



Independent  
Auditor's Report on  
the Balance Sheet  
of Corporación  
Financiera Alba, S.A.

**(Together with the Balance Sheet at  
30.06.2022 of Corporación Financiera  
Alba, S.A.)**

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



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

## **Independent Auditor's Report on the Balance Sheet**

*(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 BALANCE SHEET**

#### **Opinion**

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We have audited the balance sheet of Corporación Financiera Alba, S.A. (the "Company") at 30 June 2022, and the explanatory notes thereto which include a summary of the significant accounting policies (jointly "the Balance Sheet").

In our opinion, the accompanying Balance Sheet gives a true and fair view, in all material respects, of the equity and financial position of the Company at 30 June 2022, in accordance with the financial reporting framework applicable to the preparation of a financial statement of this kind (specified in explanatory note 2 to the accompanying Balance Sheet) and, in particular, with the accounting principles and criteria set forth therein.

#### **Basis for Opinion**

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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 Balance Sheet section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the Balance Sheet in Spain pursuant to the legislation regulating the audit of accounts. 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.



## Key Audit Matters

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

### Recoverable amount of investments in Group companies and associates

See notes 3.c., 4) and 5.a) to the Balance Sheet

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Company holds investments in Group companies and associates amounting to Euros 3,639 million which it has recognised within non-current assets at 30 June 2022.</p> <p>With regard to the risk that the carrying amount of investments in Group companies and associates may exceed their recoverable amount, at the balance sheet date the Company assesses whether there are indications of impairment, and if this is the case it estimates the recoverable amount of the investments, so as to determine the need to recognise the corresponding impairment losses.</p> <p>The recoverable amount of each investment is determined by applying valuation techniques that require the exercising of judgement by management and the use of assumptions and estimates.</p> <p>Due to the uncertainty and judgement associated with these estimates, as well as the significance of the carrying amount of the investments in Group companies and associates, we have considered this valuation to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We assessed the design and implementation of the key controls relating to the processes of identifying possible indications of impairment and estimating the recoverable amount of investments in Group companies associates.</li> <li>• We evaluated the criteria used by management when identifying indications of impairment of investments in Group companies and associates.</li> <li>• In the case of investments showing indications of impairment: <ul style="list-style-type: none"> <li>- We assessed the reasonableness of the methodology and assumptions used to estimate the recoverable amount of these investments, involving our valuation specialists in the process.</li> <li>- We contrasted the information contained in the Company’s valuation model with external information regarding the future performance of the industry to which these companies belong.</li> <li>- We evaluated the sensitivity of the estimated recoverable amount to changes in the relevant assumptions and judgements, such as the discount rate and the expected future growth rate, for the purpose of assessing its impact on the recoverable amount.</li> </ul> </li> <li>• Lastly, we assessed whether the disclosures in the notes to the Balance Sheet meet the requirements of the financial reporting framework applicable to the Company.</li> </ul>



## **Emphasis of Matter**

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We draw attention to explanatory note 2.1, which states that the accompanying Balance Sheet has been prepared by the Directors of the Company for the sole purpose of complying with article 303 of the Spanish Companies Act, on increasing share capital with a charge to reserves. Our opinion is not modified in respect of this matter.

## **Directors' and Audit Committee's Responsibility for the Balance Sheet**

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The Directors are responsible for preparing the accompanying Balance Sheet in such a way that it presents fairly the equity and financial position of the Company, in accordance with the financial reporting framework applicable to the entity for the preparation of this type of financial statement in Spain, and for such internal control measures as are considered necessary to enable the preparation of a Balance Sheet that is free from material misstatement, whether due to fraud or error.

In preparing the Balance Sheet, the Directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the preparation and presentation of the Balance Sheet.

## **Auditor's Responsibilities for the Audit of the Balance Sheet**

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Our objectives are to obtain reasonable assurance about whether the Balance Sheet as a whole is 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 this Balance Sheet.

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 Balance Sheet, 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



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- Conclude on the appropriateness of the 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 Company'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 Balance Sheet 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Balance Sheet and of its explanatory notes, and whether the Balance Sheet represents the underlying transactions and events in a manner that achieves a true and fair view.

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

We also provide the 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, we determine those that were of most significance in the audit of the Balance Sheet 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**

### **Contract Period**

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

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

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No.S0702

*(Signed on original in Spanish)*

Begoña Pradera Goiri

On the Spanish Official Register of Auditors ("ROAC") with No.22.614

25 October 2022

**CORPORACIÓN FINANCIERA ALBA, S.A.**  
**BALANCE SHEET AT 30 JUNE 2022**  
**AND EXPLANATORY NOTES THERETO**

*(Free translation from the original in Spanish.*

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## **BALANCE SHEET**

**AT 30 JUNE 2022**

(In millions of Euros)

