 to 60 minutes of timetable flexibility for employee arrivals and departures, public holidays and paid leave days, and work-life balance days on Fridays, in holiday or summer periods and on the eve of public holidays. As a result of the implementation of this type of policies, the companies of the Preving subgroup received awards such as the *Sello Reconcilia* from the Association of Female Entrepreneurs and Executives of Navarre (AMEDNA) or the *Premio a la Conciliación* from the Alcobendas City Council. Furthermore, the main measure taken in the context of the pandemic was the reorganisation of positions for remote working, where this was possible, through the implementation of the remote working (TAD) mechanism allowing 20% of annual working hours to be completed remotely.

At the **Nuadi** subgroup, a specific working-time reorganisation protocol was established as result of the pandemic, which includes both covid-19-related safety and prevention measures and shift flexibility measures to facilitate the work-life balance and reduce, for health reasons, the number of employees coinciding at the workplace. A remote working protocol was also established for those employees whose functions allowed it.

The organisation of working hours at the **Satlink** subgroup is determined on the basis of the applicable collective agreement and, in addition, promotes appropriate flexibility in terms of entry and exit times. Measures are also promoted to foster detachment from work and to enable employees to balance their personal lives with their professional development at the company. In this connection, over the course of the pandemic and due to the widespread implementation of remote working for employees whose functions allow it, special emphasis has been placed on the importance of employee rest between working days, through the promotion of flexibility as an element that benefits performance quality.

	Total 2020	**Total 2019**
Number of hours of absenteeism recorded in the year for all employees*	213,068	124,136

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

The figure for absenteeism in 2020 increased exponentially due to the impact of covid-19 on the employees, and to the absences related to the circumstances surrounding the evolution of the pandemic.

3.2.3. Health and safety

Alba and the subgroups have measures in place to monitor and promote health and safety at the workplace, and conduct training activities for employees in this area, as well as health monitoring programmes and external audits to check that the established health and safety procedures, among others, are applied correctly.

In 2020, as a result of the covid-19 pandemic, this area became especially important to the Alba Group's business activities, and was managed by each subgroup in accordance with the specific requirements and nature of their activities.

Alba sets out its specific health and safety commitments in its Code of Ethics and Conduct and in the procedures and manuals established for this purpose. In 2020, safeguarding the health and safety of employees was of paramount importance. A few days before the declaration of the state of emergency on 14 March 2020, remote working was imposed and the offices were disinfected as a preventive measure. Face-to-face activities did not resume until the end of May and were very limited in scope, with employees coming into the office no more than two days per week, and only in the mornings, with shifts to restrict face-to-face activity still further. Face-to-face activity was only fully resumed in the mornings from September onwards, still in conjunction with flexible timetables and shifts to ensure that employees were not all in the offices at the same time. At year-end, in view of the increase in rates of infection, office attendance was reduced once more. The return to work in May and September took place after all the employees were given PCR and serological tests at the company's expense.

In order to promote remote working, employees were equipped with the devices and applications required to do so. The following measures were adopted at Alba's offices: fitting-out of workstations to comply with the appropriate distances between people, and attendance in shifts; installation of the elements required in common areas and toilets to avoid touching surfaces; adaptation of windows to ventilate spaces; provision of masks and hand sanitiser to employees and measurement of employees' temperatures; restricting the access of external persons to the offices; holding of internal and external meetings remotely. The covid-19 action protocol is available on the company's Intranet.

The rules prescribed by the building in which Alba's offices are located were also followed. These rules, which affect Alba employees directly, include deactivating the digital fingerprint for lift access and increasing the HVAC levels to improve air renewal throughout the building.

The **Preving** subgroup demonstrates its commitment to promoting the health and safety of its employees through training and information activities on healthy lifestyles in and outside working hours, and it promotes the wellbeing of its employees by fostering safe environments and healthy workplaces. This commitment is evidenced by the certification of the Health and Safety Management System implemented in accordance with ISO 45001. In relation to the pandemic situation beginning in March 2020, the Preving subgroup followed the guidelines for the prevention of infection and the protection of workers set by the health authorities at all times, and sought to safeguard the health of its employees in this regard. 2020 brought the sad news of the death of a Preving subgroup employee in an accident on the way to work.

The **Nuadi** subgroup has an Occupational Risk Prevention Management System the objective of which is to ensure compliance with its Health and Safety policy and the integration of preventive activities in all aspects of management and at every hierarchical level. In the framework of this system, a unified protocol was created for the company in response to the pandemic, which regulates the health and safety measures to be taken into account before, during and after work, including measures to prevent infection at workspace entrances and exits, when travelling or in common areas, and ergonomic and psychosocial measures for the correct adaptation of workers to remote working.

In the case of the **Satlink** subgroup, prevention measures were aligned with the health recommendations made by the Government and adapted to the nature of its activity. Therefore, in addition to the hygiene and infection prevention measures, PCR and antigen tests were conducted and extended to all personnel, both those returning to face-to-face activities, and those on secondment or attending essential meetings in person. In addition, workstations were redistributed by area, department and working hours, and internal measures were taken in line with the evolution of the infection rate in each geographical region.

