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

(Together with the consolidated annual accounts and consolidated directors' report of Corporación Financiera Alba, S.A. and subsidiaries for the year ended 31 December 2023)

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

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

Independent Auditor's Report on the Consolidated Annual Accounts

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

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

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of Corporación Financiera Alba, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated balance sheet at 31 December 2023, 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 2023 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 with indications of impairment See notes 4 e) and 10 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*

The Group holds investments in associates amounting to Euros 2,717.0 million at 31 December 2023, which are accounted for using the equity method.
There is a risk that the carrying amount associated with the net investment in the associates may exceed the recoverable amount, in particular in those entities whose listed price is lower than the carrying amount on the Group's consolidated balance sheet.
At each reporting date the Group assesses the possible existence of impairment of the aforementioned investments and, where applicable, it estimates their recoverable amount and determines the need to recognise the corresponding impairment of investments.
The recoverable amount of these investments is determined by applying valuation techniques that require management's judgement and the use of assumptions and estimates.
Due to the uncertainty and judgement associated with these estimates, as well as the significance of the carrying amount of the investments in associates, we have considered their measurement to be a key audit matter.
	Our audit procedures included the following:
	– We assessed the design and implementation of the key controls relating to the processes of identifying possible evidence of impairment and estimating the recoverable amount of investments in associates.
	– We evaluated the criteria used by management when identifying indications of impairment of investments in associates. To this end, we contrasted the information on the share prices of the investments in associates used for this assessment.
	– In the case of investments showing indications of impairment:
	  - 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.
	  - We contrasted the information contained in the pricing model with external information regarding the future performance of the industry to which these companies belong.
	  - We evaluated the sensitivity of the estimated recoverable amount to changes in the relevant assumptions and judgements, such as the discount rate and the expected future growth rate, for the purpose of assessing its impact on the recoverable amount.
	- Lastly, we assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2023 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

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

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

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

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2023, 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.

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.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital files of Corporación Financiera Alba, S.A. and its subsidiaries for 2023 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Company, which will form part of the annual financial report.

The Directors of Corporación Financiera Alba, S.A. are responsible for the presentation of the 2023 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by means of a reference thereto in the consolidated directors' report.

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

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

Additional Report to the Audit Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 18 April 2024.

Contract Period

We were appointed as auditor of the Group by the shareholders at the (ordinary/extraordinary) general meeting on 20 June 2023 for a period of three years, from the year commenced 1 January 2023.

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

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

18 April 2024

CONSOLIDATED ANNUAL ACCOUNTS OF CORPORACIÓN FINANCIERA ALBA, S.A. AND SUBSIDIARIES FOR 2023

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

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2023 AND 2022

(In millions of Euros)

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

ASSETS	Note	31/12/2023	31/12/2022
Investment property	6	301.2	317.5
Property, plant and equipment	7	1.3	22.5
Goodwill	8	-	75.3
Other intangible assets	9	0.1	123.7
Investments in associates	10	2,717.0	2,651.7
Investments at fair value through profit or loss	11	1,831.0	1,364.2
Other financial assets	12	88.4	72.3
Other receivables	2	4.5	-
Deferred tax assets	22	0.2	0.9
NON-CURRENT ASSETS		4,943.7	4,628.1
Non-current assets held for sale	2.3 and 30	-	3.6
Inventories		-	26.1
Trade and other receivables	13	40.0	93.0
Other financial assets	14	68.0	374.0
Cash and cash equivalents	14	337.9	198.3
CURRENT ASSETS		445.9	695.0
TOTAL ASSETS		**5,389.6**	**5,323.1**

EQUITY AND LIABILITIES	Note	31/12/2023	31/12/2022
Share capital	15	60.3	59.2
Retained earnings and other reserves		4,665.7	4,421.5
Equity		4,726.0	4,480.7
Non-controlling interests	15	60.1	138.4
TOTAL EQUITY		4,786.1	4,619.1
Loans and borrowings	19	70.0	161.7
Other financial liabilities	12	30.1	22.8
Provisions	17	0.4	0.4
Deferred tax liabilities	22	25.0	55.6
NON-CURRENT LIABILITIES		125.5	240.5
Non-current liabilities held for sale	30	-	1.4
Suppliers and other payables	18	33.5	73.1
Loans and borrowings	19	444.5	389.0
CURRENT LIABILITIES		478.0	463.5
TOTAL EQUITY AND LIABILITIES		**5,389.6**	**5,323.1**

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2023.

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(In millions of Euros)

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

	Note	2023	2022
Share of profit/(loss) of associates	10	160.8	231.4
Revenue	24	50.7	166.4
Other income		2.4	0.5
Supplies		(16.2)	(61.9)
Changes in fair value of investment property	6	(19.4)	1.1
Proceeds from disposal of and income from assets	2.3 and 6	2.5	47.5
Impairment	10	(42.1)	(3.1)
Personnel expenses	25.a	(25.5)	(53.6)
Other operating expenses	24	(59.1)	(56.7)
Amortisation and depreciation	7 and 9	(4.2)	(18.1)
OPERATING PROFIT/(LOSS)		**49.9**	**253.5**
Finance income	25.b	77.5	21.5
Finance costs and exchange differences		(13.2)	(6.3)
Change in fair value of financial instruments	11, 12, 14 and 25.c	125.0	176.5
NET FINANCE INCOME		**189.3**	**191.7**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**239.2**	**445.2**
Income tax expense	22	(7.1)	(0.6)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**232.1**	**444.6**
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR		**232.1**	**444.6**
Profit/(loss) attributable to non-controlling interests	15	(1.9)	8.2
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO THE GROUP		**234.0**	**436.4**
Earnings/(loss) per share (Euros/share)	15	3.88	7.37

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2023.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(In millions of Euros)

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

	Note	2023	2022
CONSOLIDATED PROFIT FROM INCOME STATEMENT, INCOME AND		**232.1**	**444.6**
EXPENSE RECOGNISED DIRECTLY IN EQUITY			
Items that will not be reclassified to profit or loss	10	28.5	7.0
Share of other comprehensive income of investments in associates		28.5	7.0
Items that will be reclassified to profit or loss	10	(13.4)	38.0
Share of other comprehensive income of investments in associates		(13.4)	38.0
Amounts transferred to the income statement		-	-
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		**247.2**	**489.6**
TOTAL COMPREHENSIVE INCOME		**247.2**	**489.6**
Attributable to the Parent		249.1	481.4
Attributable to non-controlling interests		(1.9)	8.2

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(In millions of Euros)

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

	Share capital	Retained earnings and other reserves	Interim dividend	Equity	Non-controlling interests	Total equity
BALANCE AT 1 JANUARY 2022	58.2	4,011.0	(29.1)	4,040.1	164.5	4,204.6
Changes in consolidated equity of associates (note 10)	-	45.0	-	45.0	-	45.0
Profit/(loss) for the year	-	436.4	-	436.4	8.2	444.6
Total income and expense for the year	-	481.4	-	481.4	8.2	489.6
Interim dividend for the prior year (note 3)	-	(29.1)	29.1	-	(0.8)	(0.8)
Dividends paid in the year (note 3)	-	(41.0)	-	(41.0)	-	(41.0)
Capital increases (note 15)	1.0	(1.0)	-	-	-	-
Other changes	-	0.2	-	0.2	(33.5)	(33.3)
BALANCE AT 31 DECEMBER 2022	59.2	4,421.5	-	4,480.7	138.4	4,619.1
Changes in consolidated equity of associates (note 10)	-	15.1	-	15.1	-	15.1
Profit/(loss) for the year	-	234.0	-	234.0	(1.9)	232.1
Total income and expense for the year	-	249.1	-	249.1	(1.9)	247.2
Dividends paid in the year (note 3)	-	(6.0)	-	(6.0)	-	(6.0)
Capital increases (note 15)	1.1	(1.1)	-	-	-	-
Loss of control (Nuadi, Facundo and Gesdocument) (notes 2.3 and 15)	-	-	-	-	(77.1)	(77.1)
Other changes	-	2.2	-	2.2	0.7	2.9
BALANCE AT 31 DECEMBER 2023	60.3	4,665.7	-	4,726.0	60.1	4,786.1

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2023.

(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 2023 AND 2022

(In millions of Euros)

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

	Note	2023	2022
OPERATING ACTIVITIES			
Profit/(loss) for the year before tax		239.2	445.2
Adjustments for:			
Amortisation and depreciation	7 and 9	4.2	18.1
Changes in fair value of investment property	6	19.4	(1.1)
Share of profit of associates	10	(160.8)	(231.4)
Income from assets	6 and 10	(2.5)	(47.5)
Impairment	10	42.1	3.1
Change in fair value of financial instruments and other	11, 12, 14 and 25.c	(125.0)	(176.5)
Finance income	25.b	(77.5)	(21.5)
Finance costs		13.2	6.3
Other income and expense		27.4	–
Other cash flows from operating activities			
Dividends received		126.4	88.8
Working capital		(24.7)	25.2
Income tax payments on account		33.2	(14.2)
Interest received		20.4	10.1
Interest paid		(13.2)	(6.3)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**121.8**	**98.3**
INVESTING ACTIVITIES			
Acquisition of interests in associates and other investments	10	(2.3)	(23.8)
Acquisition of subsidiaries, net of cash	5	–	(20.7)
Acquisition of investment property	6	(3.1)	(2.0)
Sale of investment property	6	–	22.0
Acquisition of other investments	11 and 14	(252.0)	(243.0)
Receipts from other financial assets		252.9	175.4
Sales of property, plant and equipment and intangible assets		–	15.2
Purchases of property, plant and equipment and intangible assets	7	(0.3)	(20.7)
Sales of non-current assets held for sale		–	110.8
Other movements (loss of control of Nuadi, Facundo and Gesdocument)		(15.8)	–
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		**(20.6)**	**13.2**
FINANCING ACTIVITIES			
Dividends paid	3	(6.0)	(41.0)
Payments for loans and borrowings	16	(22.3)	(117.2)
Proceeds from loans and borrowings	16	67.3	70.0
Payments for other debts		(0.6)	(1.7)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		**38.4**	**(89.9)**
NET INCREASE IN CASH		**139.6**	**21.6**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**14**	198.3	176.7
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	14	337.9	198.3

The accompanying notes 1 to 31 form an integral part of the consolidated annual accounts at 31 December 2023.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Activities

Corporación Financiera Alba, S.A. (hereinafter, the Company) has its registered office in Madrid (Spain) and holds significant interests in a number of companies operating in different sectors of the economy. Details of these companies are provided below. Its basic activities include the operation of buildings under lease agreements and the holding of interests in companies through venture capital activity. Alba and its subsidiaries make up the Alba Group (hereinafter, Alba or the Group).

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 2023 were authorised for issue by the Board of Directors in the meeting held on 18 March 2024. 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 2023, 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:
- 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 directors of the Parent consider that the consolidated annual accounts for 2023, authorised for issue on 18 March 2024, will be approved with no changes by the shareholders at their annual general meeting.

Comparative information

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

New standards, amendments and interpretations of existing standards

a) Mandatory standards, amendments and interpretations for all years beginning on or after 1 January 2023.

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 2022, except for the standards and amendments adopted by the European Union set out below and, therefore, applied for the first time this year, which are mandatory from 1 January 2023 onwards:

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

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

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

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

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

None of the above-mentioned standards and amendments that came into effect in 2023 have had a significant impact on the Group's consolidated financial statements.

b) Standards and interpretations approved by the European Union applied for the first time on or after 1 January 2024.

- Amendment to IFRS 16. Amendment clarifying the subsequent accounting of lease liabilities arising in sale and leaseback transactions.

The Group's directors do not expect significant future impacts from the application of such amendments.

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

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

- Amendment to IAS 21. This establishes the requirements for the exchange of currencies, and in the case of non-exchangeability, the exchange rate to be used.

- Amendments to IAS 7 and IFRS 7. Amendments to disclosures in the financial statements regarding supplier agreements and their effects on liabilities, cash flows and liquidity risk.

The Group's directors do not expect significant future impacts from the application of such amendments.

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

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

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

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

2.3. Subsidiaries

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

- Power over the subsidiary (existing rights that give it the current ability to direct the relevant activities of the subsidiary).
- Exposure, or rights, to variable returns from its involvement with the subsidiary.

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

It is generally assumed that a majority of voting rights amounts to control. In cases where the Group manages 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.

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 2023 and 2022 are as follows:

Subsidiary	Activity	Year	Percentage ownership	Carrying amount before consolidation	Equity	Profit/(loss) for the year
Alba Patrimonio Inmobiliario, S.A.U.	Investment property	2023	100.00	203.9	218.3	0.6
C/ Castelló, 77, 5ª planta		2022	100.00	181.0	229.7	14.2
28006-Madrid						
Alba Europe, S.à.r.l.	Investment in transferable securities	2023	100.00	1480.2	1618.4	40.0
46A Av. J.F.Kennedy		2022	100.00	1306.5	1484.7	44.3
L-1855 Luxembourg						
Alba Investments, S.à.r.l.	Investment in transferable securities	2023	82.09	358.0	546.7	-0.1
46A Av. J.F.Kennedy		2022	82.09	358.0	546.8	-0.1
L-1855 Luxembourg						
Artá Capital, SGEIC, S.A.U.	Management Company of Venture Capital Firms	2023	-	-	-	-
Pza. Marqués de Salamanca, 10		2022	77.14	1.8	1.6	0.8
28006-Madrid						
Artá Partners, S.A.	Investment in transferable securities	2023	-	-	-	-
C/ Castelló, 77, 5ª planta		2022	77.14	1.6	2.1	1.5
28006-Madrid						
Deyá Capital IV, SCR, S.A.U.	Venture capital firm	2023	100.00	66.1	101.4	-28.2
C/ Castelló, 77, 5ª planta		2022	100.00	57.8	121.3	28.6
28006-Madrid						
Alba KKR Core International, S.C.A.	Venture capital firm	2023	99.99	586.0	869.1	100.7
2, rue Edward Steichen		2022	99.99	562.0	737.1	152.8
L-2540 Luxembourg						
Alba KKR Core International Blocker, S.à.r.l.	Venture capital firm	2023	99.99	323.6	375.2	43.4
2, rue Edward Steichen		2022	99.99	323.6	355.0	31.4
L-2540 Luxembourg						
Nuadi subgroup (Nuadi Components) (1)	Industrial supplies	2023	-	-	-	-
Polígono industrial Arazuri-Orcoyen		2022	37.43	20.5	43.6	2.1
Arazuri-Navarra						
Facundo subgroup (2)	Production and distribution of nuts, dried fruits and snacks	2023	-	-	-	-
Ctra. N-611, Villamuriel		2022	31.92	18.7	36.4	7.8
34190 - Palencia						
Gesdocument y Gestión, S.A. (3)	Provision of legal, employment and financial advisory services	2023	-	-	-	-
Roc Boronat 147,10ª planta		2022	46.53	8.2	3.4	0.3
08005 - Barcelona						

(1) At 31 December 2022 this subgroup was made up of Nuadi Components, S.L., Nuadi Europe, S.L. and Shanghai Nuadi China, Co. Ltd.