<b>ASSETS</b>	<b>Note</b>	<b>30/06/2022</b>	<b>31/12/2021</b>
Property, plant and equipment	4	2.2	2.4
Investments in Group companies and associates	5.a	3,639.2	3,550.2
Non-current investments	5.b	200.2	178.8
Deferred tax assets		0.4	0.4
<b>NON-CURRENT ASSETS</b>		<b>3,842.0</b>	<b>3,731.9</b>
Non-current assets held for sale	5.a	-	53.9
Current loans to Group companies and associates	13	5.4	8.7
Trade and other receivables		82.4	41.9
Current investments	6	256.9	525.6
Cash and cash equivalents	7	315.3	140.8
<b>CURRENT ASSETS</b>		<b>660.0</b>	<b>771.0</b>
<b>TOTAL ASSETS</b>		<b>4,502.0</b>	<b>4,502.9</b>
<b>EQUITY</b>			
<b>AND LIABILITIES</b>	<b>Note</b>	<b>30/06/2022</b>	<b>31/12/2021</b>
Share capital		58.2	58.2
Reserves		3,901.7	3,931.2
Profit		3.4	28.7
Interim dividend		-	(29.1)
<b>EQUITY</b>	<b>8</b>	<b>3,963.3</b>	<b>3,989.0</b>
Provisions	9	0.4	0.4
Loans and borrowings	10	90.0	165.0
Deferred tax liabilities		0.1	0.1
<b>NON-CURRENT LIABILITIES</b>		<b>90.5</b>	<b>165.5</b>
Loans and borrowings	10	423.0	335.1
Current payables to Group companies and associates	13	14.0	-
Other payables		11.2	13.4
<b>CURRENT LIABILITIES</b>		<b>448.2</b>	<b>348.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,502.0</b>	<b>4,502.9</b>

The accompanying explanatory notes 1 to 15 form an integral part of the balance sheet at 30 June 2022.



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## **EXPLANATORY NOTES TO THE BALANCE SHEET AT 30 JUNE 2022**

### **1. Activities**

Corporación Financiera Alba, S.A. (Alba), with registered office at Calle Castelló No. 77 in Madrid, was incorporated on 9 November 1953, and its activity is to invest in companies operating in different sectors of the economy.

In view of Alba's activity, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that could be significant in relation to its equity and financial position, and neither does it have any emission allowances. Accordingly, no specific disclosures about environmental matters have been included in the balance sheet and explanatory notes.

### **2. Basis of Presentation of the Balance Sheet and Explanatory Notes Thereto**

The accompanying balance sheet and explanatory notes thereto have been prepared in accordance with the Spanish General Chart of Accounts approved by Royal Decree 1514/2007 of 16 November 2007, amended in 2016 and 2021 by Royal Decree 602/2016 of 2 December 2016 and Royal Decree 1/2021 of 12 January 2021, respectively, and with other applicable mercantile and accounting legislation in force.

At its meeting held on 24 October 2022, the Board of Directors authorised the issue of the balance sheet at 30 June 2022 and the explanatory notes thereto, which will be subject to verification by the auditor and were obtained from the accounting records of Corporación Financiera Alba, S.A.

The figures disclosed in the balance sheet and explanatory notes are expressed in millions of Euros except where otherwise stated.

#### **2.1 True and fair view**

The balance sheet has been prepared on the basis of the accounting records of the Company and in accordance with prevailing legislation and the Spanish General Chart of Accounts to give a true and fair view of the equity and financial position at 30 June 2022, for the sole purpose of complying with article 303 of the Spanish Companies Act ("Capital increase with a charge to reserves").

#### **2.2. Comparative information**

In addition to the figures at 30 June 2022, the balance sheet includes comparative figures for the prior year, which formed part of the annual accounts for 2021 approved by the shareholders at the annual general meeting held on 20 June 2022.





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### 2.3. Use of judgement and estimates in the preparation of the balance sheet and explanatory notes

The preparation of certain information included in this balance sheet required management to use judgements and estimates based on assumptions that affect the application of accounting criteria and policies and the reported amounts of assets, liabilities and commitments. The most significant estimates used in preparing this balance sheet pertain to the estimated recoverable amount of investments in Group companies and associates (see note 5.a).

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 income statement for that period.

### 3. Significant Accounting Policies

The balance sheet at 30 June 2022 has been prepared in accordance with the accounting principles laid down in the Spanish General Chart of Accounts, the most significant of which are as follows:

#### a) Classification of assets and liabilities as current and non-current

Assets and liabilities are classified as current in the accompanying balance sheet when maturity is within 12 months after the reporting date. Otherwise they are classified as non-current.

#### b) Property, plant and equipment (note 4)

These items are measured at cost of acquisition. 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 cost of the assets over their estimated useful lives, in accordance with the following percentages:

	Annual depreciation rates
Buildings and other structures	2 to 6
Technical installations and machinery	8 to 24
Furniture and fixtures	10
Information technology equipment	25

#### c) Financial instruments

##### Recognition and classification of financial instruments

The Company classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

The Company recognises a financial instrument when it becomes party to the contract or legal transaction, in accordance with the terms set out therein, either as the issuer or as the holder or acquirer thereof.