Health and Safety Indicators	**Men**	**Women**
Frequency rate[1]	11.25	16.54
Severity rate[2]	3.86	10.62
Occupational ill health	0	0
Number of deaths	1	0

[1] Frequency Rate: Number of work-related injuries with days away from work x 1,000,000/Total number of hours actually worked
[2] Severity Rate: Number of days not worked due to work-related injury x 1,000/Total number of hours actually worked

3.2.4. Labour Relations

At Alba and its subsidiaries, the aim is to manage labour relations with employees effectively and in detail, so as to ensure that the employment rights of all employees are observed. In addition, social dialogue is based on the various collective agreements in force, which guarantees respect for and adherence to the principles set forth in each of them:

- For **Alba**, the Madrid Collective Agreement for Offices.
- For the **Preving** subgroup, the Collective Agreement for Prevention Service Companies.
- For the **Nuadi** subgroup, the Navarre Collective Agreement for the Iron and Steel industry.
- For **Satlink**, the Collective Agreements for the Metal Trade in the Madrid Autonomous Community and Pontevedra, and the National Collective Agreement for Engineering Companies and Technical Studios.

In those companies in which it is applicable, there are Works Councils and/or trade union representatives who oversee compliance with the principles established in the applicable agreements and ensure the establishment of fluid lines of communication between all the workers and the relevant company bodies. In total, 88% of the employees of Alba and its subsidiaries in Spain (the Alba Group) are covered by collective agreements.

3.2.5. Training

Alba's training procedures are adapted to employees' needs and take into account the characteristics of the functions they perform, their careers and their professional development, so that resources are focused on the requirements of each position and the current market. In 2020, since employees were provided with the appropriate devices, they were able to access the training they required remotely.

The **Satlink** subgroup has a policy relating to Occupational Risk Prevention training for work performed on board ships, and to technical training for developers and technical staff. It also has specialised programmes in proprietary technologies for customers to improve efficiency in the use of the solutions and products offered by the company.

Detail, by professional category, of total number of hours of training provided to employees:

	Factory Workers and Clerical Staff	Middle Management	Executives	Total
Hours of training 2020	40,791	483.8	299.80	41,816
Hours of training 2019	6,241	810	342	7,393

Of note in 2020 was the improvement in the systems for collecting information on training days at the companies making up the Alba Group, which gave rise to an exponential increase in the number of hours of training recorded, which was also due to the enhanced monitoring of these data given the digital nature of the activities carried on as a consequence of covid-19.

3.2.6. Accessibility and equality

Alba's Code of Ethics and Conduct includes principles of non-discrimination and equal opportunity with which it aims to fulfil the commitment to create a working environment in which all employees enjoy fair treatment, respect and dignity, while rejecting any form of violence or harassment, abuse of authority or any other conduct that violates the rights of workers and people. Also, when holding general meetings, Alba facilitates the accessibility of people with disabilities and the elderly, both in terms of providing access to prior information and in making it easier for them to cast their vote, access the meeting room and follow the meetings.

In addition, pursuant to the regulations governing general meetings, in order to safeguard the general interests and health of shareholders and people involved in the preparation and holding of the general meeting, the meeting was held entirely remotely in 2020.

In addition to the measures ensuring regulatory compliance in the area of accessibility and equality, other measures included most notably those taken at the **Preving** subgroup, where 95% of its facilities have measures in place to improve accessibility for workers (elimination of steps or adapted washroom facilities). In relation to product and service accessibility, Preving has training materials adapted to the needs of workers (audio material for visually impaired workers, graphical documentation for the hearing impaired and training material in sign language).

4. Information on environmental matters

4.1. Policies

Alba's Code of Ethics and Conduct declares its respect for the environment, in terms of both the conduct resulting from its direct activities and the environmentally responsible behaviour of the companies in which it invests. In 2020, for the purpose of including the amendments introduced in the Code of Good Governance for Listed Companies by a resolution of the Spanish National Securities Market Commission (CNMV) on 26 June 2020, Alba replaced its Corporate Social Responsibility Policy with a new Sustainability Policy. The policy approved continues to evidence 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, the Alba Group's response focuses on preventing contamination, and on the responsible and sustainable use of resources, together with proper waste management. Furthermore, since 2017 Alba's Investment Policy has included criteria to assess responsible investment from an environmental perspective.

For its part, **Nuadi** has a department dedicated solely to environmental issues and has in place an ISO 14001-certified environmental management system. This subgroup also takes out third-party liability insurance providing warranty coverage for any type of environmental incident.

The **Preving** subgroup also 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.

In addition, the **Satlink** subgroup acknowledges its role in the challenge posed by climate change and, to this end, it has implemented a Quality and Environment Policy focused on ensuring compliance with a series of measures to protect biodiversity, reduce consumption of water, energy and other resources, prevent waste generation and combat climate change. Satlink's policy enshrines its resolve to continue improving its environmental behaviour, not only in terms of its modus operandi, but also with regard to its internal management processes, the training provided to employees of the companies in the Satlink subgroup and the subgroup's image. Company management is committed to communicating, explaining and upholding, with all the means at its disposal, the content of the policy with respect to employees, customers and suppliers, as well as Spanish or international public and private institutions, To put this policy into practice it has a quality system in place in compliance with the UNE-EN-ISO 9001 and UNE-EN 9100 standards.

4.2. Environmental management and performance

4.2.1. Energy and climate change

At **Alba** energy consumption refers basically to the use of lighting and HVAC systems, and computer hardware in the offices and buildings owned by it. To reduce consumption in this connection, various different energy efficiency measures have been adopted, such as replacing traditional incandescent light bulbs with LEDs, carrying our refurbishment work in buildings to increase energy efficiency and conducting external energy efficiency controls and audits, all of which help the Alba Group to reduce its impact on the environment. In 2020, the company underwent a process to obtain sustainability certification for its building at Castellana 89, which culminated in January 2021 with the award of the LEED Gold Seal by the US Green Building Council (USGB).