(2) At 31 December 2022 this subgroup was made up of Disfasa, S.A., Facundo Blancos, S.A.U., Los Girasoles, S.A.U., Incofasa, S.L.U. and PDV Gesfasa D. S.L.U.

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

Additionally, at 31 December 2022, 53.21% of Gesdocument, 42.57% of the Nuadi subgroup and 48.8% of the Facundo subgroup belonged to other companies / venture capital funds in which Alba did not hold an interest, but which were managed by Artá Capital, SGEIC, S.A.U., which exercised control over said vehicles and determined what investments to make. There were no restrictions regarding management and they were exposed to variable returns. As a result of the foregoing, Alba considered that it had control over these subgroups in 2022.

The main changes in the scope of consolidation in 2023 relating to subsidiaries were as follows:

Sale of the entire stake in Artá Partners, S.A.

In March 2023, the Company sold all the shares it held in the subsidiary Artá Partners, S.A., the owner of 100% of the shares of Artá Capital, SGEIC, S.A.U. The sale gave rise to a gain of Euros 2.5 million, recognised under proceeds from disposal of non-current assets. At 31 December 2023, Euros 4.5 million of long-term receivables are outstanding under other non-current receivables.

At 31 December 2022 the assets and liabilities of these two companies were classified as held for sale.

As a result of the loss of control of the venture capital management company Artá Capital, SGEIC, S.A.U., the Group has ceased to exercise control over the Nuadi, Facundo and Gesdocument subgroups. Therefore, since the date Artá Partners, S.A. was sold, these subgroups have ceased to be fully consolidated and have been recognised at fair value under investments at fair value through profit or loss (see note 11), generating a gain of Euros 7.3 million at 31 December 2023.

When control over Nuadi, Facundo and Gesdocument was lost, Alba held direct interests of 37.43%, 31.92% and 46.53%, respectively, in each of the companies. In addition, there were stakes of 42.57% (Nuadi), 48.08% (Facundo) and 53.21% (Gesdocument) belonging to other companies / venture capital funds in which Alba did not hold an interest, but which were managed by Artá (a company in which Alba is the majority shareholder). This meant that the percentage managed before the loss of control was 80.00% in the cases of Nuadi and Facundo and 90.64% in the case of Gesdocument.

Since the sale, Alba has ceased to participate in the management of these companies via Artá and has only held direct stakes of 37.43% (Nuadi), 31.92% (Facundo) and 46.53% (Gesdocument), therefore exerting no control over them.

The fair value of the Nuadi Group was calculated by Kroll Advisory, S.L., an independent expert, and the methodology used was the same as that described in note 11 for the measurement of investments at fair value through profit or loss.

The main assumptions used to calculate the fair value were as follows:

- Growth rate in perpetuity (g): 2%
- Weighted average cost of capital (WACC): 12.5%

In the case of Facundo and Gesdocument, the investments had been in Alba's portfolio for less than one year at the time of the loss of control of the holdings. They have therefore been valued at their purchase price plus the profit obtained since the acquisition of the holdings. This amount is consistent with their fair value, as there have been no events that would have changed the value of the investment in the short period of time between purchase and loss of control. Therefore, due to the proximity of the dates between the acquisition and the loss of control of the holdings, the fair value and consolidated net assets of the two companies are the same.

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

Sale of the entire ownership interest in the Satlink subgroup

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

Loss of control of the Preving subgroup

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

Since the Alba Group's loss of control, the Group's 21.41% ownership interest in Preving has been recognised at fair value under investments at fair value through profit or loss (see note 11), giving rise to a gain of Euros 16.1 million in 2022.

Acquisition of 37.43% of the Facundo Group

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

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

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

In 2023 KPMG Auditores, S.L. was the auditor of all of the companies mentioned except for Alba Europe, S.à r.l. and Alba Investments, S.à r.l., which were audited by Audit Consell Services, S.à r.l., and Alba KKR Core International, S.C.A., which was audited by Deloitte, S.L.

In 2022 KPMG Auditores, S.L. was the auditor of all of the companies mentioned except for Alba Europe, S.à r.l. and Alba Investments, S.à.r.l., which were audited by Audit Consell Services, S.à r.l., Alba KKR Core International, S.C.A., the Preving subgroup, and the Facundo subgroup, which were audited by Deloitte, S.L., and the Nuadi subgroup, which was audited by Ernst&Young, S.L.

2.4. Associates

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

Details for 2023 and 2022 are 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 31/12/23	At 31/12/22	Change	Seats on the Board of Directors at 31/12/2023
Acerinox, S.A. Auditor: PWC	Santiago de Compostela, 100 (Madrid)	Manufacture and sale of stainless steel	19.29	18.52	0.77	3
Aegis Lux 2, S.à.r.l. (1) Auditor: PWC	15, Boulevard F.W. Raiffeisen L-2411 Luxembourg	Connected alarms	7.59	7.59	-	1
CIE Automotive, S.A. Auditor: KPMG	Alameda Mazarredo, 69 (Bilbao)	Automotive industry	13.66	13.35	0.31	1
Ebro Foods, S.A. Auditor: EY	Paseo de la Castellana, 20 (Madrid)	Food	14.52	14.52	-	2
Profand Fishing Holding, S.L. Auditor: Deloitte	Avda. García Barbón, 62 Bloque 1, Vigo	Sale of fish and seafood products	23.71	23.71	-	2
Piolin II, S.à.r.l. (2) Auditor: KPMG	26A, Boulevard Royal L-2449 Luxembourg	Recreational and entertainment activities	25.09	25.09	-	1
Rioja Luxembourg, S.à.r.l. (3) Auditor: E&Y	20, Avenue Monterey L-2163 Luxembourg	Businesses relating to gas, electricity and any other energy source	25.73	25.73	-	-
Viscofan, S.A. Auditor: PWC (Tajonar-Navarra)	Polígono Industrial Berroa	Manufacture of meat packaging, cellulose or artificial casings for cured meats	14.25	14.25	-	1

(1) Through this company, Alba holds a 6.23% indirect ownership interest in Verisure, which also operates under the brand name "Securitas Direct".

(2) Through this company, Alba holds a 24.98% indirect ownership interest in Parques Reunidos.

(3) Through this company, Alba holds a 5.33% indirect ownership interest in Naturgy; added to the 0.11% direct ownership interest held by Alba, this yields a total interest of 5.44% in Naturgy. Alba sits on the Board of Directors of Rioja Acquisition, S.à.r.l., a subsidiary of Rioja Luxembourg, S.à.r.l. and direct shareholder of Naturgy.

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

There were no acquisitions or disposals of investments in associates in 2023. Alba has increased its stakes in Acerinox, S.A. and CIE Automotive, S.A. due to the redemption of own shares carried out by these companies. As a result of these transactions, Acerinox, S.A. reduced its share capital by 4% and, therefore, Alba's ownership interest increased by 0.77%. CIE Automotive, S.A. reduced its share capital by 2.2% and, consequently, Alba increased its stake by 0.31%.

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

3. Distribution of Profit

The distribution of Corporación Financiera Alba, S.A.'s profit for 2023 to be submitted by the Board of Directors for approval by the shareholders at their general meeting, and the distribution of profit for 2022 approved by the shareholders at their general meeting, are as follows (in millions of Euros):

Basis of allocation	2023	2022
Profit for the year	194.1	41.2
Total	194.1	41.2
Distribution		
Reserves	194.1	41.2
Total	194.1	41.2

In addition, Alba's Board of Directors plans to propose for approval by the shareholders at the Annual General Meeting in 2024 a scrip dividend of up to Euros 58,566,264.47 (equivalent to Euros 0.938 per share), whereby the Company's shareholders may choose between (i) receiving newly issued bonus shares; (ii) obtaining an equivalent amount in cash by transferring to the Company the free allotment rights they receive for the shares they hold; and/or (iii) obtaining the cash value by transferring such rights on the market.

The dividends paid by the Company in 2023 and 2022 were as follows:

	No. of shares with rights	Euros/Share	Millions of Euros
2023			
Scrip dividend 2023 (note 15)	6,244,550	0.96	6.0

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

4. Significant Accounting Policies

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 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.

The excess of the consideration given, plus the value assigned to non-controlling interests, over the net of the 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 recognition of or changes to contingent consideration are recognised as a prospective adjustment to the cost of the business combination.

Non-controlling interests (minority interests)

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

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

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

b) Investment property (note 6)

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

b.1) Leases

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

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

c) Property, plant and equipment (note 7)

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

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

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

	Annual depreciation rates
Buildings and constructions	2
Technical installations	8
Furniture and fixtures	10
Information technology equipment	25

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

d) Intangible assets

d.1) Goodwill

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

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

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

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

d.2) Customer portfolio

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

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

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

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

Customer portfolios are allocated to cash-generating units (CGUs) in accordance with their respective business segment and the country of operation.

d.3) Other intangible assets

These are intangible assets that were recognised in business combinations.

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

Other intangible assets are allocated to cash-generating units (CGUs) in accordance with their respective business segment and the country of operation.

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

e) Investments in associates (note 10)

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

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

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

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

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

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

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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 pursuant to IAS 28.18.

They are recognised at fair value through profit or loss.

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

g) Non-current assets and liabilities held for sale (note 30)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

i) Loans and receivables (notes 12, 13 and 14)

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.

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

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

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

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

The main assumptions used in 2023 and 2022 to measure defined benefit obligations were as follows:

	2023	2022
Mortality tables	PERM 2020_Col_1st_rank	PERM 2020_Col_1st_rank
Technical interest agreed in the policies	2.5%	2.5%
CPI growth	2.0%	2.0%
Pay rises	2.5%	2.5%
Changes in Social Security base	CPI + 1.20%	2.0%
Discount rate of obligations and of assets intended to settle the commitments	3.0%	3.7%
Retirement age	65	65

The changes in defined benefit plan obligations and the fair value of the assets associated with the benefit in 2023 and 2022 are as follows:

		Cost of commitments recognised in the income statement					
	01/01	Service cost	Interest income/(expense), net	Subtotal included in profit or loss	Obligations met (paid)	Actuarial gains/(losses)	31/12
2023							
Obligations under defined benefit plans	(10.9)	(0.5)	(0.4)	(0.9)	0.1	1.0	(10.7)
Fair value of plan assets	10.9	0.7	0.3	1.0	(0.1)	(1.1)	10.7
(Obligations)/Rights under defined benefit plans, net							-
2022							
Obligations under defined benefit plans	(18.8)	(0.9)	(0.2)	(1.1)	4.2	4.8	(10.9)
Fair value of plan assets	18.8	1.3	0.4	1.7	(4.2)	(5.4)	10.9
(Obligations)/Rights under defined benefit plans, net							-

The contribution expected to be made in 2024 in relation to defined benefit plans is Euros 0.6 million.

A sensitivity analysis of the main variables taken into account is shown below:

	Discount rate		Future pay rises	
Sensitivity level	+0.5%	-0.50%	+0.5%	-0.50%
2023				
Impact on the (Obligations) / Rights under defined benefit plans, net				
2022	-3.64%	4.20%	1.33%	-1.35%
Impact on the (Obligations) / Rights under defined benefit plans, net	-4.88%	5.70%	1.05%	-1.16%

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

p) Share-based payment transactions

At 31 December 2023 and 2022 Alba has no share option schemes.

q) Recognition of income and expenses

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

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

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

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

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

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

1. Identify the contract with the customer.

2. Identify the performance obligations in the contract.

3. Determine the transaction price.

4. Allocate the transaction price to the performance obligations.

5. Recognise revenue when a performance obligation is satisfied.

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

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

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

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

At 31 December 2023, in addition to the income from the lease of Alba's properties, the amount recorded under revenue includes the income contributed by the Nuadi, Facundo and Gesdocument subgroups during the first three months of the year. At 31 December 2022, the revenue of the Nuadi, Facundo, Gesdocument, Preving and Satlink subgroups was included.

The nature of the revenue of each of these subgroups in 2023 and 2022 is as follows:

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

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

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

- Facundo subgroup: Revenues are generated primarily from the sale of nuts, dried fruit and snacks.
- Gesdocument: Revenues are generated primarily from the provision of legal, employment and financial advisory services.

r) Right-of-use assets and lease liabilities

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

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

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

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

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

5. Business combinations

Goodwill generated in 2023

The Group did not carry out any business combinations in 2023.

Goodwill generated in 2022

<u>Acquisition of 37.43% of the Facundo Group</u>

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

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

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

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

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

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

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

The fair value of this business combination was estimated by an independent third party. The recognition of this business combination was considered as definitive at 31 December 2022, since at the date of authorisation for issue of these consolidated annual accounts the valuation had been finalised. Therefore, Group management did not modify the fair value of the assets acquired in 2023.

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

As a result of the loss of control of the venture capital management company Artá Capital, SGEIC, S.A.U., the Group no longer exercises control over the Facundo Group, which is therefore no longer fully consolidated and is now carried at fair value (see note 2.3).