The Company classifies financial instruments into the following categories: financial assets and financial liabilities at



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fair value through profit or loss, showing separately those designated as such upon initial recognition from those that are held for trading and those mandatorily measured at fair value through profit or loss; financial assets and financial liabilities measured at amortised cost; financial assets measured at fair value through equity, showing separately equity instruments designated as such from other financial assets; and financial assets measured at cost. The Company classifies financial assets at amortised cost and at fair value through equity, except for equity instruments designated as such, based on the business model and the contractual cash flow characteristics. The Company classifies financial liabilities as measured at amortised cost, except those designated as at fair value through profit or loss and those held for trading.

#### **c.1) Financial assets and financial liabilities at fair value through profit or loss**

The Company initially recognises financial assets and financial liabilities at fair value through profit or loss at fair value. Transaction costs directly attributable to the acquisition or issue are recognised as an expense when incurred.

The fair value of a financial instrument at initial recognition is normally the transaction price, unless this price includes items other than the instrument, in which case the Company determines the fair value of the latter. If the Company determines that the fair value of an instrument differs from the transaction price, it recognises the difference through profit or loss, to the extent that the value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. In all other cases, the Company recognises the difference as a gain or a loss only to the extent that it arises from a change in a factor that market participants would take into account when pricing the asset or liability.

After initial recognition, they are recognised at fair value through profit or loss. Changes in the fair value include the component of interest and dividends. Fair value is not reduced by transaction costs incurred on sale or disposal.

#### **c.2) Financial assets and financial liabilities at amortised cost**

Financial assets and financial liabilities at amortised cost are initially recognised at fair value, plus or minus transaction costs, and are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash flows through the expected life of a financial instrument to the carrying amount of that financial instrument based on the contractual terms of the instrument, and for financial assets, not considering expected credit losses, except for purchased or originated credit-impaired financial assets, for which the credit-adjusted effective interest rate is used, i.e. considering the credit losses incurred when purchased or originated.



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### **c.3) Financial assets and financial liabilities measured at cost**

Investments in equity instruments for which the fair value cannot be reliably measured and derivative instruments that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost. Nonetheless, if the financial assets or liabilities can subsequently be reliably measured on an ongoing basis, they are accounted for at fair value and any gain or loss is recognised in accordance with their classification.

The Company measures investments included in this category at cost, which is equivalent to the fair value of the consideration given or received, plus or minus any directly attributable transaction costs, and net of any accumulated impairment. The initial measurement of the equity instruments also includes any pre-emptive subscription and similar rights acquired.

### **c.4) Investments in Group companies, associates and jointly controlled entities (note 5.a)**

Group companies are those over which the Company, either directly or indirectly, exerts control. Entities over which the Company exercises significant influence, even where its interest therein is less than 20%, are considered associates. To determine whether significant influence exists, the Company considers representation on the Board of Directors, , among other situations. In addition, jointly controlled entities include entities over which the Company exercises control together with one or more partners, by virtue of an agreement.

Investments in Group companies and associates are initially measured at cost, which is equivalent to the fair value of the consideration given plus any directly attributable transaction costs.

They are subsequently measured at cost less any accumulated impairment. Impairment is calculated as the difference between the carrying amount and the recoverable amount, the latter being the higher of fair value less costs to sell and the value in use. The value in use is calculated based on the Company's share of the present value of future cash flows expected to be derived from ordinary activities and from the disposal of the asset, or the estimated cash flows expected to be received from the distribution of dividends and the final disposal of the investment. In subsequent years, reversals of impairment losses in the form of increases in the recoverable amount are recognised, up to the limit of the carrying amount that would have been determined for the investment if no impairment loss had been recognised.

Impairment and reversals thereof, as the case may be, are recognised as an expense or income, respectively, in the income statement.

### **d) Non-current assets held for sale**

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

Non-current assets or disposal groups classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell and are not depreciated.

Impairment losses on initial classification and subsequent remeasurement of assets classified as held-for-sale are recognised under profit or loss from continuing operations in the income statement, except in the case of discontinued operations. Impairment losses on a cash-generating unit (CGU) are allocated first to reduce the carrying amount of goodwill and then to reduce pro rata the carrying amounts of other non-current assets in the unit. Impairment of goodwill recognised



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may not be reversed.

Gains due to increases in the fair value less costs to sell are recognised in the income statement to the extent of the cumulative impairment previously recognised due to measurement at fair value less costs to sell or to impairment recognised before classification of the asset.

The Company measures a non-current asset that ceases to be classified as held-for-sale or to form part of a disposal group at the lower of the carrying amount before the asset was classified as held-for-sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held-for-sale, and its recoverable amount at the date of reclassification. Any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held-for-sale is included in profit or loss from continuing operations.

**e) Own shares (note 8)**

These are presented on the accompanying balance sheet as a reduction in equity, and no gains or losses are recognised in profit or loss upon their sale or cancellation. Costs incurred on transactions with own shares are recognised directly in equity as a reduction in reserves.

**(f) Cash and cash equivalents (note 7)**

In this line item the Company recognises cash on hand and at banks, current deposits and other highly liquid investments not subject to a risk of changes in value.

**g) Provisions (note 9)**

The Company recognises liabilities of uncertain timing or amount as provisions. Provisions are measured at the reporting date at the present value of the best possible estimate of the amount required to settle the liability.