At Alba, the emissions generated also arise from use of vehicles in the company's own fleet. With a view to reducing these emissions and its carbon footprint, Alba replaces its petrol or diesel-driven vehicles with electric or hybrid models.

The **Preving** subgroup uses electricity as a natural resource when engaging in its activities at its facilities and, accordingly, in order to optimise its use the subgroup encourages its employees to adopt specific measures to avoid unnecessary power consumption, and it has conducted an energy audit at its centres in Andalusia, Extremadura and Madrid with the aim of achieving greater energy efficiency.

In the case of the industrial installations of the **Nuadi** subgroup, energy consumption reduction measures have been implemented based on the scheduling of statutory servicing and energy inspections of boilers and coolers, and the conduct of energy audits.

As regards the **Satlink** subgroup, following its expansion into new offices in 2020, a zone-by-zone heating and air conditioning system has been installed using energy-efficient equipment. The company is fully aware that the pressure on the world's natural resources and the challenge posed by climate change require a rapid response from all concerned, and its energy- and emission-related impacts are controlled by personnel assigned with environmental responsibility at each facility. Noteworthy in this connection are the actions of the companies in the subgroup to reduce the emissions of their products throughout their entire life cycle, the latest development in this connection being the sonar-equipped smart buoys for tuna fishing, whose software, developed by Satlink, optimises fleet movements through the detection of optimal shoals of fish, thereby resulting in fuel savings and reductions in CO_2 emissions.

Energy consumption within the organisation

	Total 2019	Total 2020*
Electricity consumption (MWh)	7,986.35	6,634.29
Natural gas consumption (MWh)	3,739.14	3,819.85
Diesel consumption (litres)	136,774.00	355,589.59

**Note: The result for 2020 includes the scope of the figures of the companies in the Satlink subgroup which operate outside Spain.*

The increase in diesel consumption is due to an improvement in data gathering and to an increase in the consumption of this type of fuel by the Preving subgroup as a result of the journeys required during the reporting period.

Greenhouse gas emissions (t CO_2 eq.)

Scope	**Total 2019**	**Total 2020***
Scope 1	1,100.02	1,829.81
Scope 2	3,274.40	1,260.52
Total	4,374.43	3,090.32

**Note: The result for 2020 includes the scope of the figures of the companies in the Satlink subgroup which operate outside Spain.*

4.2.2. Sustainable use of resources and circular economy

Alba has adopted a series of measures which, as stated above, aim to improve efficiency and its 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, Alba has a digital archive for all its departments that enables consultation, download and sharing of files with minimum paper consumption. Moreover, all the paper used is Forest Stewardship Council (FSC) certified. The efforts made to maximise the use of remote working solutions and the reduction of the physical presence of employees at offices as a result of the covid-19 pandemic led to a decrease in paper consumption in 2020.

The main materials used in the **Preving** subgroup relate to the healthcare consumables used to perform medical check-ups. However, one of the resources used the most in the subgroup's offices is paper; therefore, rationalising its use and reducing its consumption constitute one of the main objectives pursued. To this end, Preving carries out internal campaigns to encourage responsible and sustainable use of paper in its offices.

The main incoming raw material used in the **Nuadi** subgroup's manufacturing process is steel, in coils of varying sizes, and the metal scrap arising as a result of the manufacturing process is sent to a metal waste manager. Steel is the raw material used the most by the subgroup's companies and in 2020 consumption amounted to 18,683 tonnes. The optimisation of water consumption is envisaged in the phases of the established Waste

Reduction plan that include proposals for improvement at the main sources of water discharges. The launch of one of the main phases is scheduled for 2021 and, as a result, the companies will be able to substantially reduce their water consumption and the associated discharges.

Lastly, the **Satlink** subgroup is endeavouring to minimise the impact that its product designs and the facilities used in its manufacturing processes might have. Noteworthy in this connection is the design of the solar buoy, which does not require battery replacement during its useful life, thereby avoiding the use of lead batteries in its manufacture; and, in addition, the advances achieved in reducing the amount of materials used in buoy production.

Consumption of materials

	Total 2019	**Total 2020***
Sanitary water consumption (m^3)	46,415.00	31,064.41
Paper consumption (kg)	31,577.50	21,378.44

**Note: The result for 2020 includes the scope of the figures of the companies in the Satlink subgroup which operate outside Spain.*

Alba continues to implement specific measures to reduce waste generation and ensure proper waste treatment and management at each of its subsidiaries. Alba's offices use water fountains, and each employee has a glass bottle to avoid the use of single-use cups. Improvements continue in the management of waste such as coffee capsules, batteries and other office waste, as well in the recycling of pollutant waste such as printer toner cartridges. In 2020, due to the pandemic, remote working was prioritised and office attendance was limited, giving rise to a reduction in the waste generated in the offices.

The types of waste generated by the **Preving** subgroup as a consequence of its activities are mainly bio-sanitary, cytostatic and chemical in nature. To ensure proper management of this waste, collection services are outsourced to certified external waste management providers.

Roll-out of the Waste Reduction Plan prepared by the **Nuadi** subgroup commenced in 2020. The subgroup's main source of waste is the scrap metal arising as a result of the manufacturing process. Steel, in coils of varying sizes, is Nuadi's incoming raw material and, following the manufacturing process, the metal scrap is sent to a metal waste manager. The small size of the surplus trimmings make them adequate for use in automatic dosers at steel foundries and works, to control the composition of the melt. The waste manager sends most of the surplus metal produced to a foundry to be recycled in automotive industry manufacturing processes.