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

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

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

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

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

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

In 2022 the acquiree generated revenue of Euros 7.3 million and consolidated profit of Euros 0.7 million for Alba from the acquisition date to the reporting date. Had the acquisition taken place on 1 January 2022, the Group's revenue and consolidated profit for the year ended 31 December 2022 would have amounted to Euros 13.8 million and Euros 0.2 million, respectively.

The estimate of the fair value of this business combination was calculated internally by Company management, considering that there are no differences between the carrying amount and the fair value of the assets acquired and liabilities assumed. The recognition of this business combination in the consolidated financial statements at 31 December 2022 was considered provisional, and any adjustments are to be made within one year from the date of acquisition. In 2023 Company management did not modify the fair value of the assets acquired, on considering such values definitive.

As a result of the loss of control of the venture capital management company Artá Capital, SGEIC, S.A.U., the Group no longer exercises control over Gesdocument, which is therefore no longer fully consolidated and is now carried at fair value (see note 2.3).

6. Investment Property

This line item comprises buildings leased out. CBRE Valuation Advisory, S.A., a specialist in appraisals of this type of investments, valued these properties at 31 December 2023 and 2022. The valuation was performed according to the Property Appraisal and Valuation Standards and Observations Guide published by the Royal Institution of Chartered Surveyors in the United Kingdom, and is based on the discounted cash flow and comparables method.

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

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

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

All of the Group's investment property is located in Madrid. Movement in this item is as follows:

Balance at 1-1-22	334.8
Increases	2.0
Decreases	(20.4)
Change in fair value	1.1
Balance at 31-12-22	317.5
Increases	3.1
Change in fair value	(19.4)
Balance at 31-12-23	301.2

The increases in 2023 and 2022 mainly related to improvements to the properties and the acquisition of several parking spaces amounting to Euros 0.4 million and Euros 0.2 million, respectively. In 2022 the Group sold a building in Madrid for Euros 22 million; this sale gave rise to a gain of Euros 1.6 million.

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

	2023	2022
Above ground surface area (m^2)	42,420	42,420
Leased area (m^2)	41,429	37,484
Occupancy rate (%)	97.7%	88.4%

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

Year	-10% rent	EXIT YIELD + 25% b.p.	EXIT YIELD - 25% b.p.	+10% rent
2023	-5.71%	-5.61%	6.34%	7.64%
2022	-8.40%	-6.40%	4.90%	8.30%

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 2023 and 2022 lease income relating to the non-cancellable period, calculated up to expiry of the lease, is as follows:

	2023	2022
Less than one year	12.5	11.4
1-5 years	21.6	14.5
More than 5 years	4.4	2.1
TOTAL	38.5	28.0

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

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

7. Property, Plant and Equipment

Movement in this balance sheet item is as follows:

	Buildings	Other property, plant and equipment	Total
Cost:			
Balance at 1/1/2022	29.4	37.3	66.7
Increases	3.2	8.6	11.8
Disposals	(3.0)	(9.3)	(12.3)
Business combinations (note 2.3)	2.1	1.2	3.3
Other movements (loss of control of Preving) (note 2.3)	(20.1)	-	(20.1)
Balance at 31/12/2022	11.6	37.8	49.4
Accumulated depreciation:			
Balance at 1/1/2022	(18.5)	(16.4)	(34.9)
Increases	(3.7)	(6.2)	(9.9)
Disposals	0.8	1.5	2.3
Other movements (loss of control of Preving) (note 2.3)	15.9	-	15.9
Balance at 31/12/2022	(5.5)	(21.1)	(26.6)
Provisions:			
Balance at 1/1/2022	(0.3)	-	(0.3)
Balance at 31/12/2022	(0.3)	-	(0.3)
Balance at 31/12/2022	5.8	16.7	22.5
Cost:			
Balance at 1/1/2023	11.6	37.8	49.4
Increases	-	0.3	0.3
Other movements (loss of control of Nuadi, Facundo and Gesdocument) (note 2.3)	(11.6)	(26.9)	(38.5)
Balance at 31/12/2023	0.0	11.2	11.2
Accumulated depreciation:			
Balance at 1/1/2023	(5.5)	(21.1)	(26.6)
Increases	-	(1.8)	(1.8)
Other movements (loss of control of Nuadi, Facundo and Gesdocument) (note 2.3)	5.5	13.0	18.5
Balance at 31/12/2023	0.0	(9.9)	(9.9)
Provisions:			
Balance at 1/1/2023	(0.3)	-	(0.3)
Other movements (loss of control of Nuadi, Facundo and Gesdocument) (note 2.3)	0.3	-	0.3
Balance at 31/12/2023	-	-	-
Balance at 31/12/2023	-	1.3	1.3

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

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

8. Goodwill

Movement in goodwill is as follows:

Balance at 1/1/2022	79.6
Acquisition of Gesdocument y Gestión, S.A. (note 5)	6.1
Acquisition of Facundo Group (note 5)	43.0
Loss of control of Preving subgroup (note 2.3)	(54.5)
Entry of Nuadi Group CGU	1.1
Balance at 31/12/2022	75.3
Loss of control of Nuadi, Facundo y Gesdocument and subgroups (note 2.3)	(75.3)
Balance at 31/12/2023	-

As a result of the loss of control of the venture capital management company Artá Capital, SGEIC, S.A.U., the Group has ceased to exercise control over the Nuadi, Facundo and Gesdocument subgroups (see note 2.3) and, therefore, in 2023 all the goodwill that the Group held in relation to past acquisitions of these subgroups was derecognised.

Goodwill arising from new acquisitions in 2022 was allocated to new cash-generating units (CGUs) arising as a result of these acquisitions.

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 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. At 31 December 2023 it was not necessary to perform an impairment analysis as the goodwill had been fully derecognised. No impairment losses were recognised on goodwill in 2022.

The recoverable amount of the various CGUs was determined on the basis of fair value calculations, based on the valuation report prepared by the independent external appraiser, Kroll Advisory, S.L. The method used to determine the recoverable amount was based on the discounted future cash flow method.

Financial projections (sales, EBITDA, investments, etc.) are based on the budgets (if any are available) 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 were 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 for the Company's non-current debt in respect of the 10-year bond, the tax rate (same as for the cash flows used in the terminal value calculation) and the target capital structure.
- The perpetual growth rate is calculated based on each company and the market in which it operates.

9. Other Intangible Assets

As a result of the loss of control of the venture capital management company Artá Capital, SGEIC, S.A.U., the Group has ceased to exercise control over the Nuadi, Facundo and Gesdocument subgroups (see note 2.3) and, therefore, in 2023 all the intangible assets that the Group held in relation to these subgroups were derecognised.

At 31 December 2023, all intangible assets comprised other intangible assets in the amount of Euros 0.1 million, of which Euros 0.4 million corresponds to cost and Euros 0.3 million to accumulated amortisation.

The amortisation expense for 2023, up to the loss of control, amounted to Euros 2.4 million.

Details of the cost and accumulated amortisation of each class of intangible asset at 31 December 2022 were as follows:

	Trademarks	Customer portfolio	Other intangible assets	Total
Cost	18.5	101.5	19.9	139.9
Accumulated amortisation	-	(14.7)	(1.5)	(16.2)
	18.5	86.8	18.4	123.7

(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			Consolidated Profit/(loss) Attributable to the Parent	Other comprehensive income
	Current	Non-current	Current	Non-current	Revenues		
Acerinox, S.A.							
2023	4.321,7	1.777,1	1.902,4	1.733,2	6.608,0	228,1	(146,6)
2022	4.415,7	1.902,4	1.947,1	1.823,3	8.688,5	556,1	172,5
Aegis Lux 2, S.à.r.l.							
2023	674.7	15,327.5	1,263.6	8,691.7	3,090.0	(280.2)	-
2022	732.2	15,459.4	1,157.9	8,634.6	2,827.0	(239.7)	-
CIE Automotive, S.A.							
2023	1,797.0	3,872.0	1,837.7	2,170.1	3,959.5	320.2	(91.2)
2022	1,848.4	3,795.0	1,990.5	2,148.3	3,838.6	300.1	24.2
Ebro Foods, S.A.							
2023	1,627.1	2,244.5	1,192.3	457.2	3,084.5	187.0	(29.8)
2022	1,669.2	2,231.0	869.9	832.1	2,967.7	122.1	40.3
Piolin II, S.à.r.l.							
2023	126.6	2,354.9	396.4	1,789.6	830.1	(119.0)	20.1
2022	149.7	2,369.9	297.5	1,830.7	820.5	8.9	(4.1)
Profand Fishing Holding, S.L.							
2023	414.0	364.6	339.2	283.7	913.7	0.2	-
2022	385.3	339.2	276.3	272.3	929.0	14.6	-
Rioja Luxembourg, S.à.r.l.							
2023	161.0	3,251.0	9.0	1,506.0	-	305.0	278.0
2022	100.0	2,818.0	28.0	1,576.0	-	260.0	249.0
Viscofan, S.A.							
2023	764.0	643.5	339.3	110.4	1,225.8	141.0	1.7
2022	720.5	624.2	325.7	112.1	1,201.0	139.4	40.8

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 (%)	
	2023	2022	2023	2022
CIE Automotive, S.A. (*)	-	0.62	-	-
Ebro Foods, S.A.	-	0.08	-	-
Acerinox, S.A. (*)	-	-	-	-
Indra Sistemas, S.A.	-	-	-	3.21
Viscofan, S.A.	-	0.28	-	-

(*) In 2023 the Group increased its interests in Acerinox, S.A. and CIE Automotive, S.A. by 0.77% and 0.31%, respectively, as a result of the redemption of own shares by both companies (see note 2.4).

a) Investments in associates in 2023

Variations in investments in associates in 2023 are as follows:

Company	Consolidated value 01/01/23	Profit/(loss) investees	Accrued dividends	Acquisitions / (disposals) and transfers	Changes in consolidated equity of associates	Impairment	Consolidated value 31/12/2023	Market value 31/12/2023
Acerinox, S.A.	636,9	42,6	(29,4)	-	(28,0)	-	622,1	512,5
Aegis Lux 2, S.à.r..l. (Verisure)	310,8	(22,3)	-	-	(5,4)	-	283,1	-
CIE Automotive, S.A.	401,1	43,8	(14,2)	-	(10,7)	-	420,0	420,9
Ebro Foods, S.A.	412,9	27,1	(12,7)	-	(11,4)	(45,2)	370,7	346,8
Piolin II, S.à.r.l. (Parques Reunidos)	105,4	(29,7)	-	-	0,7	-	76,4	-
Profand Fishing Holding, S.L.	81,2	(1,5)	-	2,3	(3,1)	3,1	82,0	-
Rioja Luxembourg, S.à.r.l. (Naturgy)	358,8	80,6	(1,6)	-	73,0	-	510,8	1.076,5 (*)
Viscofan, S.A.	344,6	20,2	(12,9)	-	-	-	351,9	355,2
TOTALES	2.651,7	160,8	(70,8)	2,3	15,1	(42,1)	2.717,0	

(*) Reflects the value of the indirect interest in Naturgy, net of the pro rata amount of Rioja debt.

The variations in consolidated equity in 2023 are due primarily to adjustments derived from currency translation, changes in the value of financial assets through equity, and variations in own shares.

At 31 December 2023, Alba recognised an impairment loss of Euros 45.2 million on the ownership interest in Ebro Foods, S.A. Alba also reversed in full the impairment of the interest in Profand Fishing Holding, S.L. of Euros 3.1 million recognised in 2022.

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

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

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

- The WACC rate has been calculated using the capital asset pricing model (CAPM) adjusted by an additional risk premium. The discount rate was calculated after tax.
- The perpetual growth rate has been calculated on the basis of a normalised cash flow based on the explicit projection of the last year (2028).

The most significant assumptions used in the valuation of Profand Fishing Holding, S.L. in 2023 were as follows:

	Profand Fishing Holding, S.L.
Perpetual growth rate	2.0%
Discount rate (WACC)	9.0%
Capital structure:	
Capital	72.0%
Debt	28.0%
Equity ratio	10.4%
Cost of debt after tax	4.7%

At 31 December 2023, a variation in the assumptions used to calculate fair value would have the following effects thereon:

Change	Profand Fishing Holding, S.L.
Weighted average cost of capital (WACC)	
+ 0.5%	-14.2%
- 0.5%	16.4%
+ 1%	-26.6%
- 1%	35.6%
Perpetual growth	
+ 0.2%	3.4%
- 0.2%	-3.3%
+ 0.4%	7.1%
- 0.4%	-6.4%

The associates whose quoted price at 2023 year end is lower than their carrying amount are as follows: Acerinox, S.A. and Ebro Foods, S.A. In these cases Alba's Investment Department calculates 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 amount of net debt and non-controlling interests. The assumptions used in 2023 were as follows:

	Acerinox, S.A.	Ebro Foods, S.A.
Perpetual growth rate	1.8%	1.5%
Discount rate (WACC)	9.4%	7.2%
Capital structure:		
Capital	80%	80%
Debt	20%	20%
Equity ratio	10.7%	8.0%
Cost of debt after tax	4.4%	3.9%
Estimated value in use (€/share)	13.34	16.60

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 announced to the market. In any case, the reasonableness of the projections is contrasted with and supplemented by consensus estimates available through platforms such as Bloomberg and Factset, historical data and the opinion of Alba's own team based on its past experience.

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

- When the existing projections, either those prepared by the companies themselves or consensus estimates, do not cover the minimum projected period required, established as at least five years, and it is necessary to extend the estimate to this minimum period.
- When the analysts' consensus sample is considered to be insufficiently representative because it consists of too few estimates. In general, the number of analysts that contribute to consensus estimates declines as the period gets longer, and the consensus ceases to be representative in the final years of the explicit period.
- Moreover, consensus estimates tend to be significant for sales and EBITDA, but less so for other relevant cash flow variables such as investments, the tax rate or the change in working capital. For these variables, own estimates are prepared based on a representative sample of analysts' estimates, the company's history, and the knowledge acquired by Alba through its presence on the respective boards of directors and its past experience in the company or similar companies.
- All internal estimates are contrasted with the Company's historical data and analysts' reports, where appropriate.