**h) Alternative pension plan schemes**

Alba has externalised three alternative pension plan schemes, two of which are defined benefit and one is defined contribution in nature. Entitlement to such alternative schemes shall apply to employees who reach retirement age while still serving on the workforce of Corporación Financiera Alba, S.A., and who leave the Company for this reason.

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The main assumptions used at 30 June 2022 and 31 December 2021 to measure defined benefit obligations were as follows:

	30/06/2022	31/12/2021
Mortality tables	PERM 2020_Col.1er.orden	PERM 2020_Col.1er.orden
Technical interest agreed in the policies	2.00% - 3.70%	2.00% - 3.70%
CPI growth	2.00%	2.00%
Pay rises	2.50%	2.50%
Changes in Social Security base	2.00%	2.00%
Discount rate of obligations and of assets intended to settle the commitments	0.95%	0.95%
Retirement age	65	65

#### **i) Income tax (note 11)**

The income tax expense is calculated as the sum of current tax, calculated by applying the pertinent tax rate to the tax base 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.

#### **j) Share-based payment transactions**

At 30 June 2022 and 31 December 2021 Alba has no share option schemes.

#### **k) Related party transactions (note 13)**

Related party transactions are accounted for in accordance with the aforementioned measurement criteria.

#### 4. Property, Plant and Equipment

Movement in this item during the six-month period ended 30 June 2022 and in 2021 is as follows:

	Land and buildings	Installations	Other property, plant and equipment	Total property, plant and equipment
<b><u>COST:</u></b>				
Balance at 01/01/2021	7.6	1.4	2.0	11.0
- Increases	-	-	0.1	0.1
Balance at 31/12/2021	<u>7.6</u>	<u>1.4</u>	<u>2.1</u>	<u>11.1</u>
<b><u>ACCUMULATED DEPRECIATION:</u></b>				
Balance at 01/01/2021	(6.8)	(0.4)	(1.1)	(8.3)
- Increases	(0.2)	(0.1)	(0.1)	(0.4)
Balance at 31/12/2021	<u>(7.0)</u>	<u>(0.5)</u>	<u>(1.2)</u>	<u>(8.7)</u>
<b>Net property, plant and equipment 31/12/2021</b>	<b><u>0.6</u></b>	<b><u>0.9</u></b>	<b><u>0.9</u></b>	<b><u>2.4</u></b>
	Land and buildings	Installations	Other property, plant and equipment	Total property, plant and equipment
<b><u>COST:</u></b>				
Balance at 01/01/2022	7.6	1.4	2.1	11.1
- Increases	-	0.1	-	0.1
Balance at 30/06/2022	<u>7.6</u>	<u>1.5</u>	<u>2.1</u>	<u>11.2</u>
<b><u>ACCUMULATED DEPRECIATION:</u></b>				
Balance at 01/01/2022	(7.0)	(0.5)	(1.2)	(8.7)
- Increases	(0.1)	(0.1)	(0.1)	(0.3)
Balance at 30/06/2022	<u>(7.1)</u>	<u>(0.6)</u>	<u>(1.3)</u>	<u>(9.0)</u>
<b>Net property, plant and equipment 30/06/2022</b>	<b><u>0.5</u></b>	<b><u>0.9</u></b>	<b><u>0.8</u></b>	<b><u>2.2</u></b>

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

At 30 June 2022 and 31 December 2021 the Company had fully depreciated items of property, plant and equipment in use (none of which are buildings) amounting to Euros 0.8 million.

## 5. Financial Assets

### a) Non-current investments in Group companies and associates:

Details of investments in Group companies at 30 June 2022 and 31 December 2021 are as follows:

Company data	Year	% ownership	Company figures		Profit/(loss) for the period	In Alba's books	
			Capital	Reserves		Carrying amount	Dividends received in the year
<b>Alba Europe, S.à.r.l.</b> Rue Eugène Ruppert L-2453 (Luxembourg)	30/06/2022	100.00	0.01	1,399.5	(13.2)	1,265.6	-
	31/12/2021	100.00	0.01	1,109.1	181.1	1,156.3	-
Investment in transferable securities	Auditor: ACSe						
<b>Alba Investments, S.à.r.l.</b> Rue Eugène Ruppert L-2453 (Luxembourg)	30/06/2022	82.09	5.6	541.3	(0.1)	358.0	-
	31/12/2021	82.09	5.6	541.5	(0.2)	358.0	-
Investment in transferable securities	Auditor: ACSe						
<b>Alba-KKR Core International, S.C.A.</b> Rue Eugène Ruppert L-2453 (Luxembourg)	30/06/2022	100.00	0.0	584.2	20.7	562.1	-
	31/12/2021	100.00	0.0	584.2	(0.0)	561.7	-
Investment in transferable securities	Auditor: Deloitte						
<b>Alba Patrimonio Inmobiliario, S.A.U.</b> Castelló, 77 (Madrid)	30/06/2022	100.00	128.0	87.6	16.1	180.9	-
	31/12/2021	100.00	128.0	73.8	13.8	194.9	-
Investment in real estate	Auditor: KPMG						
<b>Artá Partners, S.A.</b> Castelló, 77 (Madrid)	30/06/2022	77.14	1.7	2.0	0.8	1.6	0.6
	31/12/2021	77.14	1.7	0.4	1.6	1.6	1.2
Investment in transferable securities	Auditor: KPMG						
<b>Deyá Capital, S.C.R., S.A. (*)</b> Castelló, 77 (Madrid)	31/12/2021	-	DISSOLVED				17.8
Venture capital							
<b>Deyá Capital IV, S.C.R., S.A.</b> Castelló, 77 (Madrid)	30/06/2022	100.00	1.2	87.8	38.5	54.0	-
	31/12/2021	100.00	1.2	65.7	37.5	69.3	-
Venture capital	Auditor: KPMG						
<b>Total Group companies</b>					<b>30/06/2022</b>	<b>2,422.2</b>	<b>0.6</b>
					<b>31/12/2021</b>	<b>2,341.8</b>	<b>19.0</b>