The **Satlink** subgroup reuses the components rejected during the production process by repairing them. Any components that cannot be recycled are collected by an authorised waste management company. Satlink has also assisted, by taking part in various projects, in the collection of marine debris and beach litter.

The detail of the waste generated by Corporación Financiera Alba and its subsidiaries is as follows:

Waste generated - Alba Group

Type of waste	Total 2019	Total 2020*
Hazardous (tonnes)	*323.66*	*334.05*
Non-hazardous (tonnes)	*9,039.43*	*7,135.00*
Total	*9,363.09*	*7,469.00*

**Note: The result for 2020 includes the scope of the figures of the companies in the Satlink subgroup which operate outside Spain.*

5. Ethics, human rights and combating corruption

5.1. Ethical behaviour and respect for human rights:

Alba's Code of Ethics and Conduct includes the values and principles that must govern its conduct and which are extended to all those individuals who, in the discharge of their duties, or in their labour, professional or commercial relations, have dealings with the Alba Group. These values include most notably:

- Respect for human rights and commitment to the UN Global Compact, with which Alba is actively engaged as a signatory partner.
- Ethical behaviour in accordance with the law.
- Fair and respectful treatment based on equal opportunity and non-discrimination.
- Respect for the environment.
- Respect for the interests of others related to the Company.
- Prudence when performing business activities and assuming risks, and in relationships with customers.
- Rigour, integrity and transparency in data processing.

Alba's Code of Ethics and Conduct includes principles of non-discrimination and equal opportunity with which it aims to fulfil the commitment to create a working environment in which all employees enjoy fair treatment, respect and dignity, while rejecting any form of violence or harassment, abuse of authority or any other conduct that violates the rights of workers and people. Also, when holding general meetings, Alba facilitates the accessibility of people with disabilities and the elderly, both in terms of providing access to prior information and in making it easier for them to cast their vote, access the meeting room and follow the meetings.

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

In view of the importance being attached to internal whistleblowing channels, a more detailed procedure for processing reports was established; this procedure facilitates communication, in a confidential manner, of any acts or conduct that may contravene the applicable legislation or the Code of Ethics and Conduct, either within the company or perpetrated by third parties that enter into contracts with the company or whose actions prove detrimental to it. The whistleblowing channel may be used by all internal personnel and individuals outside the Company, the latter including Alba's suppliers, contractors and cooperating entities.

Each year Alba reminds the persons subject to the Code of Ethics and Conduct that it remains in force. The communication sent in 2020 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. In 2020, in accordance with the recommendations introduced in the Code of Good Governance for Listed Companies by a resolution of the Spanish National Securities Market Commission (CNMV) on 26 June 2020, the circumstances in which anonymous reports are permissible were included in the Whistleblowing Channel regulated by the Code of Ethics and Conduct.

No reports, suggestions or consultations relating to the Code of Ethics and Conduct were received in 2020.

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.

The **Nuadi** subgroup also has a Code of Ethics in place that lays down the bases for professional conduct and the associated values, both for the persons who form part of the entity and for the third parties related to it at any given time, based on ongoing observance of human rights and the regulations established in each case.

The Code of Ethics of the **Satlink** subgroup explicitly states, in its general rules of conduct, Satlink's commitment to human rights, making reference to its adherence to and respect for the United Nations Global Compact and the declarations of the International Labour Organisation. Any information received through formal and informal channels with respect to any practice (or suspected practice) contrary to the company's Code of Ethics shall be dealt with promptly with regard to the mitigation of that practice or the denunciation of any parties that might be involved. This includes personnel, customers and suppliers alike.

5.2. Combating corruption and bribery

Alba adopts the measures required to ensure compliance with its duties of surveillance to prevent the offences envisaged in its Criminal Risk Prevention Model from being committed. Ethical values and responsible behaviour are observed in the day-to-day actions of all the persons who form part of Alba. To safeguard those values and, in particular, to combat corruption in any of its forms, the Board of Directors approved a Criminal Risk and Fraud Prevention Policy in 2015.

This policy resulted in the creation of a Crime Prevention Model and a Crime Prevention Manual, which comprise a series of effective measures aimed at preventing, detecting and responding to criminal behaviours. The Model, which applies to directors, executives and employees, allows Alba to control situations in which irregularities may potentially be committed. It is founded on a series of principles -coordination and involvement of all professionals, transparency and communication, effective action, training, etc.- that ensure the proper implementation, monitoring and improvement of the Model.

Agreements with third parties are also subject to clauses whereby the third parties undertake to control any situations in which there is a risk that serious crimes, offences or irregularities may be committed, and to reject corruption and fraud, including extortion, bribery or bribery of a public official.

The general rules of conduct laid down in Alba's Code of Ethics and Conduct make a specific mention of bribes, commissions and gifts, and express its opposition to any attempt to sway the decisions of people outside Alba in order to obtain a benefit through unethical practices. The Code also prohibits other persons or entities from using such practices with Alba employees. Corporate hospitality and courtesy to civil servants in public tenders in which Alba participates, facilitation payments and donations to trade unions and political parties, and donations or sponsorships to secure preferential treatment for Alba are prohibited. Gifts may only be accepted if they are not of significant economic value.