At 31 December 2023 financial estimates with a time horizon of five years (2024-2028) were used for all the associates analysed, subsequently calculating a terminal value on the basis of this explicit five-year period.

A summary of the main assumptions applied in the financial projections used in the explicit valuation period (2024-2028) for Acerinox, S.A. and Ebro Foods, S.A. is as follows:

- Revenue growth: Ebro Foods, S.A. shows moderate growth in the projected period. The expected cumulative annual growth rate for revenues in the explicit period is in line with the perpetual growth rate used. Conversely, Acerinox, S.A. reflects the dynamics of the cyclical sector in which it operates and, after the record results posted in 2022, revenues are expected to fall steadily until they return to normal levels.

- EBITDA margins: after the decline suffered in 2022, Ebro Foods, S.A. returned to profitability in 2023 thanks to more stable raw materials prices and lower transport and energy costs. A slight fall is foreseen in 2024 and 2025 before a return to normal levels. In Acerinox, S.A., the margin is expected to contract sharply in the 2023-2026 period until it reaches a normalised level in line with the historical average, and remain stable in the following years.

  The deviations between the revenue and EBITDA margin growth projections for Acerinox, S.A. and Ebro Foods, S.A. estimated for 2023 in the 2022 financial valuation and the results actually obtained by both associates in 2023 are shown below:

	Ebro Foods, S.A.	Acerinox, S.A.
Growth in sales	+4.7%	+3.7%
Change in EBITDA margin	-1.0 p.p.	-0.3 p.p.

In the case of Ebro Foods, in the valuation exercise carried out based on analysts' consensuses in December 2022, the amount of revenues estimated for 2023 was 4.7% lower than those reported. On the other hand, the EBITDA margin estimated for 2023 at December 2022 was 1.0 p.p. higher than that reported in 2023.

In the case of Acerinox, the amount of 2023 revenues estimated in the December 2022 valuation exercise, based on analysts' consensuses, was 3.7% lower than those reported at the end of 2023. On the other hand, the EBITDA margin estimated for 2023 at December 2022 was 0.3 p.p. higher than that reported in 2022.

The differences between the estimated and the actual results of Acerinox, S.A. and Ebro Foods, S.A. in 2023 have different causes. In the case of Acerinox, S.A., the cyclical, volatile nature of the international stainless steel market generally makes it difficult for both the company and analysts to draw up entirely accurate financial projections. In the case of Ebro Foods, S.A., the figures for 2023 were undermined by expectations of higher demand than that which materialised during the year, a difficult factor to foresee when the projections were drawn up.

- Investments (expressed as a percentage of sales): these are projected to remain stable in the explicit period in both companies, in line with the historical average. Historical averages do not include acquisitions and, likewise, the financial projections do not take into consideration acquisitions or sales of businesses.
- The tax rate applied ranges from 27.0% to 27.5%, as both companies have activities in jurisdictions where tax rates are higher than those in Spain (25.0%).
- The change in working capital assumes convergence with the historical data.

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

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

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

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

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

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

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

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

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

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

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

In the valuations carried out at 31 December 2023, the cost of equity varies by company, between 8.0% (Ebro Foods, S.A.) and 10.7% (Acerinox, S.A.), while the WACC rate ranges from 7.2% (Ebro Foods, S.A.) to 9.4% (Acerinox, S.A.). These discount rates are in line with those used in previous years' valuations for these companies and have first been contrasted with the available analyst estimates and, more generally, with the historical information and experience of Alba.

A comparison of the equity ratio and 10-year bond yield with those in the prior year for investees with indications of impairment in 2023 is shown below:

Acerinox, S.A.	2023	2022
Cost of equity	10.7%	10.6%
10-year bond yield	3.0%	3.3%

Ebro Foods, S.A.	2023	2022
Cost of equity	8.0%	7.8%
10-year bond yield	3.0%	3.3%

After a significant increase in interest rates from mid-2022 and during 2023, the lower yield on the 10-year bond as of December 2023 reflects the expectation of a fall in rates in 2024. The beta coefficients and market risk premiums of associates remained virtually unchanged. However, the equity ratio of Acerinox, S.A. and Ebro Foods, S.A. rose with respect to the previous year's valuation due to the changes made to the specific risk premium, which showed the following progression compared to the previous year:

	2023	2022
Acerinox, S.A.	2.9%	2.5%
Ebro Foods, S.A.	1.5%	1.0%

In 2023, an increase commensurate with the fall in the Spanish 10-year bond yield was applied due to the expectation that interest rates would drop in 2024.

As indicated, applying this specific risk premium raises the cost of equity, thereby increasing the discount rate (WACC). To confirm the reasonableness of the resulting discount rates, Alba contrasts them with those used by analysts for each of the companies.

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.

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 estimated 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 extend the explicit projection period until that level were reached.

As in all the projections made 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 2023, the perpetual growth rate ranged from 1.5% to 1.8% per annum, in line with the most recent valuations of these same companies in the past. This variable was also contrasted with a significant sample of recent analyst reports and, as previously commented, there were no significant variations compared to previous valuations.

In 2023, the following sensitivity analysis was performed:

	Acerinox, S.A.	Ebro Foods, S.A.
Discount rate (WACC)		
Rate used in 2023	9.4%	7.2%
Rate to equal the carrying amounts	9.7%	7.2%
Perpetual growth		
Rate used in 2023	1.8%	1.5%
Rate to equal the carrying amounts	1.2%	1.5%
EBITDA margin used to calculate terminal value		
Rate used in 2023	8.8%	12.0%
Margin to equalize the carrying amounts	8.5%	12.0%
Variation in total sales to equal the carrying amounts	-6.3%	-
Variation in EBITDA margin to equal the carrying amounts	-0.2%	-

At 31 December 2023, a variation in the assumptions used to calculate value in use would have the following effect thereon:

Variation	Acerinox, S.A.	Ebro Foods, S.A.
Weighted average cost of capital (WACC)		
+ 0.25%	-2.9%	-5.0%
- 0.25%	3.1%	5.5%
+ 0.5%	-5.6%	-9.7%
- 0.5%	6.4%	11.5%
Perpetual growth		
+ 0.25%	1.6%	3.4%
- 0.25%	-1.5%	-3.2%
+ 0.5%	3.3%	7.2%
- 0.5%	-2.9%	-6.0%
EBITDA margin		
+ 0.5%	5.9%	6.2%
- 0.5%	-5.9%	-6.2%
+ 1%	11.8%	12.5%
- 1%	-11.8%	-12.5%

b) Investments in associates in 2022

The variations in investments in associates in 2022 were as follows:

Company	Consolidated value 01/01/22	Profit/(loss) investees	Accrued dividends	Acquisitions / (disposals) and transfers	Changes in consolidated equity of associates	Impairment	Consolidated value 31/12/2022	Market value 31/12/2022
Acerinox, S.A.	583,9	98,4	(38,5)	-	(6,9)	-	636,9	444,6
Aegis Lux 2, S.à.r..l. (Verisure)	345,8	(18,2)	-	-	(16,8)	-	310,8	-
CIE Automotive, S.A.	366,2	39,5	(12,6)	14,9	(6,9)	-	401,1	393,7
Ebro Foods, S.A.	401,9	17,7	(12,7)	1,9	4,1	-	412,9	327,6
Piolin II, S.à.r.l. (Parques Reunidos)	104,2	2,1	-	-	(0,9)	-	105,4	-
Profand Fishing Holding, S.L.	77,8	3,4	-	0,4	2,7	(3,1)	81,2	-
Rioja Luxembourg, S.à.r.l. (Naturgy)	247,5	68,7	(22,8)	-	65,4	-	358,8	896,0 (*)
Viscofan, S.A.	326,0	19,8	(12,1)	6,6	4,3	-	344,6	398,9
TOTALES	2.453,3	231,4	(98,7)	23,8	45,0	(3,1)	2.651,7	

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

The changes in consolidated equity in 2022 were due primarily to adjustments derived from currency translation, changes in the value of financial assets through equity, variations in own shares and transition adjustments resulting from the application of new accounting standards.

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

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

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

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

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

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

	Profand Fishing Holdin g, S.L.
Perpetual growth rate	2.0%
Discount rate (WACC)	9.3%
Capital structure:	
Capital	63.0%
Debt	37.0%
Equity ratio	11.9%
Cost of debt after tax	4.7%

At 31 December 2022, a variation in the assumptions used to calculate value in use would have the following effect thereon:

Change	Profand Fishing Holding, S.L.
Weighted average cost of capital (WACC)	
+ 0.5%	-13.5%
- 0.5%	15.5%
+ 1%	-25.3%
- 1%	33.3%
Perpetual growth	
+ 0.2%	3.4%
- 0.2%	-2.6%
+ 0.4%	7.0%
- 0.4%	-5.5%

The associates whose quoted price at 2022 year end was lower than their carrying amount were as follows: Acerinox, S.A., CIE Automotive, S.A. and Ebro Foods, S.A. In these cases Alba's Investment Department calculated the value in use of each investment, which was reviewed by the Finance Department without involving any independent experts. The discounted cash flow method was used, subsequently subtracting the value of net debt and non-controlling interests. The assumptions used in 2022 were as follows:

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

The method used to calculate value in use in 2022 was the same as that used in 2023 described above in note 10 (a), "Investments in associates in 2023".

A summary of the main assumptions applied in the financial projections used in the explicit valuation period (2023-2027) for Acerinox, S.A., CIE Automotive, and Ebro Foods, S.A. is as follows:
S.A.

- Revenue growth: CIE Automotive, S.A. and Ebro Foods, S.A. show moderate growth in the projected period. Their expected cumulative annual revenue growth in the explicit period is slightly higher than the perpetual growth rate used in each case; growth is higher at the start of the period and converges with the perpetual growth rate in subsequent years. The higher initial growth at CIE Automotive, S.A. is due to the expected recovery in global car production, while at Ebro Foods, S.A. it is due to the strength of particularly resilient demand in periods of macroeconomic uncertainty, as well as the expected rise in prices in the first few years in an inflationary environment.

  Conversely, Acerinox, operating in a cyclical sector and having reached its all-time sales record last year, expects a steady fall in revenues until normal levels are reached.

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

The deviations between the 2022 revenue and EBITDA margin growth projections for Acerinox, S.A. and Ebro Foods, S.A. estimated in the 2021 financial valuation and the results actually obtained by both associates in 2022 are shown below:

	Ebro Foods, S.A.	Acerinox, S.A.
Growth in sales	+17.6%	+18.3%
Change in EBITDA margin	-1.4 p.p.	-0.4 p.p.

In the case of Ebro Foods, the 2022 revenues estimated in the December 2021 valuation exercise, based on the analysts' consensuses, was 17.6% lower than those reported at the end of 2022. On the other hand, the 2022 EBITDA margin estimated at December 2021 was 1.4 p.p. higher than that reported in 2022.

In the case of Acerinox, the 2022 revenues estimated in the December 2021 valuation exercise, based on the analysts' consensuses, was 18.3% lower than those reported at the end of 2022. On the other hand, the 2022 EBITDA margin estimated at December 2021 was 0.4 p.p. higher than that reported in 2022.

The differences between the estimated and actual financial figures recorded by Acerinox, S.A. and Ebro Foods, S.A. had different causes. In the case of Acerinox, the cyclical, volatile nature of the international stainless steel market generally made it difficult for both the company and analysts to draw up entirely accurate financial projections. The figures for Ebro Foods in 2022 were mainly affected by price increases during the year to pass on high cost and raw material inflation to the end customer, a positive exchange rate trend and a corporate transaction, all of which were difficult to foresee at the start of the year, when the projections were made.

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

- The tax rate applied ranges from the general Spanish income tax rate of 25.0% to 27.5% for companies operating in jurisdictions with higher tax rates.

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

In the valuations carried out at 31 December 2022, the cost of equity varies by company, ranging from 7.8% (Ebro Foods, S.A.) to 10.6% (Acerinox, S.A.), while the WACC rate ranges from 7.1% (Ebro Foods, S.A.) to 9.4% (Acerinox, S.A.). In the case of CIE Automotive, S.A., both figures were within the indicated ranges, with a cost of equity of 9.6% and a WACC of 8.6%. These discount rates were in line with those used in previous years' valuations for these companies and were contrasted first with the available analyst estimates and, more generally, with the historical information and experience of Alba.

The 10-year bond yield and the equity ratio for investees with indications of impairment in each of the periods are shown below:

Acerinox, S.A.	2022	2021
Cost of equity	10.6%	10.0%
10-year bond yield	3.3%	0.7%

Ebro Foods, S.A.	2022	2021
Cost of equity	7.8%	7.5%
10-year bond yield	3.3%	0.7%

CIE Automotive, S.A.	2022	2021
Cost of equity	9.6%	n/a
10-year bond yield	3.3%	0.7%

The equity ratios of Acerinox and Ebro (CIE Automotive was not valued in 2021 as it did not show indications of impairment) increased compared to the valuation performed in 2021, mainly due to the increase in interest rates reflected in the higher yield on the Spanish 10-year bond, as both the betas and the market risk premiums of the associates remained virtually unchanged.

However, the rise in equity was less than the rise in the Spanish 10-year bond yield due to changes made to the specific risk premium, the details of which are shown below:

	2022	2021
Acerinox, S.A.	2.5%	4.5%
Ebro Foods, S.A.	1.0%	3.5%
CIE Automotive, S.A.	2.5%	n/a

At 31 December 2022, the perpetual growth rate ranged from 1.5% to 2.0% per annum, with no variations compared to the most recent valuations of these same companies in the past. This variable was also contrasted with a significant sample of recent analyst reports and, as previously commented, there were no significant variations compared to previous valuations.