(\*) Deyá Capital, S.C.R., S.A. was dissolved in 2021.

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Information at 30 June 2022 and 31 December 2021 from the financial statements of associates is as follows:

**Associates**

Quoted on official markets	Activity	Years	% ownership	Carrying amount	Dividends received	Stock market value
<b>Acerinox, S.A.</b> Santiago de Compostela, 100 (Madrid)	Product manufacture and sales	30/06/2022	17.78	547.5	24.0	444.3
	Auditor: PwC	31/12/2021	17.78	547.5	25.2	547.6
<b>Ebro Foods, S.A.</b> Paseo de la Castellana, 20 (Madrid)	Food	30/06/2022	14.52	361.8	8.5	359.7
	Auditor: E&Y	31/12/2021	14.44	359.8	25.0	375.1
<b>Viscofan, S.A.</b> C/ Berroa, 15 (Tajonar-Navarra)	Food	30/06/2022	14.25	307.7	2.9	347.9
	Auditor: PwC	31/12/2021	13.97	301.1	11.0	369.5
<b>Total associates</b>		<b>30/06/2022</b>		<b>1,217.0</b>	<b>35.4</b>	<b>1,151.9</b>
		<b>31/12/2021</b>		<b>1,208.4</b>	<b>61.2</b>	<b>1,292.2</b>
<b>Total Group companies and associates</b>		<b>30/06/2022</b>		<b>3,639.2</b>	<b>36.0</b>	
		<b>31/12/2021</b>		<b>3,550.2</b>	<b>80.2</b>	

During the first half of 2022 the Company sold its entire 3.21% equity investment in Indra Sistemas, S.A. At 31 December 2021 this equity investment was classified under non-current assets held for sale. Up to the sale date, the change in the fair value of this equity investment amounted to Euros 3.5 million, and the sale with a share premium generated a gain of Euros 4.8 million.



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

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

	Assets		Liabilities		Revenue
	Current	Non-current	Current	Non-current	
<b>Acerinox, S.A.</b>					
At 30 June 2022	5,382.5	2,111.7	2,908.3	1,748.5	4,821.5
At 31 December 2021	3,916.8	2,067.4	1,967.6	1,801.8	6,705.7
<b>Ebro Foods, S.A.</b>					
At 30 June 2022	1,626.3	2,244.7	841.6	844.6	1,458.9
At 31 December 2021	1,733.3	2,205.3	923.8	881.7	2,427.1
<b>Viscofan, S.A.</b>					
At 30 June 2022	682.8	585.7	247.5	126.5	568.0
At 31 December 2021	606.5	562.3	219.1	126.9	969.2

Movement during the six-month period ended 30 June 2022 and in 2021 is as follows:

	Cost	Impairment	Total
<b>Balance at 01/01/2021</b>	<b>3,458.4</b>	<b>(28.8)</b>	<b>3,429.6</b>
Additions	612.0	(17.0)	595.0
Disposals	(440.5)	20.0	(420.5)
Transfers	(79.7)	25.8	(53.9)
<b>Balance at 31/12/2021</b>	<b>3,550.2</b>	<b>-</b>	<b>3,550.2</b>
Additions	154.5	-	154.5
Disposals	(65.5)	-	(65.5)
<b>Balance at 30/06/2022</b>	<b>3,639.2</b>	<b>-</b>	<b>3,639.2</b>



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Details of additions and disposals during the six-month period ended 30 June 2022 and in 2021 are as follows:

	Additions				Disposals			
	30/06/2022		31/12/2021		30/06/2022		31/12/2021	
	%	Amount	%	Amount	%	Amount	%	Amount
Acerinox, S.A.	-	-	-	-	-	-	1.57	(48.2)
Alba Investments sàrl	-	-	-	-	-	-	RContrib	(100.4)
Alba Europe sàrl	Contrib	109.3	-	-	-	-	RContrib	(86.0)
Alba-KKR Core International SCA	-	0.4	100.00	561.7	-	-	-	-
Alba Patrimonio Inmobiliario, S.A.U.	-	-	Contrib	13.9	RContrib	(14.0)	-	-
Deyá Capital, SCR, S.A.	-	-	-	-	-	-	RContrib	(0.7)
Deyá Capital IV, SCR, S.A.	Contrib	36.2	-	-	RContrib	(51.5)	RContrib	(23.4)
Ebro Foods, S.A.	0.08	2.00	0.44	11.4	-	-	-	-
Indra Sistemas, S.A. (*)	-	-	-	-	-	-	7.31	(181.8)
Viscofan, S.A.	0.29	6.6	0.94	25.0	-	-	-	-
		154.5		612.0		(65.5)		(440.5)

Contrib: Contribution

RContrib: Reimbursed contributions

(\*) At 31 December 2021, the entire equity investment in Indra Sistemas, S.A. was classified under non-current assets held for sale.