The Code of Ethics and Conduct also envisages compliance with legal provisions for the prevention of money laundering and of terrorist financing

For its part, the **Preving** subgroup has a Crime Prevention Policy and, in relation to gifts, handouts, invitations and other types of remuneration, establishes specific guidelines which tend to limit and, in certain cases, prohibit gifts and invitations made or received by professionals of the subgroup.

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.

6. Information on the company

6.1. The company's sustainable development commitments

In 2020, **Alba** replaced its Corporate Social Responsibility Policy with the Sustainability Policy. This policy lays down the principles and areas involved in contributing to people's well-being and fostering the economic and social development of the communities in which the Group has a presence, while creating value for the various internal and external stakeholders. Alba's principal responsibility in terms of sustainability is to ensure the utmost diligence and integrity throughout the investment process. To achieve this, Alba's Sustainability Policy is founded on applying three principles to its investments:

- 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 good governance-related risks.

Other noteworthy general principles and guidelines of conduct at Alba include the quest for excellence and the adoption of best corporate governance practices, respect for and promotion of human rights, a safe and healthy work environment and a firm commitment to environmental conservation.

Alba is also focused on its stakeholders, establishing 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 subgroups. In addition, the Company strives to ensure that its representatives extend the adoption of these guidelines and principles of responsible conduct to all of its investees. Through its investments, its own activities and the activities carried on by its investees, Alba signals its commitment to achieving the Sustainable Development Goals. As part of its commitment to Spain's UN Global Compact Initiative, Alba also participates in the training activities organised by this platform and submits the required Communication on Progress report. In 2020 Alba attended three meetings at which sustainable development-related issues were addressed.

In addition, with the aim of helping those who are suffering most from the serious economic and social impact of covid-19, Alba has participated, together with other companies, public authorities and social welfare agencies, in the "Súmate, Operación Solidaria" (SOS) initiative, which has made it possible to respond to the basic needs of vulnerable groups. Alba made a cash donation of EUR 50,000 to the Food Bank.

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.

Furthermore, in 2020 Alba adhered to the Spanish Tax Agency's Code of Good Tax Practices promoted by the Forum of Large Companies.

In addition to its cash contribution to Emisores Españoles, in 2020 Alba made economic contributions to Fundación Instituto Juan March de Estudios e Investigaciones and to Fundación de Estudios de Economía Aplicada (FEDEA) totalling EUR 356,000.

The **Preving** subgroup participates in social organisations in the areas in which it has a presence, through the sponsorship of sports activities and collaboration with chambers of commerce, associations of labour and social security practitioners, teams and talented individuals, brotherhoods and other societies, business associations, stakeholders and professional associations. The subgroup has entered into agreements with organisations that promote employment of groups with specific needs, and work-experience agreements with the most important educational institutions in the areas in which it operates, such as IESE, various universities and "dual" training centres (combining traditional lessons with training in-situ at companies). Preving also participates regularly in social events that contribute value to society; the most noteworthy in 2020 included the projects with Agora, El Cluster del Conocimiento, the engineers' association, Asociación Aedipe Centro and Fundación Primera Fila. In 2020 Preving made contributions to foundations and non-profit entities totalling EUR 105,000.

The **Satlink** subgroup demonstrates its commitment to Alba's corporate social responsibility principles by actively and voluntarily promoting and contributing to social and economic development. Given the social and economic impact of the subgroup due to the nature of its activities in local communities, one of the main values and principles of Satlink's business project is to ensure the social inclusion of groups with particular difficulties in gaining access to employment, and the integration in the labour market of people with disabilities and groups at risk of social exclusion. To this end, a portion of its initiatives focus on local recruitment in the geographical areas in which its operates, i.e., in Spanish coastal areas (Vigo, Vizcaya), and through its foreign subsidiaries (Manta in Ecuador, Fiji and the Seychelles).

Satlink's participation in associations and sponsorships is also worthy of mention. In 2020, Satlink became involved with the Spanish Fisheries Confederation (CEPESCA), the Bermeo Tuna World Capital (BTWC) association, the Organisation of Producers of Frozen Tuna (OPAGAC), Infofish and the Bermeo Rowing association. It is also actively involved in the World Wildlife Fund, Tierra Creativa, Atuna, Sociedad Geográfica, Orpagu and Opromar. In 2020 Satlink made contributions totalling EUR 74,791.

In 2020 the **Nuadi** subgroup focused its efforts on public health and the well-being of society and the communities in which it operates. In the course of the covid-19 pandemic, Nuadi has donated a large quantity of masks and protective equipment to various public entities in order to collaborate with the local communities in preventing and minimising the spread of covid-19.

6.2. Subcontracting and suppliers

Alba applies the principles and values defined in its Code of Ethics and Conduct to its entire value chain, including all the contractors, suppliers and cooperating entities that have a commercial relationship with Alba. Accordingly, the agreements and the terms and conditions established in the relationships managed with each of these third parties clearly evidence their commitment to observe and comply with Alba's principles of respect for human rights, the environment and regulatory compliance.

The **Preving** subgroup engages local suppliers and has a Compliance Agreement which governs its relationships with suppliers and how they are managed by subgroup personnel, thus ensuring compliance with the principles and values established by the company in its Code of Ethics and Conduct. Preving currently has Corporate Responsibility certification.

The **Nuadi** subgroup has an internal procurement procedure in place for the suppliers affecting its product and manufacturing process. Each supplier's performance and associated risk is assessed annually, through a system of regular audits based on the German Automotive Industry Association (VDA) standard, and suppliers that are proactive in identifying the impacts of environmental issues and in achieving the goals established are viewed positively.