In 2022, the following sensitivity analysis was performed:

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

At 31 December 2022, a variation in the assumptions used to calculate value in use would have the following effect thereon:

Variation	Acerinox, S.A.	CIE Automotive, S.A.	Ebro Foods, S.A.
Weighted average cost of capital (WACC)			
+ 0.25%	-2.8%	-5.0%	-5.4%
- 0.25%	3.0%	5.3%	5.9%
+ 0.5%	-5.5%	-9.6%	-10.3%
- 0.5%	6.3%	11.1%	12.4%
Perpetual growth			
+ 0.25%	1.7%	4.4%	4.0%
- 0.25%	-1.6%	-4.1%	-3.6%
+ 0.5%	3.7%	9.2%	8.3%
- 0.5%	-3.2%	-7.9%	-7.0%
EBITDA margin			
+ 0.5%	5.1%	4.9%	5.5%
- 0.5%	-5.1%	-4.9%	-5.5%
+ 1%	10.1%	9.7%	10.9%
- 1%	-10.1%	-9.7%	-10.9%

11. Investments at Fair Value through Profit or Loss

The percentage ownership interest in investments at fair value through profit or loss at 31 December 2023 and 2022 is as follows:

	%	
Non-current, unquoted	2023	2022
Artá Capital Fund III, FCR	33.70	-
Atlantic Aviation Holding Corporation (1)	10.45	9.47
C. E. Extremadura, S.A.	1.01	1.01
Food Delivery Brands, S.A. (through Tasty Topco, S.C.A.)	3.13	3.13
Gesdocument y Gestion, S.A. (note 2.3)	46.53	-
Grupo Alvic FR Mobiliario, S.A. (through Folkstone, S.L.)	7.76	7.76
Grupo Disfasa, S.A. (Facundo Group) (note 2.3)	31.73	-
Grupo Nuadi Components, S.L. (note 2.3)	37.43	-
InStore Media Group, S.A.	18.89	18.89
March PE Global, SCR, S.A.	33.33	33.33
March PE Global II, SCR, S.A.	21.70	-
Marsala Activos, S.L.U. (Preving)	21.41	21.41
Monbake Grupo Empresarial, S.A. (through Tarasios Investments, S.L.)	3.70	3.70
Nature Topco UK Limited (2)	13.72	14.68
Topco Satlink, S.L.	7.20	7.20
Non-current, quoted		
Befesa Holding, S.à.r.l.	8.66	8.66
Global Dominion Access, S.A.	5.61	5.55
Technoprobe, Spa	5.23	3.26
Inmobiliaria Colonial, SOCIMI, S.A.	5.01	-

(1) Through this company, Alba holds an indirect interest in Atlantic Aviation FBO Inc.

(2) Through this company, Alba holds an indirect interest in ERM Worldwide Group Limited.

Dividends amounting to Euros 55.5 million (Euros 7.8 million in 2022) were received from these listed and unlisted investments in 2023.

Movement during 2023 and 2022 was as follows:

Balance at 01/01/22	973.3
Additions	210.3
Changes in fair value	164.5
Other movements	16.1
Balance at 31/12/2022	1,364.2
Additions	222.1
Changes in fair value	118.4
Reclassification from “other current financial assets”	79.8
Reclassification to “other current financial assets”	(10.7)
Other movements	57.2
Balance at 31/12/2023	1,831.0

In 2023, additions mainly reflect acquisitions of holdings in Technoprobe Spa (Euros 82.5 million), Inmobiliaria Colonial, SOCIMI,S.A. (Euros 77.4 million) and Artá Capital Fund III F.C.R. (Euros 8.7 million). The Group also reinvested the dividend received from Atlantic Aviation FBO Inc. amounting to Euros 44 million in the company itself.

Other movements include the recognition under this heading of the ownership interest in the Nuadi, Facundo and Gesdocument subgroups following the loss of control over them (see note 2.3).

The main increases in fair value in 2023 were in the ownership interests in Technoprobe Spa, Atlantic Aviation Holding Corporation and Inmobiliaria Colonial, SOCIMI, S.A. Conversely, the main decrease was in the interest in Befesa Holding, S.à.r.l. In 2022, the main increases were in the ownership interests in Atlantic Aviation Holding Corporation and Nature Topco UK Limited, partially offset by the decrease in value of the interests in Befesa Holding, S.à.r.l. and Global Dominion Access, S.A.

In 2023, the Group did not dispose of any investments held at 31 December 2022. However, it has classified its short-term investment in Inmobiliaria Colonial, SOCIMI, S.A. amounting to Euros 79.8 million under this heading.

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

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

Also, in relation to the other investments held by the Group through Deya Capital IV, SCR, S.A.U. and which are also managed by Artá Capital, SGEIC, S.A.U., in 2023 and 2022 the valuations were carried out by Kroll Advisory, S.L., an independent expert, which issued the related report. One exception is the valuation of InStore Media Group, S.A., which is drawn up by personnel of Artá Capital, SGEIC, S.A.U. in charge of this. At 31 December 2022, the investment in Topco Satlink, S.L., which was acquired in 2022, was valued at its acquisition value, which coincides with its fair value.

The method used by the independent expert to determine the recoverable amount of these investments was based on discounted future cash flows.

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

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

- The WACC is calculated using the capital asset pricing model (CAPM) generally accepted by the financial community, and on the basis of market variables obtained through Bloomberg, such as the rate of return on the 10-year bond or levered beta with respect to the benchmark stock market index.
  In addition, various internal estimates are used, such as: the spread between the non-current debt of the Company and the 10-year bond, the tax rate (same as for the cash flows used in the terminal value calculation) or the target capital structure.
- The perpetual growth rate is calculated based on each company and the market in which they operate.

The assumptions used to calculate fair value are as follows:

	Grupo Alvic FR Mobiliario, S..A.	Marsala Activos, S.L.U. (Preving)	InStore Media Group, S.A.	Monbake Grupo Empresarial, S.A.	Grupo Nuadi Components, S.L.	Topco Satlink, S.L.	Grupo Disfasa, S.L. (Facundo)	Gesdocument y Gestion, S.A.U.
Dec-23								
Perpetual growth rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.1%	2.0%	2.0%
Weighted average cost of capital (WACC)	11.3%	11.5%	9.3%	10.0%	11.5%	12.5%	9.8%	12.0%
Dec-22								
Perpetual growth rate	2.0%	2.0%	2.0%	2.0%	n.a.	n.a.	n.a.	n.a.
Weighted average cost of capital (WACC)	11.7%	12.0%	12.6%	10.0%	n.a.	n.a.	n.a.	n.a.

Sensitivity analysis

At 31 December 2023, a change in the assumptions used to calculate the fair value of all the investments held by the Group through Deya Capital IV, SCR, S.A.U. and managed by Artá Capital, SGEIC, S.A.U. would have the following effect on the fair value (in millions of Euros):

2023	
Weighted average cost of capital (WACC)	
+ 0.5%	-14.3
- 0.5%	16.0
+ 1%	-27.1
- 1%	34.0
Perpetual growth rate	
+ 0.5%	11.5
- 0.5%	-10.3
+ 1%	24.5
- 1%	-19.6
EBITDA	
+ 5.0%	13.0
- 5.0%	-13.0
+ 10.0%	26.1
- 10.0%	-26.1

At 31 December 2022, a change in the assumptions used in the fair value calculation would have had the following effect on the fair value of all investments:

2022

Weighted average cost of capital (WACC)	
+ 0.5%	-7.3
- 0.5%	8.1
+ 1%	-13.9
- 1%	17.2
Perpetual growth rate	
+ 0.5%	5.5
- 0.5%	-5.0
+ 1%	11.7
- 1%	-9.5
EBITDA	
+ 5.0%	9.3
- 5.0%	-9.3
+ 10.0%	18.6
- 10.0%	-18.6

For the valuation of the investment in Food Delivery Brands, S.A. at 31 December 2022, the independent expert used the Monte Carlo simulation valuation model, which consists of carrying out numerous simulations of price changes over time, and converting the average of these simulations into the value of the underlying share discounted at the valuation date. The main assumptions used in the valuation at 2022 year-end were a volatility of 40% and an unlevered beta coefficient of 0.77. At 31 December 2023 this investment was fully impaired.

The valuations held by the Group through Alba-KKR Core I., S.C.A. have been performed by the global valuation committee of KKR, supported by Kroll Advisory, which provides assistance in the valuation process. KKR's global valuation committee is the body responsible for coordinating and implementing the process for the valuation of KKR investees worldwide.

Valuations are prepared and furnished, on a quarterly basis, to all investors in the various funds and vehicles invested in the two companies.

Moreover, these valuations are the same as those used by KKR itself in its financial statements, given that it invests part of its own balance sheet in the KKR Core Fund, a direct shareholder in both Atlantic Aviation and ERM. These accounts are audited by Deloitte, which reviews the valuations of the investees as part of the regular audit process. As a US listed entity, KKR is under the supervision of the Securities and Exchange Commission.

The methods used to determine the fair value of each investment were the discounted cash flows method and the market multiple approach.

The following variables are taken into account in the valuation process:

- Operational and financial metrics of the companies themselves.
- Specific trends in the sectors, economies and markets in which the companies operate.
- Specific developments in each of the companies.
- Market valuations of comparable companies.

Upon receipt of KKR's valuation, an internal benchmarking exercise is prepared and sensitivity analyses are performed on (i) the weighted average cost of capital (WACC); (ii) the Enterprise Value / LTM EBITDA exit multiple; and (iii) EBITDA margin, based on the discount rate and exit multiple used by KKR in its valuation.

The key assumptions used to test the fair value at 31 December 2023 and 2022 are shown below:

	Atlantic Aviation Holding Corporation	Nature Topco UK Limited
2023		
Weighted average cost of capital (WACC)	8.9%	10.6%
Enterprise Value/ LTM(1) EBITDA Exit Multiple	15.0x	16.0x
2022		
Weighted average cost of capital (WACC)	9.5%	11.6%
Enterprise Value/ LTM(1) EBITDA Exit Multiple	15.0x	16.0x

(1) LTM means "Last Twelve Months".

At 31 December 2023 and 2022, an aggregate change in the assumptions used for the fair value test would have the following effect on the fair value (in millions of Euros):

2023

Weighted average cost of capital (WACC)

+ 0.5%	-26.5
- 0.5% 27.1	

Enterprise Value/ LTM EBITDA Exit Multiple

+ 0.5%	38.7
- 0.5% -38.7	

EBITDA margin

+ 5.0%	21.9
- 5.0% -21.9	

2022

Weighted average cost of capital (WACC)

+ 0.5%	-23.1
- 0.5% 23.6	

Enterprise Value/ LTM EBITDA Exit Multiple

+ 0.5%	34.1
- 0.5% -34.1	

EBITDA margin

+ 5.0%	19.4
- 5.0% -19.4	

12. Other Non-current Financial Assets and Liabilities

Details of these items at 31 December 2023 and 2022 are as follows:

Other non-current financial assets	2023	2022
Loans to third parties	47.5	30.0
Guarantees deposited with public entities	1.4	1.6
Other financial assets	39.5	40.7
Balance at 31 December	88.4	72.3
Other non-current financial liabilities		
Other financial liabilities	27.4	20.6
Guarantees received from customers	2.7	2.2
Balance at 31 December	30.1	22.8

Loans to third parties comprise the value of long-term receivables from Profand Fishing Holding, S.L. amounting to Euros 30.2 million and from the Bergé Group amounting to Euros 17.3 million.

In June 2023, the Group signed a loan agreement with Profand Fishing Holding, S.L. for Euros 28.6 million for the acquisition of a production asset in the United States. The final repayment date of this loan is May 2030 and it accrues interest at market rates.

In 2021 the Group acquired 23.71% of Profand Fishing Holding, S.L.'s capital. As a result of this transaction, Alba and the other shareholder of Profand Fishing Holding, S.L., formerly the holder of Alba's current ownership interest, entered into a shareholders' agreement (which was amended in the first half of 2023) setting out a number of binding covenants and conditions relating to their rights and obligations, the terms on which Profand would be managed and governed and the arrangement to transfer the shares. In relation to the latter, among other agreements, Alba was granted a put option on all of its shares in Profand Fishing Holding, S.L., such that Alba holds a unilateral put option on this interest vis-à-vis the other shareholder for an amount agreed in advance. This put option will remain in force from 2025 until 28 October 2031. This option was valued at 31 December 2023 and 2022 by an independent expert, Kroll Advisory, S.L., and is recorded under other non-current financial assets in the consolidated balance sheet amounting to Euros 39.1 million (Euros 33.9 million at 31 December 2022), which generated an impact on the consolidated income statement for 2023 of Euros 5.2 million, recognised under change in fair value of financial instruments.

13. Trade and Other Receivables

Details at 31 December 2023 and 2022 are as follows:

	2023	2022
Trade receivables	0.3	23.9
Income tax withholdings and payments on account	13.6	45.1
Accrued dividends receivable	22.3	21.1
Other receivables	3.8	0.2
Prepaid expenses	-	2.7
Balance	40.0	93.0

The difference between the two years reflects the deconsolidation of Nuadi, Facundo and Gesdocument as a result of the loss of control of the venture capital management company Artá Capital, SGEIC, S.A.U. (see note 2.3).

14. Other Current Financial Assets and Cash and Cash Equivalents

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

	2023	2022
Corporate promissory notes and bonds	68.0	267.6
Other financial assets	-	106.4
Balance at 31 December	68.0	374.0

Details of cash and cash equivalents at 31 December 2023 and 2022 are as follows:

	2023	2022
Cash on hand and at banks	85.1	47.9
Highly liquid current investments	252.8	150.4
Balance at 31 December	337.9	198.3

Current investments can be converted to cash within three months and do not pose a risk of a change in value. The amounts in this item accrue interest at a variable rate.

At 31 December 2022, the change in fair value of the financial assets recognised in these categories amounts to an expense of Euros 14.7 million.