Notification of shareholdings:

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

	% Purchases		% Sales	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Acerinox, S.A.	-	-	-	1.57
Ebro Foods, S.A.	0.08	0.44	-	-
Indra Sistemas, S.A.	-	-	3.21	7.31
Viscofan, S.A.	0.29	0.94	-	-

At 30 June 2022 the quoted price of Acerinox, S.A. and Ebro Foods, S.A. was lower than their carrying amount. There were no indications of impairment of unquoted companies.

At 31 December 2021 the carrying amount of all quoted companies was lower than their quoted price at the reporting date. There were no indications of impairment of unquoted companies.

Value in use is calculated using the discounted cash flow method and subsequently subtracting the value of net debt and non-controlling interests.

The assumptions used at 30 June 2022 were as follows:

	<u>Acerinox, S.A.</u>	<u>Ebro Foods, S.A.</u>
Perpetual growth rate	2.0%	1.5%
Discount rate (WACC)	8.6%	6.5%
Capital structure:		
Capital	80%	80%
Debt	20%	20%
Equity ratio	9.8%	7.3%
Post-tax cost of debt	3.9%	3.4%
Estimated value in use (€/share)	17.37	19.04



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At 30 June 2022, Alba carried out the following sensitivity analysis:

	<u>Acerinox, S.A.</u>	<u>Ebro Foods, S.A.</u>
Discount rate (WACC)		
Rate used in June 2022	8.6%	6.5%
Rate to equal carrying amount	10.1%	6.6%
Perpetual growth		
Rate used in June 2022	2.0%	1.5%
Rate to equal carrying amount	-0.6%	1.4%
EBITDA margin used to calculate terminal value		
Rate used in June 2022	10.3%	12.6%
Margin to equal carrying amount	8.5%	12.5%
Variation in total sales to equal carrying amount	-23.4%	-1.7%
Variation in EBITDA margin to equal carrying amount	-0.7%	-0.1%

At 30 June 2022, a variation of +0.5% and -0.5% in the assumptions used to calculate the value in use would have had the following effect on this value:

<u>Variation</u>	<u>Acerinox, S.A.</u>	<u>Ebro Foods, S.A.</u>
Weighted average cost of capital (WACC)		
+ 0.5%	-6.7%	-11.5%
- 0.5%	7.7%	14.0%
Perpetual growth		
+ 0.5%	5.1%	10.2%
- 0.5%	-4.4%	-8.4%
EBITDA margin		
+ 0.5%	4.9%	5.6%
- 0.5%	-4.9%	-5.6%

**b) Other financial assets:**

Details of other financial assets by category at 30 June 2022 and 31 December 2021 are as follows:

	Financial instruments	
	Non-current	
	30/06/2022	31/12/2021
Loans and receivables	33.1	39.2
Other financial assets	167.1	139.6
<b>Total</b>	<b>200.2</b>	<b>178.8</b>

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. Euros 6.1 million and Euros 4.4 million were collected on these loans during the first six months of 2022 and in 2021, respectively.

At 30 June 2022, other financial assets primarily comprise bonds amounting to Euros 124.5 million and non-current promissory notes totalling Euros 35.3 million (Euros 122.5 million and Euros 12.5 million, respectively, at 31 December 2021).

**6. Current Investments**

This item reflects current cash placements (maturity of over 3 months) in the form of:

	30/06/2022	31/12/2021
Corporate promissory notes	161.7	390.0
Other financial assets	95.2	135.6
<b>Total</b>	<b>256.9</b>	<b>525.6</b>

**7. Cash and Cash Equivalents**

Details are as follows:

	30/06/2022	31/12/2021
Deposits and other highly liquid assets	295.8	50.5
Cash on hand and at banks	19.5	90.3
<b>Total</b>	<b>315.3</b>	<b>140.8</b>

Deposits and other highly liquid assets can be quickly converted to cash and are not subject to a risk of changes in value. The amounts in this item accrue variable interest based on the interbank market interest rate.



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## 8. Equity

At 30 June 2022 and 31 December 2021 Alba's share capital comprised 58,240,000 shares, all of the same class and represented by book entries. The par value of each share is Euro 1, they are subscribed and fully paid, and have all been listed on the Spanish Stock Exchange Interconnection System (SIBE).