Lastly, on the basis of its responsible procurement programme, the **Satlink** subgroup carries out an ongoing assessment of its suppliers and contractors with regard to their compliance with environmental, quality and occupational safety requirements; suppliers and contractors are assessed in terms of product and process quality, as well as social and environmental responsibility. Also, Satlink's Code of Ethics explicitly states, in its general rules of conduct, the company's commitment to gender equality policies and environmental guidelines, with regard to both their definition and the principles of action for its stakeholders, including its suppliers. In its Code, Satlink underlines its adherence and commitment to the United Nations Global Compact and to the declarations of the International Labour Organisation.

6.3. Consumers

Alba and its subsidiaries apply the required consumer health and safety procedures and provide consumers with the appropriate communication mechanisms in each case to lodge complaints and make claims, adapting the mechanism to the type of activity carried on at each entity.

With respect to its real estate business, **Alba** implements all the necessary health and safety measures and provides all the resources required to coordinate business activities in the buildings owned by it. The leases with tenants and the internal regulations of the buildings establish the appropriate channels for processing the various requirements that may arise and an ongoing and seamless relationship is maintained with tenants.

In 2020, within the context of the covid-19 pandemic, Alba adopted all the measures required in the buildings owned by it to enable it to conduct its activities in those buildings in accordance with the health authority recommendations, and it acted with the utmost prudence in order to safeguard users' health and safety. Thus, a series of action protocols have been put in place, some of which can be accessed using the QR codes in the buildings themselves or can be found on Alba's corporate website. These protocols relate to the movement of people within the buildings, and regulate user access and the use of lifts, as well as implementing temperature checks on access to the buildings. They also consider the hygiene measures adopted: use of a mask and hydroalcoholic hand sanitiser gel, dividing screens at reception, more intense and more frequent cleaning, among others. Lastly, the protocols provide recommendations that are in line with the instructions and prevention measures issued by the public health authorities.

The **Preving** subgroup has specific measures in place to guarantee the health and safety of the customers of the services offered; there is a complaint management system on the intranet that is accessible to all employees and through which they must submit all the complaints and claims made by customers. Preving also offers a centralised customer care service that handles complaints and claims over the telephone. Complaints are managed in real time and reported on a monthly basis. Half-yearly customer loyalty reports, detailing the action plans implemented, are prepared and shared with subgroup management. To ensure good service provision, Preving employs an NPS satisfaction survey system through which it conducts regular surveys with customers and stakeholders.

Compliance with the occupational risk prevention legislation is also a priority for Preving, and it conducts strict monitoring and control of the related preventive planning. 2020 saw the adaptation of training rooms and furniture in health surveillance offices to meet ergonomic requirements, as well as to ensure appropriate ambient temperature and relative humidity conditions for both external and internal clients. Preving's commitment to customer data protection is evidenced by its compliance with the legislation of the Spanish Data Protection Agency and all other relevant legislation.

The **Nuadi** subgroup has implemented a certified management system based on the 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.

One of the **Satlink** subgroup's distinguishing strengths is its knowledge of customers' needs. This knowledge is achieved through its close relationship with customers and the speed of its response to customers' needs, complaints and claims, which it provides by means of an open communication channel, frequent visits and a professional service - a service that sets up installations all around the world and has a 24/7 call centre service. In addition, Satlink's sales departments systematically conduct customer satisfaction surveys at least once a year. Satlink also guarantees consumer, customer and user security, ensuring compliance with the General Data Protection Regulation (GDPR) by means of an agreement with Secure&IT.

7. Table of Contents of Non-Financial Statements

Contents of the Law 11/2018 on Non-Financial Information Statements		Standard employed	Section of the Report
Business Model			
Description of the Group's business model	– Description of the business model. – Geographical presence. – Objectives and strategies. – Main factors and trends affecting future development.	GRI 102-2, GRI 102-4, GRI 102-6, GRI 102-7, GRI 102-15	2. Business Model
Main risks	– Main risks and impacts derived from Group activities, and how they are handled.	GRI 102-11, GRI 102-15	2. Business Model
Information regarding environmental issues			
Policies	– Management focus.	GRI 103-2, GRI 103-3	4.1 Information on environmental matters - Policies
General	– Effects of company activities on the environment, health and safety.	GRI 102-15, GRI 102-29, GRI 102-31	4.1 Information on environmental matters - Policies
	– Environmental certification or evaluation procedures.	GRI 102-11, GRI 102-29, GRI 102-30	4.1 Information on environmental matters - Policies
	– Resources dedicated to environmental risk prevention.	GRI 102-29	4.1 Information on environmental matters - Policies
	– Application of the principle of foresight.	GRI 102-11	4.1 Information on environmental matters - Policies
	– Provisions and guarantees for environmental risks.	GRI 307-1	Note 1 on the Consolidated Annual Accounts of Corporación Financiera Alba, S.A. and Subsidiaries for the financial year 2020
Pollution	– Measures to prevent pollution.	GRI 103-2, GRI 302-4, GRI 302-5, GRI 305-5, GRI 305-7	4.2.1 Energy and Climate Change
Circular economy and prevention and management of waste	– Measures to prevent and manage waste.	GRI 103-2, GRI 301-1, GRI 303-3, GRI 306-2	4.2.2 Sustainable use of resources and circular economy