15. Equity

At 31 December 2023 the share capital comprised 60,305,186 shares (59,245,174 shares at 31 December 2022), all of the same class and represented by book entries. The par value of each share is Euros 1, they are subscribed and fully paid, and have all been listed on the Spanish Stock Exchange Interconnection System (SIBE).

At their general meeting held on 19 June 2023, the shareholders of Corporación Financiera Alba, S.A. approved a bonus share capital increase at the Company to implement a scrip dividend. On 5 July 2023, the trading period for the allotment rights ended, through which the Company purchased 6,244,550 free allotment rights for Euros 6.0 million. This option was accepted by 10.5% of the holders of these rights. The final number of ordinary shares of Euros 1 par value each that were issued in the capital increase was X,XXX,XXX shares.

1.60.12 As a result of this capital increase, the share capital of Corporación Financiera Alba, S.A. is 60,305,186 shares of Euros 1 par value each. The new Company shares were admitted to trading on the stock exchange on 19 July 2023.

At their extraordinary meeting held on 29 November 2022, the shareholders of Corporación Financiera Alba, S.A. approved a bonus share capital increase at the Company to implement a scrip dividend. On 15 December 2022, the trading period for the allotment rights ended, through which the Company purchased 12,001,907 free allotment rights for Euros 11.9 million. This option was accepted by 20.6% of the holders of these rights. The final number of ordinary shares of Euros 1 par value each that were issued in the capital increase was 1,005,174 shares. In this respect, the new Company shares were admitted to trading on the stock exchange on 27 December 2022.

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

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

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

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

Details of the direct and indirect interests of at least 3% reported to the Spanish National Securities Market Commission (CNMV) at 31 December 2023 are as follows:

Shareholder	% ownership
Mr Carlos March Delgado	21.41%
Mr Juan March Delgado	19.69%
Banca March, S.A.	15.04%
Mr Juan March de la Lastra	8.78%
Mr Juan March Juan	5.09%
Ms. Catalina March Juan	4.64%
Ms. Gloria March Delgado	3.73%

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.

	2023	2022
Profit attributable to ordinary shareholders of the Parent		
	234.0	436.4
Discontinued operations	-	-
Profit attributable to ordinary shareholders of the Parent in respect of basic earnings	234.0	436.4
Interest of the holders of financial instruments convertible into ordinary shares	-	-
Profit attributable to ordinary shareholders of the Parent in respect of diluted earnings	234.0	436.4
Number of ordinary shares for basic earnings per share (*)	60,305,186	59,245,174
Dilution effect	-	-
Number of ordinary shares adjusted for dilution effect (*)	60,305,186	59,245,174
Earnings/(loss) per share (Euros/share)	3.88	7.37

(*) 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 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 2023 are as follows:

	Balance at 1/1/2023	Profit/(loss)	Loss of control	Other	Balanc e at 31/12/2023
Alba Investments, S.à.r.l.	62.9	(3.5)	-	0.7	60.1
Artá Partners, S.A.	0.2	-	(0.2)	-	-
Nuadi subgroup	36.6	0.8	(37.4)	-	-
Facundo subgroup	35.9	0.7	(36.6)	-	-
Gesdocument y Gestión, S.A.	2.8	0.1	(2.9)	-	-
TOTAL	138.4	(1.9)	(77.1)	0.7	60.1

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 2023 and 2022 year ends was as follows:

	2023	2022
Loans and borrowings	514.5	550.7
Cash and cash equivalents	(337.9)	(198.3)
Total net debt	176.6	352.4
Equity	4,726.0	4,480.7
Equity + net debt	4,902.6	4,833.1
Leverage ratio	3.60%	7.29%

17. Provisions

Movement in this item in 2023 and 2022 is as follows:

	2023	2022
Balance at 1 January	0.4	0.6
Applications and releases	-	(0.2)
Balance at 31 December	0.4	0.4

18. Suppliers and Other Payables

Details at 31 December 2023 and 2022 are as follows:

	2023	2022
Suppliers	14.2	54.4
Public entities, other (note 22)	13.2	8.6
Salaries payable	6.1	10.1
Balance at 31 December	33.5	73.1

The difference between the two years reflects the deconsolidation of Nuadi, Facundo and Gesdocument as a result of the loss of control of the venture capital management company Artá Capital, SGEIC, S.A.U. (see note 2.3).

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

Days	2023	2022
Average supplier payment period	19	56
Transactions paid ratio	23	59
Transactions payable ratio	59	45
Millions of Euros		
Total payments made	42.8	91.7
Total payments outstanding	7.1	61.8

	2023	2022
Amount of invoices paid within 60 days	41,743	46,162
Number of invoices paid within 60 days	1,491	16,712
Number of invoices paid within 60 days as % of Total invoices paid	84.67%	56.73%
Amount of invoices paid within 60 days as % of Amount of invoices paid	97.60%	66.38%

19. Loans and Borrowings

Non-current and current:

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

	At 31/12/2023		At 31/12/2022	
Bank	Maturity	Balance drawn down	Maturity	Balanc e drawn down
Current loans and credit facilities (CURRENT)				
Loans and credit facilities	2024	444.5	2023	389.0
		444.5		389.0
Non-current loans and credit facilities (NON-CURRENT)				
Syndicated loans and credit facilities	2025	70.0	2024 to 2028	161.7
	TOTAL	70.0	TOTAL	161.7

Bank borrowings cost from 0.2%–4.6% per annum.

Alba also has undrawn lines of financing at 31 December 2023 for a total amount of Euros 50.5 million (Euros 116.6 million at 31 December 2022).

An analysis of the maturities of non-current loans and borrowings (including interest) at 31 December 2023 and 2022 (in millions of Euros) is as follows:

2023	2025	TOTAL
	70.0	70.0

2022	2024	2025	2026	2027	2028	2028	TOTAL
	21.2	97.5	3.9	14.3	10.9	13.9	161.7

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 01/01/2022	594.6
Additions to/exits from the consolidated Group	3.3
Cash flows from (used in) financing activities	(47.2)
Balance at 31/12/2022	550.7
Exits from the consolidated Group	(81.2)
Cash flows from (used in) financing activities	45.0
Balance at 31/12/2023	514.5

20. Fair Value Measurement

Details of assets and liabilities and their fair value measurement hierarchy at 31 December 2023 and 2022 are as follows:

	Total	Quoted price in active markets (Level 1)	Significant unobservable inputs (Level 3)
2023			
Assets measured at fair value			
Investment property (note 6)	301.2	-	301.2
Investments at fair value through profit or loss (note 11)	1,831.0	599.3	1,231.7
Assets whose fair value is disclosed			
Investments in associates (note 10)	3,682.3	2,711.9	970.4
Other non-current financial assets (note 12)	88.4	-	88.4
Other non-current receivables (note 2.3)	4.5	-	4.5
Trade and other receivables (note 13)	40.0	-	40.0
Other current financial assets (note 14)	68.0	-	68.0
Liabilities whose fair value is disclosed			
Loans and borrowings (note 19)	(514.5)	-	(514.5)
2022			
Assets measured at fair value			
Investment property (note 6)	317.5	-	317.5
Investments at fair value through profit or loss (note 11)	1,364.2	317.7	1,046.5
Assets whose fair value is disclosed			
Investments in associates (note 10)	3,483.6	2,460.8	1,022.8
Other non-current financial assets (note 12)	72.3	-	72.3
Trade and other receivables (note 13)	93.0	-	93.0
Other current financial assets (note 14)	374.0	106.4	267.6
Liabilities whose fair value is disclosed			
Loans and borrowings (note 19)	(550.7)	-	(550.7)

21. Risk Management Objectives and Policies

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

1.- Types of risk faced by the Company

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

Corporación Financiera Alba engages in two principal activities:

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

(ii) investment in buildings leased as office space.

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

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

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

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

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

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

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

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

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

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

2.- Integrated Risk Management System

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

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

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

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

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

- Facilitating and streamlining the application of corrective measures.

The Integrated Risk Management System unites three key components:

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

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

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

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

2.1. The continuous risk management process

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

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

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

- Setting the level of risk that is considered acceptable.

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

- Identifying controls.

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

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

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

- Assessing controls.

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

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

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

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

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

2.2. Organisational model of roles and responsibilities

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

(i) Risk managers:

These managers are responsible for monitoring the risks assigned to them and for reporting to the Risk Control and Management Department 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 (SAI), defined as an advisory and control body serving 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.

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

2.3. Monitoring and Reporting Model

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

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

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

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

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 is exposed to currency risk through its investments in foreign currencies.
  At 31 December 2023 and 2022 the Group has direct investments in companies whose currency is not the Euro.
- 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 risks. Fixed interest loans expose the Group to fair value interest rate risks.

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

At 31 December 2023 and 2022 the Group had not arranged any interest rate swaps.

Liquidity risk

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

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

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

At 31 December 2023 the Group's cash position amounted to Euros 337.9 million, of which Euros 85.1 million comprised cash in hand and at banks, and Euros 252.8 million reflected current deposits and investments that are readily convertible into cash and not subject to a risk of change in value.

The most significant cash outflows of the Group not related to expenses and investments are distributions of dividends to shareholders.

The Group's exposure to liquidity risk at 31 December 2023 and 2022 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 2023 and 2022, by type of asset and maturity, are as follows (in millions of Euros):

	2023		2022	
	Amount	Maturity	Amount	Maturity
Trade receivables	0.3	2024	23.9	2023
Other non-current financial assets	92.9	2024-2031	72.3	2023-2029
Other payables	26.1	2024	21.3	2023

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., and Deyá Capital IV, SCR, S.A.U. file taxes under the tax regime for groups of companies. At 31 December 2022, Artá Capital, SGEIC, S.A.U. and Artá Partners, S.A. were also part of this group. The rest of the Group's subsidiaries file their tax returns in accordance with the tax legislation applicable in each country.

The main components of income tax for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
Income tax for the year:		
Income tax expense for the year	3.4	0.6
Adjustments to income tax from prior years	2.9	-
Deferred tax:		
Source and reversal of temporary differences	0.8	-
Income tax expense/(income) recognised in the income statement	7.1	0.6
Consolidated statement of comprehensive income	-	-
Deferred tax related to items recognised directly in equity during the year	-	-

A reconciliation of the tax expense to the product of the accounting profit multiplied by the tax rate applicable to Alba for the years ended 31 December 2023 and 2022 is as follows:

	2023	2022
Pre-tax accounting profit from continuing operations	240.9	93.3
Pre-tax profit/(loss) of discontinued operations	-	-
Pre-tax accounting profit	240.9	93.3
Consolidation differences	-	-
Permanent differences (article 21 of LIS)	(262.0)	(146.3)
Temporary differences	37.7	(6.1)
Income tax expense/(income) in the consolidated income statement	7.1	0.6
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.

Movement in deferred tax assets and liabilities is as follows:

	01/01/2022	Additions/ (derecognitions)	31/12/2022	Additions/ (derecognitions)	31/12/2023
Deferred tax assets					
Retirement plan and other expenses	2.5	(1.6)	0.9	(0.7)	0.2
Total deferred tax assets	2.5		0.9		0.2
Deferred tax liabilities					
Gains on investment property	31.4	(5.2)	26.2	(6.7)	19.5
Other deferred tax liabilities	30.5	(1.1)	29.4	(23.9)	5.5
Total deferred tax liabilities	61.9		55.6		25.0

At 31 December 2023 and 2022 tax loss carryforwards amounting to Euros 16.6 million and Euros 20.0 million, respectively, have not been recognised in the accompanying consolidated balance sheet.

While 2023 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:

	2023	2022
Payment on account	-	1.0
Corporate income tax	9.4	3.7
Personal income tax withholdings	3.4	0.9
VAT and other	0.4	3.0
Total	13.2	8.6

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:

	2023			2022		
	Male	Female	Total	Male	Female	Total
Executive board members	-	-	-	-	-	-
Directors	11	2	13	34	7	41
Heads of department	21	11	32	67	19	86
Administrative and other	89	72	161	436	499	935
Total	121	85	205	537	525	1,062

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

	2023			2022		
	Male	Female	Total	Male	Female	Total
Executive board members	–	–	–	–	–	–
Directors	5	–	5	32	7	39
Heads of department	10	3	13	58	22	80
Administrative and other	15	19	34	350	356	706
Total	30	22	52	440	385	825

At 31 December 2023 the Company has no employees with a disability rating of 33% or more (13 employees at 31 December 2022).

The difference between the two years reflects the deconsolidation of Nuadi, Facundo and Gesdocument as a result of the loss of control of the venture capital management company Artá Capital, SGEIC, S.A.U. (see note 2.3).

24. Segment Reporting

Details of the revenues, profit/loss, assets and liabilities of the business segments for the years ended 31 December 2023 and 2022 are presented below.

The main segments reported by the Group are:

- Property rental: management, rental, and sale-purchase of the Group's investment property.
- Investments in transferable securities: business segment identified by the Group comprising investments in listed and unlisted companies involving significant influence and the generation of gains through investments and subsequent sales.
- Venture capital investments entailing control: business segment defined as the sum of the various activities carried out by the companies over which the Group has control. Specifically, they relate to the activities carried out by companies in which the Group has a direct ownership interest and which belong to vehicles managed by Artá Capital, SGEIC, S.A.U., which exercises control over said vehicle and determines what investments are made, whether there are no restrictions on management and whether they have exposure to variable returns. In 2023, this segment includes only the results contributed by the Nuadi, Facundo and Gesdocument subgroups in the first three months of the year (see note 2.3).

No transactions are carried out between the different segments.