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

- Approval of one or more increases in share capital, up to a total amount equal to half of the share capital, i.e. a maximum amount of Euros 29,120,000. The increases approved as a result of this delegation must be made through cash contributions within a maximum of five (5) years from the present day and must include pre-emptive rights. To date this power has not been used.
- Approval of one or more increases in share capital, up to a total amount equal to twenty per cent of the share capital, i.e. for a maximum amount of Euros 11,648,000. The increases approved as a result of this delegation must be made through cash contributions within a maximum of five (5) years from the present day and the Board of Directors has the power to remove the pre-emptive rights, provided the legal requirements in this respect are met. To date this power has not been used.

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

Shareholdings of more than 3% at 30 June 2022 are as follows:

<u>Shareholder</u>	<u>% ownership</u>
Mr. Carlos March Delgado	20.38%
Mr. Juan March Delgado	20.94%
Banca March, S.A.	15.02%
Mr. Juan March de la Lastra	8.63%
Mr. Juan March Juan	5.07%
Ms. Catalina March Juan	4.67%
Ms. Gloria March Delgado	3.70%



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Changes in equity during the six-month period ended 30 June 2022 and in 2021 is as follows:

	Share capital	Reserves	Profit for the period	Interim dividend	TOTAL
<b>BALANCE AT 1 JANUARY 2021</b>	<b>58.2</b>	<b>3,781.4</b>	<b>208.1</b>	<b>(29.1)</b>	<b>4,018.6</b>
Profit for the period	-	-	28.7	-	28.7
Total recognised income and expense	-	-	28.7	-	28.7
Dividends distributed	-	(29.1)	-	(29.1)	(58.2)
Distribution of profit for the prior year	-	179.0	(208.1)	29.1	-
Other	-	(0.1)	-	-	(0.1)
<b>BALANCE AT 31 DECEMBER 2021</b>	<b>58.2</b>	<b>3,931.2</b>	<b>28.7</b>	<b>(29.1)</b>	<b>3,989.0</b>
Profit for the period	-	-	3.4	-	3.4
Total recognised income and expense	-	-	3.4	-	3.4
Dividends distributed	-	(29.1)	-	-	(29.1)
Distribution of profit for the prior year	-	(0.4)	(28.7)	29.1	-
<b>BALANCE AT 30 JUNE 2022</b>	<b>58.2</b>	<b>3,901.7</b>	<b>3.4</b>	<b>-</b>	<b>3,963.3</b>

The Company has no own shares at 30 June 2022 or 31 December 2021.

Details of the composition of reserves at 30 June 2022 and 31 December 2021 are as follows:

	<u>30/06/2022</u>	<u>31/12/2021</u>
Legal reserve	11.7	11.7
Voluntary reserves	3,890.0	3,919.5
Total	<u>3,901.7</u>	<u>3,931.2</u>

## 9. Provisions for Liabilities and Charges

This item reflects provisions recognised by the Company in respect of expenses, losses and liabilities expected to arise from legal proceedings underway in connection with its activity, in the estimated amount of the expenditure required to settle such liabilities.

There were no changes in provisions for liabilities and charges during the six-month period ended 30 June 2022 or in 2021.



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## 10. Loans and Borrowings

Bank	June-22		December-21	
	Maturity	Balance drawn down	Maturity	Balance drawn down
<b><u>NON-CURRENT loans and credit facilities</u></b>				
Loans and credit facilities	30/06/2023 to 2025	<u>90.0</u>	2022	<u>165.0</u>
		90.0		165.0
<b><u>CURRENT loans and credit facilities</u></b>				
Loans and credit facilities	2022 to 30/06/2023	<u>423.0</u>	2023 to 2025	<u>335.1</u>
		423.0		335.1

The borrowing cost ranges from 0.10% to 0.70%.

Additionally, at 30 June 2022 Alba has undrawn financing facilities totalling Euros 72 million (Euros 64.9 million at 31 December 2021).

## 11. Taxation

Corporación Financiera Alba, S.A. Alba Patrimonio Inmobiliario, S.A.U., Deyá Capital IV, SCR, S.A.U., Artá Capital, SGEIC, S.A.U., Alba Europe, SARL, Alba Investments, SARL and Artá Partners, S.A. file taxes under the tax regime for groups of companies.

A reconciliation of Corporación Financiera Alba, S.A.'s tax base and accounting profit is as follows:

	<u>30/06/2022</u>	<u>31/12/2021</u>
Pre-tax accounting profit	3.4	29.3
<b><u>Permanent differences:</u></b>		
Exempt gains and dividends	(38.9)	(78.5)
Charges/(reversals) of non-tax-deductible impairment and other	<u>-</u>	<u>56.1</u>
Taxable income/(tax loss)	(35.5)	6.9
Tax loss carryforwards applied	<u>-</u>	<u>(6.9)</u>
Total	-	-
Income tax at 25%	-	-
Adjustment of prior years	<u>-</u>	<u>(0.7)</u>
Income tax expense/(income)	<u>-</u>	<u>(0.7)</u>

At 30 June 2022 and 31 December 2021 tax loss carryforwards amounting to Euros 19.5 million have not been recognised in the accompanying balance sheet.





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The Company currently has 2021 and the three preceding years open to tax inspection, and any additional taxes that may arise from such inspections are not expected to be significant.