Contents of the Law 11/2018 on Non-Financial Information Statements		Standard employed	Section of the Report
Sustainable use of resources	– Water consumption.	GRI 303-3	4.2.2 Sustainable use of resources and circular economy
	– Raw materials consumption.	GRI 301-1	4.2.2 Sustainable use of resources and circular economy
	– Direct and indirect energy consumption. – Measures taken to improve energy efficiency. – Use of renewable energies.	GRI 103-2, GRI 302-1, GRI 302-2, GRI 302-4	4.2.1 Energy and Climate Change
Climate Change	– Greenhouse Gas (GHG) emissions.	GRI 305-1, GRI 305-2	4.2.1 Energy and Climate Change
	– Measures to adapt to Climate Change.	GRI 102-15, GRI 103-2, GRI 201-2, GRI 305-5	4.2.1 Energy and Climate Change
	– GHG emissions reduction targets.	GRI 103-2	4.2.1 Energy and Climate Change
Protection of biodiversity	– Measures to preserve or restore biodiversity.	GRI 103-2, GRI 304-3	Not material
	– Impacts caused by the activity.	GRI 304-2	Not material
Information regarding social issues and staff			
Policies	– Management focus.	GRI 103-2, GRI 103-3	3.1 Information on social - and personnel-related matters - Policies
Employment	– Total number and distribution of employees by gender, age, country and professional classification.	GRI 102-7, GRI 102-8, GRI 401-1, GRI 405-1	3.2.1 Employment and remuneration
	– Total number and distribution of employment contract types.		3.2.1 Employment and remuneration
	– Average annual number of permanent, temporary and part-time contracts, by gender, age and professional classification.		3.2.1 Employment and remuneration
	– Number of dismissals by gender, age and professional classification.		3.2.1 Employment and remuneration
	– Average remuneration by gender, age and professional classification or equal value.	GRI 102-35, GRI 102-36, GRI 201-3, GRI 202-1, GRI 405-2	3.2.1 Employment and remuneration
	– Salary Gap.		3.2.1 Employment and remuneration

Contents of the Law 11/2018 on Non-Financial Information Statements		Standard employed	Section of the Report
	– Remuneration of equal jobs or company average.		3.2.1 Employment and remuneration
	– Average remuneration of directors and executives, with gender breakdown.		Note 27 on the Consolidated Annual Accounts of Corporación Financiera Alba, S.A. and Subsidiaries for the financial year 2020. There were four female Board members at Alba during the 2020 financial year.
	– Work switch-off measures.	GRI 103-2	3.2.2 Organisation of the work
	– Employees with disability.	GRI 405-1	3.2.1 Employment and remuneration
Organisation of work	– Organisation of working hours.	GRI 102-8, GRI 103-2	3.2.2 Organisation of the work
	– Number of hours of absence.	GRI 403-2	3.2.2 Organisation of the work
	– Work-life balance measures.	GRI 103-2	3.2.2 Organisation of the work
Health and Safety	– Health and safety at work conditions.	GRI 103-2 , 403-1	3.2.3 Health and Safety
	– Accident rate indicators separated by gender.	GRI 103-2	3.2.3 Health and Safety
	– Occupational illnesses.	GRI 403-10	3.2.3 Health and Safety
Labour Relations	– Organisation of social dialogue.	GRI 102-43, GRI 402-1, GRI 403-4	3.2.4 Labour relations
	– Percentage of employees covered by collective agreement.	GRI 102-41	3.2.4 Labour relations
	– Overview of collective agreements in the field of health and safety at work.	GRI 403-4	3.2.4 Labour relations
Training	– Training policies.	GRI 103-2, GRI 404-2	3.2.5 Training
	– Total training hours by professional category.	GRI 404-1	3.2.5 Training
Accessibility	– Universal accessibility for people with disability.	GRI 103-2	3.2.6 Accessibility and equality
Equality	– Gender equality measures.	GRI 103-2	3.2.6 Accessibility and equality
	– Equality plans.		3.2.6 Accessibility and equality

Contents of the Law 11/2018 on Non-Financial Information Statements		Standard employed	Section of the Report
	– Employment development measures.		3.2.6 Accessibility and equality
	– Sexual and gender harassment protocols.		3.2.6 Accessibility and equality
	– Universal accessibility of people with disability.		3.2.6 Accessibility and equality
	– Anti-discrimination and diversity management policy.	GRI 103-2, GRI 406-1	3.2.6 Accessibility and equality
Information regarding respect for human rights			
Policies	– Management focus.	GRI 103-2, GRI 103-3 GRI 412-2	5.1 Ethical behaviour and respect for Human Rights
Human Rights	– Application of due diligence procedures.	GRI 102-17, 103-2, GRI 419-1	5.1 Ethical behaviour and respect for Human Rights
	– Measures to prevent and handle any possible abuses committed.		
	– Complaints of cases of human rights violations.		
	– Promotion and fulfilment of ILO provisions.		5.1 Ethical behaviour and respect for Human Rights
Information on combating corruption and bribery			
Policies	– Management focus.	GRI 103-2, GRI 103-3, GRI 205-2	5.2 Combating corruption and bribery
Corruption and bribery	– Anti-corruption and anti-bribery measures	GRI 103-2	5.2 Combating corruption and bribery
	– Measures to combat money laundering.		5.2 Combating corruption and bribery
	– Contributions to foundations and non-profit entities.	GRI 103-2, GRI 201-1, GRI 203-3, GRI 415-1	6.1 The company's sustainable development commitments
Information about the company			
Policies	– Management focus.	GRI 103-2, GRI 103-3	6.1 The company's sustainable development commitments
Company commitments to sustainable development	– Impact of the company's activity on employment and local development.	GRI 203-1, GRI 203-2, GRI 204-1, GRI 413-1, GRI 413-2	6.1 The company's sustainable development commitments
	– Impact of company activities on the local population and region.		