Segment reporting 2023

(In millions of Euros)

	Rental of capital buildings property	Investment	Venture capital Venture entailing control	Income and expenses not allocated to segments	Total Group
Direct income and expenses of the segment					
Revenues	14.7	-	36.0	-	50.7
Supplies	-	-	(16.2)	-	(16.2)
Gains on disposal	-	2.5	-	-	2.5
Share of the profit/(loss) for the year of associates	-	160.8	-	-	160.8
Changes in fair value	(19.4)	125.0	-	-	105.6
Depreciation and amortisation	-	-	(3.4)	(0.8)	(4.2)
Impairment	-	(42.1)	-	-	(42.1)
Personnel expenses	-	-	(9.6)	(15.9)	(25.5)
Other operating expenses	(4.3)	-	(5.5)	(49.3)	(59.1)
Other income/(expenses)	-	-	-	2.4	2.4
Net finance income/(cost)	-	-	(2.1)	66.4	64.3
Profit/(loss) before taxes and non-controlling interests	(9.0)	246.2	(0.8)	2.8	239.2
Income tax					(7.1)
Profit/(loss) from continuing operations					232.1
Profit/(loss) attributable to non-controlling interests					1.9
Consolidated profit/(loss) for the year attributable to the Group					234.0
Assets and Liabilities					
Segment assets	302.6	4,548.9	-	-	4,851.5
Unallocated assets					539.0
Total assets					5,390.5
Segment liabilities	2.7	-	-	-	2.7
Unallocated liabilities					600.8
Total liabilities					603.5

Segment reporting 2022
(In millions of Euros)

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

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

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

Ordinary income relates to revenues from customer contracts. The breakdown of Group revenue by line of business and geographical market for 2023 and 2022 is as follows:

	2023			2022		
	Spain	Rest of the world	Total	Spain	Rest of the world	Total
Rentals	14.7	-	14.7	12.8	-	12.8
Electronic equipment and buoy communication in the fishing sector	-	-	-	12.0	4.1	16.1
Automotive brake accessories	7.6	16.2	23.8	28.6	61.4	90.0
Occupational risk prevention	-	-	-	25.3	-	25.3
Food	7.8	-	7.8	14.9	-	14.9
Consulting services	3.7	-	3.7	7.3	-	7.3
Other	0.7	-	0.7	-	-	-
TOTAL	34.5	16.2	50.7	100.9	65.5	166.4

At 31 December 2023, the above table includes only the revenues contributed by the Nuadi, Facundo and Gesdocument subgroups in the first three months of the year (see notes 2.3 and 4 (q)).

25. Other Income and Expenses

Details of the various items included under this heading in 2023 and 2022 are shown below.

a) Personnel expenses

	2023	2022
Salaries and wages	20.8	46.6
Social security payable by the Company	3.9	5.7
Alternative pension plan schemes	0.8	1.3
Balance at 31 December	25.5	53.6

b) Finance income

	2023	2022
Interest, dividends and other	77.5	21.5
Balance at 31 December	77.5	21.5

c) Change in fair value of financial instruments

At the 2023 and 2022 year ends this item reflects the change in fair value of investments at fair value through profit or loss (see note 11) and other financial assets recognised at fair value (see notes 12 and 14).

26. Related Parties

Details of the transactions carried out in 2023 and 2022 are as follows:

DESCRIPTION OF THE TRANSACTION	AMOUNT 2023	AMOUNT 2022	RELATED PARTY
WITH SIGNIFICANT SHAREHOLDERS OF THE COMPANY			
Services	-	0.8	Banca March, S.A.
Dividends	0.7	5.9	Banca March, S.A.
WITH OTHER RELATED PARTIES			
Dividends and other distributions	14.2	12.6	CIE Automotive, S.A.
	1.6	22.8	Rioja Luxembourg, S.à.r.l.
	29.4	38.5	Acerinox, S.A.
	12.7	12.7	Ebro Foods, S.A.
	12.9	12.2	Viscofan, 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):

At 31 December 2023 and 2022 the Board of Directors comprised 10 members.

No loans were extended to members of the Board of Directors or Senior Management in 2023 or 2022.

2023	No. of people	Salaries and other	Alba board meetings	Alternative pension plan schemes and insurance
External proprietary directors	3	1,621	1,827	-
External independent directors	6	-	862	-
Other external directors	1	1,621	147	-
Senior management	5	5,385	-	752
TOTAL		8,627	2,836	752

2022	No. of people	Salaries and other	Alba board meetings	Alternative pension plan schemes and insurance
External proprietary directors	3	915	1,450	-
External independent directors	6	-	835	-
Other external directors	1	915	145	-
Senior management	7	5,227	-	678
TOTAL		7,057	2,430	678

As a result of the sale of Artá Partners (see note 2.3) the two members who were considered senior management of Alba but performed their duties in Artá no longer form part of the company, with senior management now comprising five members.

Details of the remuneration accrued by each Board Member in 2023 and 2022 (in thousands of Euros) are as follows:

2023	Fixed remuneration	Variable	Alba Group board meetings	Total remuneration
De Colmenares Brunet, Ignacio	-	-	130	130
Girón Dávila, Mª Eugenia	-	-	155	155
Guibert Ucin, María Luisa	-	-	125	125
March de la Lastra, Juan	-	973	580	1,553
March Delgado, Carlos	-	-	667	667
March Juan, Juan	-	648	580	1,228
Martínez-Conde Gutiérrez-Barquín, Santos	-	1,621	147	1,768
Pickholz, Claudia	-	-	155	155
Plaza Arregui, Ana María	-	-	147	147
Pradera Jáuregui, Antón	-	-	150	150
TOTAL BOARD	-	3,242	2,836	6,078

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

In 2023 and 2022 no remuneration was paid to individuals representing Alba on boards or committees of companies in which Alba acts as a director company. In 2023 and 2022, Euros 170 thousand was paid in respect of public liability insurance premiums on behalf of the directors.

There were no changes in the Board of Directors in 2023 and 2022.

At the general meetings held in 2023, 2022 and 2021, the shareholders of Alba approved a multi-year variable remuneration scheme linked to Alba’s net asset value for executive board members (as appropriate), directors representing Alba on the boards of subsidiaries, investees or related parties, and certain Company personnel selected by the Board of Directors, in order to foster more direct engagement in the process of creating value for the Company’s shareholders.

The basic features of the scheme are as follows:

Approval	19/06/2023	20/06/2022	21/06/2021
Maturity	30/06/2026	30/06/2025	30/06/2024
Units assigned	179,070	164,050	204,500
Initial net asset value	94.38	89.37	80.42
Cap between initial and final net asset value	50%	50%	50%

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

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

Pursuant to the provisions of articles 227, 228, 229 and 231 of the Spanish Companies Act (“LSC”), as per the wording of Law 31/2014 of 3 December 2014, which amended the LSC in order to improve corporate governance, the Directors of Alba have informed Alba that, during the years ended 31 December 2023 and 2022 they had no conflicts of interest with Alba and, to the best of their knowledge and based on the information which they have been able to obtain with the utmost due diligence, nor did any parties related to them.

28. Audit Fees

In 2023, KPMG Auditores, S.L., the auditor of the Group’s annual accounts, accrued fees totalling Euros 121.7 thousand, of which Euros 80.2 thousand were for audit services and Euros 41.5 thousand for assurance services on the Non-financial Information Statement, the limited review of the half-yearly consolidated financial statements, the agreed-upon procedures report on the ICOFR description, and translations of annual accounts previously authorised for issue by the Board of Directors and for which an audit opinion had already been issued.

29. Statement of Cash Flows

This statement has been prepared in accordance with International Accounting Standard 7.

The statement comprises three types of cash flow:

- Net cash flows from operating activities: operating cash flows of all the businesses managed by the Group.

- Net cash flows from investing activities: cash flows related to non-current investments in assets and the acquisition and disposal of equity instruments issued by other entities.

- Net cash flows from financing activities: cash flows used to purchase own shares, cash inflows from the use of external sources of financing, cash outflows as a result of the repayment of external financing, and dividend distributions.

30. Assets and Liabilities Held for Sale

At 31 December 2023 the Group does not own any non-current assets and liabilities held for sale.

At 31 December 2022, the Group classified all the assets and liabilities of Artá Capital, SGEIC, S.A.U. and Artá Partners, S.A. as non-current assets and liabilities held for sale. Although the sale took place in the first quarter of 2023, the decision was taken earlier. The disposal group consisted of assets of Euros 3.6 million (of which Euros 2.9 million was in cash and Euros 0.7 million in trade and other receivables) and liabilities of Euros 1.4 million (entirely composed of trade and other payables). In 2022 the Group did not recognise any impairment losses due to the carrying amounts being lower than fair value less costs to sell.

31. Events After the Reporting Period

No significant events have occurred after 31 December 2023.

CERTIFICATION OF THE ACCOUNTS

Mr Javier Fernández Alonso and Mr Carlos Ortega-Arias Paz, Managing Directors, and Mr Félix Montes Falagán, CFO, of Corporación Financiera Alba, S.A. certify that the consolidated annual accounts for the year ended 31 December 2023, 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 2023, 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.

Javier Fernández Alonso Managing Director	Carlos Ortega-Arias Paz Managing Director

Félix Montes Falagán
CFO

AUTHORISATION OF THE ACCOUNTS

The Board of Directors approved the authorisation for issue of these annual accounts at its meeting held on 18 March 2024. The accounts will be subject to verification by the auditor and subsequent approval by the shareholders at their general meeting. They comprise 91 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 2023, which were authorised for issue on 18 March 2024 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 2023, 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.

Carlos March Delgado
Chairman

Juan March de la Lastra
1st Vice-chairman

Juan March Juan
2nd Vice-chairman

Ignacio de Colmenares Brunet
Board member

María Luisa Guibert Ucin
Board member

María Eugenia Girón Dávila
Board member

Claudia Pickholz
Board member

Santos Martínez-Conde Gutierrez-Barquín
Board member

Antón Pradera Jaúregui
Board member

Ana María Plaza Arregui
Board member

José Ramón del Caño Palop
Non-board member secretary

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

CONSOLIDATED DIRECTORS' REPORT OF CORPORACIÓN FINANCIERA ALBA, S.A. AND SUBSIDIARIES FOR 2023

(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

FOR 2023

1. Business performance and position of the Company

The consolidated annual accounts at 31 December 2023 give a true and fair view of the Group's equity, financial position, results of operations, changes in equity and cash flows for the year then ended, and have been authorised for issue by the Company's directors.

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

During 2023, the Alba Group's activities comprised the following:

* Management of a number of controlling and influential interests in a series of companies operating in different sectors of the economy.

* Promotion and holding of interests in companies.

* Operation of buildings through lease or sale.

Alba recognised consolidated net profit of Euros 235 million in 2023, compared to Euros 436 million in the previous year. This decline is mainly due to the weaker performance of certain of our investees, the decrease in the fair value of investment property, lower capital gains on the sale of assets and the impairment loss posted by one of our investees. In addition, as a result of the sale of the stake in the venture capital management company Artá Capital, Nuadi, Facundo Group and Gesdocument ceased to be fully consolidated as of the second quarter of 2023.

Net asset value (NAV) rose by 9.6% in the year to Euros 5,797 million at 31 December 2023, equivalent to Euros 96.12 per share. Alba's share price ended the year at Euros 48.00 per share, after climbing 11.2%.

During this period, Alba invested Euros 209 million and sold assets totalling Euros 34 million, reducing its net cash position to Euros 16 million at 31 December 2023.

A released share capital increase was approved in June to implement a flexible dividend for a total of Euros 57 million, the result of which was as follows: (i) Alba acquired a total of 6,244,550 free allotment rights for Euros 6 million, representing 10.5% of the total; (ii) a capital increase of Euros 51 million was carried out through the issue of 1,060,012 new ordinary shares with a par value of Euros 1 each (option chosen by the remaining 89.5% of the shareholders). As a result, Alba's share capital was represented by 60,305,186 shares of Euros 1 par value each at 31 December 2023.

2. Most significant transactions

Alba made the following investments:

- Acquisition of an additional 2.0% stake in Technoprobe for Euros 83 million. Technoprobe, an Italian company, is a worldwide leader in the design and manufacture of probe cards, complex electro-mechanical interfaces used in microchip testing during the integrated circuits production process.
- Acquisition of an additional 2.5% stake in Inmobiliaria Colonial for Euros 77 million. Inmobiliaria Colonial is a Spanish REIT focused on the operation and development of buildings for rent, with a strong presence in the high-quality office rental business in the prime and CBD (Central Business District) areas of Paris, Madrid and Barcelona.
- Subordinated loan of Euros 29 million to Profand for the acquisition of a production asset in the United States.
- Other investments totalling Euros 20 million.

The following divestments were undertaken:

- Sale of investments from the trading portfolio for a total of Euros 28 million.
- Sale of its entire interest (77.1%) in the share capital of Artá Partners, the owner of 100% of the shares of Artá Capital, SGEIC, S.A.U., for Euros 6 million.

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

3. Outlook for the Company

Alba's foremost objective is to ensure that its investees achieve maximum profitability, improving their competitiveness and enhancing their human, financial and technological potential. Furthermore, the Company's financial structure, size and flexibility will enable it to take advantage of investment opportunities that may arise.

Performance of the main investees:

- Acerinox posted sales of Euros 6,608 million, 23.9% down on 2022 due to the considerable sector-wide decline in inventories, primarily stainless steel, commencing at the end of the previous year. Meanwhile, the high performance alloys sector performed adequately (up 13.9% on 2022). In comparison with 2022, steel production fell by 11.3% to 1.9 million tonnes, while cold rolling was down by 15.0% to 1.2 million tonnes. Annual EBITDA dropped to Euros 703 million, 45.0% down on the prior year due primarily to the aforementioned fall in revenues suffered by the Stainless Steel division. The performance of the Special Alloys division (VDM) remained solid, with EBITDA hitting an all-time high. Net profit totalled Euros 228 million (59.0% down on 2022), affected by the impairment loss of Euros 156 million recognised at Bahru Stainless. Lastly, net financial debt at 31 December 2023 was down to Euros 341 million (0.5 times EBITDA for the year). On 5 February 2024, Acerinox announced an agreement to acquire 100% of US special alloys producer Haynes International for USD 798 million. The acquisition is expected to be completed in the third quarter of this year.
- CIE Automotive's revenue amounted to Euros 3,959 million in 2023, representing a 3.1% increase on 2022, bolstered by the pick-up in demand, enabling the business to perform well in all locations except for Asia. EBITDA rose to Euros 713 million (12.6% higher than in 2022) and the margin was expanded to 18.0% (+1,5 p.p. vs. 2022). Despite the rise in finance costs, net profit grew by 6.7% to Euros 320 million. Net financial debt at 31 December 2023 amounted to Euros 1,135 million, 1.6 times EBITDA for the year.
- Ebro Foods posted sales of Euros 3,084 million in 2023, up 3.9% on the prior year, driven by growth in the Rice (+4.9%) and Pasta (+0.1%) divisions, the latter in line with the previous year's performance. EBITDA increased to Euros 387 million, up 15.7% on 2022, with a considerable increase in margin (up 1.2 p.p. vs. 2021), thanks to more stable raw materials prices and lower transport and energy costs. Meanwhile, net profit amounted to Euros 187 million, reflecting an increase of 53.2% on 2022, when profit was affected by the loss incurred on the sale of Roland Monterrat. Net financial debt had fallen to Euros 570 million (1.5 times EBITDA for the year) at 31 December 2023, thanks to a sound operating performance and reduced working capital requirements.