## **12. Risk Management Objectives and Policies**

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

### **1.- Types of risk faced by the Company**

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

Corporación Financiera Alba engages in two principal activities:

- (i) investment in the capital of listed and unlisted companies, and
- (ii) investment in buildings leased as office space.

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

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

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

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

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

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

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

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

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



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## **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.



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- Setting the level of risk that is considered acceptable.

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

- Identifying controls.

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

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

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

- Assessing controls.

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

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

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

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

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

## **2.2. Organisational model of roles and responsibilities**

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

- (i) Risk managers:

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

- (ii) Risk Control and Management Department.

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

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- 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 and its own regulations, the effectiveness of the Company's internal controls and risk management systems, among other aspects.

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

(iv) Board of Directors.

As indicated previously, the Board of Directors has the power to determine the risk control and management policy, including for tax risks, and is tasked with supervising the internal reporting and internal control systems. With regard to the risk management processes, it is worth highlighting that, in addition to the aforementioned Risk Control and Management Department, Corporación Financiera Alba has regulatory compliance processes in place that are carried out by the various operational and support departments, as well as an Internal Audit Service, defined as an advisory and control body serving the Audit and Compliance Committee, which is independent within the organisation as regards its actions and whose purpose is to assess the various areas and functional activities of the Company.

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

### **2.3 Monitoring and reporting model**

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

This cross-departmental monitoring model allows the System to perform dynamically and, above all, to anticipate risks, thus enabling the management and control of risks within the limits set by the Company.

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



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coordinated management by the Company.

### 13. Related Party Balances

Details of related party balances at 30 June 2022 and 31 December 2021 are as follows:

DETAILS OF BALANCES	AMOUNT		RELATED PARTY
	30/06/2022	31/12/2021	
<b>GROUP COMPANIES</b>			
Current accounts	(0.6)	8.1	Alba Europe, S.à.r.l.
	-	0.6	Arta Capital, S.G.E.I.C, S.A.U.
	(13.4)	-	Alba Patrimonio Inmobiliario, S.A.U.
	5.4	-	Deyá Capital IV, S.C.R., S.A.
	<b>(8.6)</b>	<b>8.7</b>	

### 14. Information on the Directors

At 30 June 2022 and 31 December 2021 the Board of Directors comprised 10 members. There were no changes in the Company's Board of Directors during the six-month period ended 30 June 2022. In 2021 Mr Ignacio de Colmenares Brunet was appointed as a member of the Board of Directors of Corporación Financiera Alba, S.A. for a term of four years, while the directors Mr José Ramón del Caño Palop, Mr Ramón Carné Casas and Mr José Domingo de Ampuero y Osma stepped down from the board.

No loans or advances were extended to members of the Board of Directors or Senior Management during the six-month period ended 30 June 2022 or in 2021.

No public liability insurance premiums were paid on behalf of the directors in the first half of 2022.

At the respective shareholder meetings held in 2022, 2021 and 2020, Alba's shareholders approved a variable remuneration scheme linked to the net asset value of Alba and intended for executive board members and certain Company personnel selected by the Board of Directors, in order to foster more direct engagement in the process of creating value for the Company's shareholders. The basic features of the scheme are as follows:

Approval	20/06/2022	21/06/2021	18/06/2020
Maturity	30/06/2025	30/06/2024	30/06/2023
Maximum units to be delivered	165,250	204,500	246,500
Initial net asset value	89.24	80.42	64.97
Cap between initial and final net asset value	50%	50%	50%



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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.

Pursuant to the provisions of articles 227, 228, 229 and 231 of the Spanish Companies Act (“LSC”), as per the wording laid down in Law 31/2014 of 3 December 2014, which amended the LSC in order to improve corporate governance, the Directors of Alba have informed Alba that during the six-month period ended 30 June 2022 and in 2021 they had no conflicts of interest with Alba and, to the best of their knowledge and based on the information they have been able to obtain with the utmost due diligence, nor did any parties related to them.

#### **15. Events After the Reporting Period**

No significant events have occurred subsequent to 30 June 2022 and up to the date of authorising the issue of this balance sheet and the explanatory notes thereto.



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## **AUTHORISATION FOR ISSUE OF THE BALANCE SHEET AT 30 JUNE 2022 AND EXPLANATORY NOTES THERETO**

At its meeting held on 24 October 2022, the Board of Directors authorised the issue of the balance sheet at 30 June 2022 and the explanatory notes thereto, which will be subject to verification by the auditor. The aforementioned balance sheet and explanatory notes thereto comprise 25 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 balance sheet at 30 June 2022 and the explanatory notes thereto, which were authorised for issue at the meeting held on 24 October 2022 and were prepared in accordance with the applicable accounting standards, give a true and fair view of the equity and financial position of Corporación Financiera Alba, S.A. at 30 June 2022.

Mr. Carlos March Delgado  
Chairman

Mr. Juan March de la Lastra  
1st Vice-chairman

Mr. Juan March Juan  
2nd Vice-chairman

Mr. Ignacio de Colmenares Brunet  
Board member

Ms. María Eugenia Girón Dávila  
Board member

Ms. María Luisa Guibert Ucin  
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  
Non-board member secretary