Contents of the Law 11/2018 on Non-Financial Information Statements		Standard employed	Section of the Report
	– Ongoing relations with local communities.	GRI 102-43, GRI 413-1	6.1 The company's sustainable development commitments
	– Actions for partnership.	GRI 102-13, GRI 203-1, GRI 201-1	6.1 The company's sustainable development commitments
Subcontractors and suppliers	– Inclusion of ESG aspects in the purchasing policy.	GRI 102-9, GRI 103-3, GRI 407-1, GRI 409-1, GRI 414-2	6.2 Subcontracting and suppliers
	– Consideration in the relationship with suppliers and subcontractors of their social and environmental responsibility.		6.2 Subcontracting and suppliers
	– Systems for supervision and audits, and the corresponding results.		6.2 Subcontracting and suppliers
Consumers	– Consumer health and safety measures.	GRI 103-2, GRI 416-1, GRI 416-2, GRI 417-1	6.3 Consumers
	– System for handling complaints and grievances received.	GRI 102-17, GRI 103-2, GRI 418-1	6.3 Consumers
Tax information	– Profits earned, by country.	GRI 201-1	Note 22 on the Consolidated Annual Accounts of Corporación Financiera Alba, S.A. and Subsidiaries for the financial year 2020
	– Profits taxes paid.		Note 22 on the Consolidated Annual Accounts of Corporación Financiera Alba, S.A. and Subsidiaries for the financial year 2020
	– Public grants received.	GRI 201-4	No Public Authority grants were received during 2020.

8. Global Compact Principles in Corporación Financiera Alba, S.A.'s 2020 Non-Financial Information Statement.

Topic	Global Compact Principles	Relevant GRI-Standards indicators	Non-Financial Information Statement Section
Human Right	**Principle 1.** Businesses should support and respect the protection of internationally proclaimed human rights. **Principle 2.** Businesses should make sure that they are not complicit in human rights abuses	GRI 412-2 GRI 413-1, GRI 413-2 GRI 414-2	5.1 Ethical behaviour and respect for Human Rights 6.1 The company's sustainable development commitments 6.2 Subcontracting and suppliers
Labour standards	**Principle 3.** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	GRI 102-41, GRI 402-1, GRI 407-1	3.2.4 Labour Relations 6.2 Subcontracting and suppliers
	Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labour. **Principle 5.** Businesses should uphold the effective abolition of child labour.	GRI 409-1 GRI 408-1	5.1 Ethical behaviour and respect for Human Rights 6.2 Subcontracting and suppliers
	Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation	GRI 202-1, GRI 401-1, GRI 405-2 GRI 405-1	3.2.1 Employment and remuneration 3.2.6 Accessibility and equality
Environment	**Principle 7.** Businesses should support a precautionary approach to environmental challenges.	GRI 102-11 GRI 201-2	4. Information on environmental matters 4.1 Policies
	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility. **Principle 9.** Businesses should encourage the development and diffusion of environmentally friendly technologies.	GRI 301-1 GRI 302-1, GRI 302-2, GRI 302-4 GRI 303-1, GRI 303-3 GRI 305-1, GRI 305-2, GRI 305-5 GRI 306-2	4.2.1 Energy and climate change 4.2.2 Sustainable use of resources and circular economy
Anti-corruption	**Principle 10.** Businesses should work against corruption in all its forms, including extortion and bribery	GRI 102-17 GRI 205-2 GRI 415-1	5.1 Ethical behaviour and respect for Human Rights 5.2 Combating corruption and bribery 6.1 The company's sustainable development commitments

Corporación Financiera Alba, S.A. and Subsidiaries

Independent limited assurance report on the Consolidated Non-Financial Statement for the fiscal year ended 31 December 2020.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

Deloitte, S.L

Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel: +34 915 14 50 00

www.deloitte.es

INDEPENDENT LIMITED ASSURANCE REPORT

To the shareholders of Corporación Financiera Alba, S.A.:

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the Non-Financial Information Statement (NFIS) for the fiscal year ended 31 December 2020 of Corporación Financiera Alba, S.A. and subsidiaries ("Corporación Financiera Alba"), which forms part of Consolidated Directors' Report of Corporación Financiera Alba.

The NFIS includes information, additional to that required by current Spanish corporate legislation relating to non-financial, that has not been the subject of our verification work. Accordingly, our work has been limited exclusively to the verification of the information identified in the section 7 "Table of contents of the Non-Financial Information Statements" 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 7 "Table of contents of the Non-Financial Information Statements" on the NFIS.

This responsibility also includes the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The Directors of Corporación Financiera Alba are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, which relates exclusively to the financial year 2020.

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 2020 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 2020 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 2020.
- Verification, by means of sample-based review tests, of the information relating to the contents identified in the NFIS of 2020 and the appropriate compilation thereof based on the data furnished by the information sources.
- Obtainment of a representation letter from the directors and management.

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 2020 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 7 "Table of contents of the Non-Financial Information Statements" on the NFIS.

Use and distribution

This report has been prepared in response to the requirement established in the commercial regulations in force in Spain, so it may not be suitable for other purposes and jurisdictions.

DELOITTE, S.L.

Ignacio Ramirez
April 26th, 2021