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- Naturgy achieved sales of Euros 22,617 million in 2023, down 33.4% on 2022, as energy prices returned to normal levels following the unprecedented increase in 2022 as a result of the conflict in Ukraine. EBITDA in 2023 amounted to Euros 5,475 million, up 10.5% on the prior year, driven by the strong performance of both liberalised and regulated international activities. Net profit amounted to Euros 1,986 million in 2023, up 20.4% on 2022 thanks to the sound EBITDA performance mentioned above and the positive trend observed in respect of net finance income, due to the reduction in average debt in the period, despite the rise in interest rates. Net financial debt at 31 December 2023 amounted to Euros 12,090 million (2.2 times EBITDA for the year).
- Verisure, a company that also operates under the "Securitas Direct" trademark, achieved revenues of Euros 3,090 million in 2023, up 9.3% on 2022, driven by growth in the customer portfolio and a rise in the ARPU (up 1.8% vs. 2022). Adjusted EBITDA of the customer portfolio amounted to Euros 1,885 million, up 11.3% vis-à-vis 2022. Total adjusted EBITDA reached Euros 1,340 million, which is 16.4% higher than in the previous year. Net profit totalled Euros 29 million, down 31.7% on 2022. Net financial debt at 31 December 2023 amounted to Euros 7,408 million (5.3 times adjusted EBITDA for the annualised last two quarters).
- Viscofan sales grew by 2.1% to Euros 1,226 million compared to the previous year, due mainly to the improved selling price mix. EBITDA stood at Euros 268 million, representing a slight increase on 2022 (+0.5%), driven by the performance of revenues and cost control, which offset the lower profits from cogeneration activities and the negative impact of exchange rate fluctuations against the Euro. Net profit totalled Euros 141 million, up 1.1% on the prior year. At 31 December 2023, Viscofan recognised net bank debt of Euros 138 million (0.5 times EBITDA for the year), compared to Euros 101 million at the end of 2022, in light of the increase in working capital and payment of dividends.

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4. Investment portfolio

Alba's portfolio at 31 December 2023 is as follows:

	% ownership interest	Fair value (1)
LISTED SECURITIES		**3,311**
Acerinox	19.29	513
Befesa	8.66	122
CIE Automotive	13.66	421
Ebro Foods	14.52	347
Global Dominion	5.61	28
Inmobiliaria Colonial	5.01	177
Naturgy (2)	5.44	1,076
Technoprobe	5.23	272
Viscofan	14.25	355
Total stock market value		**3,311**
Total carrying amount	**2,869**	
Unrealised gain	**442**	
UNLISTED SECURITIES		**2,116**
Atlantic Aviation	10.45	
ERM	13.72	
Parques Reunidos	24.98	
Profand	23.71	
Verisure (net of non-controlling interests)	6.23	
Deyá Capital and others		
Properties		**317**

(1) Closing price at 31 December 2023 for listed companies, external valuation at 31 December 2023 for unlisted companies (except In-Store Media, for which internal valuation is used) and for real estate.
(2) Includes an indirect interest of 5.33% and a direct interest of 0.11%.

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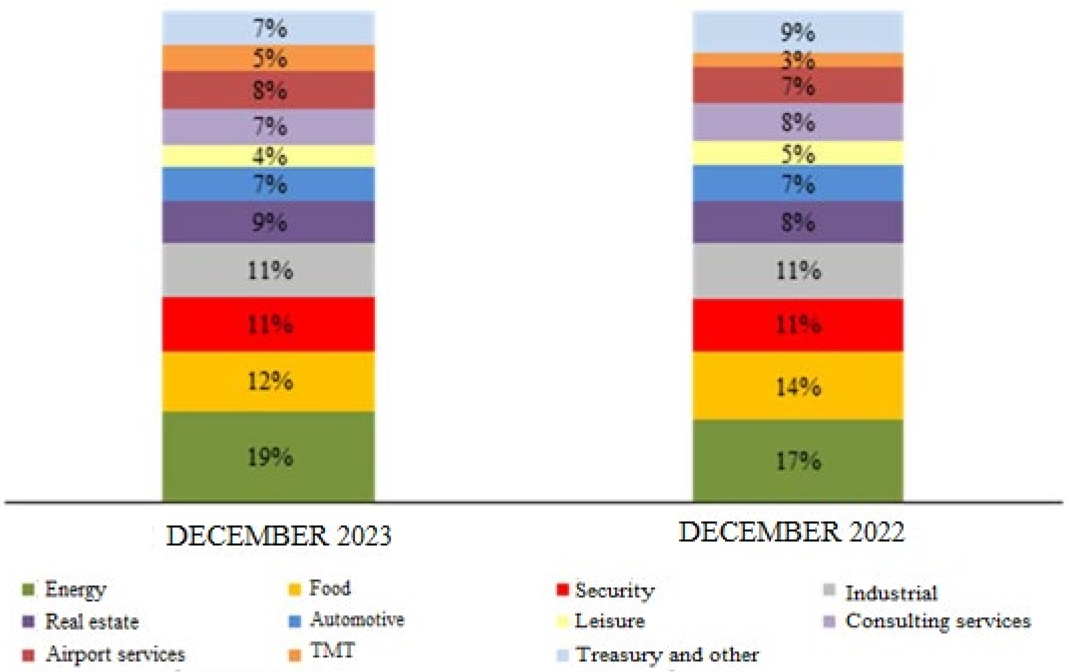
5. Net asset value (NAV)

The most representative indicator for a company such as Alba is net asset value (NAV). This and net cash are the only alternative performance measures (APMs) considered (Appendix I). Calculated based on criteria typically used in the market, the NAV of Alba at 31 December 2023 before taxes amounted to Euros 5797 million, which represents a 9.6% increase on the prior year. NAV per share(1) at year end was Euros 96.12, compared to Euros 89.27 at the end of 2022.

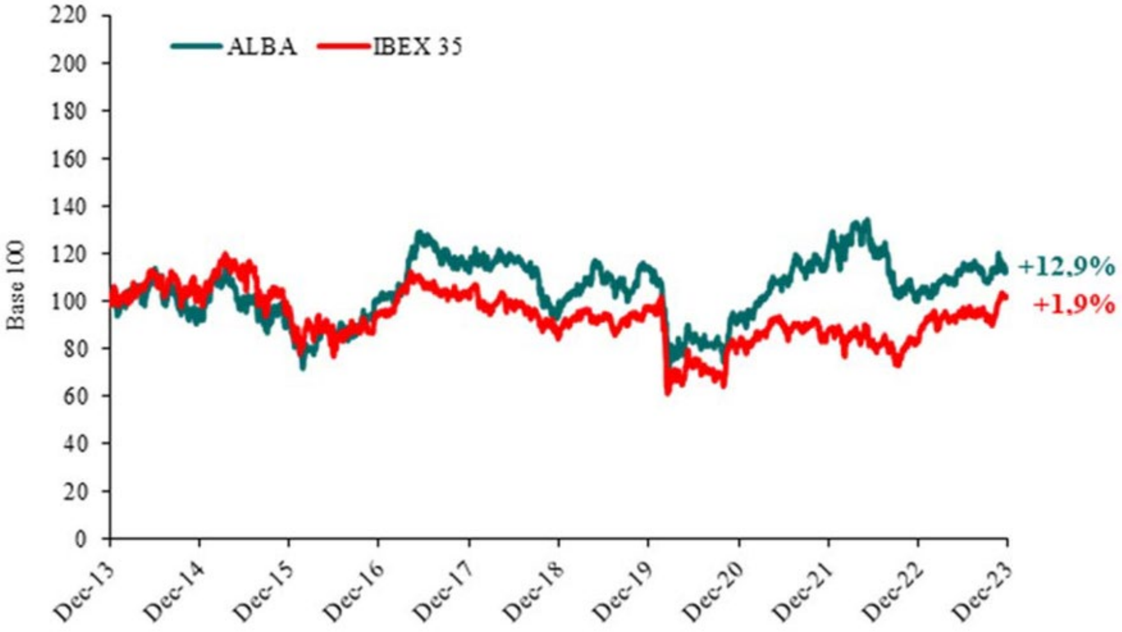
	Millions of Euros	
	31/12/2023	31/12/2022
Listed securities	3,311	2,885
Unlisted securities	2,116	1,915
Properties	317	335
Other assets and liabilities	36	44
Net cash	16	110
Net asset value (NAV)	**5,797**	**5,289**
Millions of shares	60.31	59.25
NAV / share	**Euros 96.12**	**Euros 89.27**

6. Distribution of gross asset value (GAV) by sector



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

7. Share price



In 2023, the price of Alba's shares rose by 11.2% from Euros 43.15 to Euros 48.00. In the same year, the IBEX 35 climbed by 22.4% to 10,102 points.

8. Events after the reporting period

No significant events have occurred since 31 December 2023.

9. Acquisitions and disposals of own shares

In 2023 and 2022 there was no movement in Alba own shares.

10. Research and development activities

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

11. Average supplier payment period

Details of the average supplier payment period are as follows:

Days	2023	2022
Average supplier payment period	19	56
Transactions paid ratio	23	59
Transactions payable ratio	59	45
Millions of Euros		
Total payments made	42.8	91.7
Total payments outstanding	7.1	61.8

	2023	2022
Amount of invoices paid within 60 days	41,743	46,162
Number of invoices paid within 60 days	1,491	16,712
Number of invoices paid within 60 days as % of Total invoices paid	84.67%	56.73%
Amount of invoices paid within 60 days as % of Amount of invoices paid	97.60%	66.38%

12. Risk management and control policy

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

1.- Types of risk faced by the Company

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

Corporación Financiera Alba engages in two principal activities:

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

(ii) investment in buildings leased as office space.

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

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

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

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

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

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

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

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

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

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

2.- Integrated Risk Management System

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

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

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

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

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

- Facilitating and streamlining the application of corrective measures.

The Integrated Risk Management System unites three key components:

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

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

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

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

2.1. The continuous risk management process

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

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

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

- Setting the level of risk that is considered acceptable.

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

- Identifying controls.

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

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

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

- Assessing controls.

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

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

  Determining action plans to be carried out to lower residual risk to 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 reporting to the Risk Control and Management Department 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:

Pursuant to the Regulations of the Company's Board of Directors, this body supervises 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, 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. It also has an Internal Audit Service (SAI), defined as an advisory and control body serving 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.

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

2.3 Monitoring and Reporting Model

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

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

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

13. Annual Corporate Governance Report

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

14. Non-Financial Information Statement

This is attached as Appendix II.

15. Remuneration Report

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

Appendix I: Alternative performance metrics

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

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

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

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

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

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

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

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

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

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

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

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

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

(v) Net cash: includes the following:

+ Cash and cash equivalents.

+ Bonds and commercial paper, non-current and current (-)

Loans and borrowings, non-current and current.

Details of the NAV calculation, which includes the Net Cash at 31 December 2023 included in section 5 of the consolidated directors' report, in millions of Euros are as follows:

	Millions of Euros	
	31/12/2023	31/12/2022
Listed securities	3,311	2,885
Unlisted securities	2,116	1,915
Properties	317	335
Other assets and liabilities	36	44
Net cash	16	110
Net asset value (NAV)	**5,797**	**5,289**
Millions of shares	60.31	59.25
NAV / share	**Euros 96.12**	**Euros 89.27**

Correspondence with the consolidated balance sheet is shown in the footnotes of the balance sheet (pages 7 and 8).

Below is a reconciliation of each of these items with the consolidated balance sheet at 31 December 2023 and 2022:

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

	2023	
	NAV	**Financial Statements Consolidated**
Listed securities		
Investments in associates (Acerinox, CIE, Ebro, Naturgy and Viscofan)	2,712	2,276
Investments at fair value through profit or loss (Befesa, Technoprobe, G. Dominion and Inmobiliaria Colonial, SOCIMI, S.A.)	599	599
	3,311	**2,875**
Unlisted securities	**2,116**	**1,549**
Properties		
Investment property	301	301
Property, plant and equipment	16	2
	317	**302**
Net cash		
Cash and cash equivalents	406	406
Investments at fair value through profit or loss (bonds)	125	125
Non-current loans and borrowings	(70)	(70)
Loans and borrowings	(445)	(445)
	16	**16**
Other assets and liabilities		
Other non-current financial assets	82	82
Trade and other receivables	18	18
Other financial liabilities	(31)	(31)
Suppliers and other payables	(33)	(33)
	36	**36**

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

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

APPROVAL BY THE BOARD

At its meeting held on 18 March 2024, the Board of Directors of Corporación Financiera Alba, S.A. approved this directors' report, written on 18 pages (excluding this final page and the appendices), 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 2023, which were authorised for issue at the meeting held on 18 March 2024 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 2023, and of the consolidated results of its operations, changes in consolidated equity and consolidated cash flows of Corporación Financiera Alba, S.A. and the companies included in the consolidated Group taken 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 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
Pickholz Board member

Ms Claudia
Board member

Ms Ana María Plaza Arregui
Board member

Mr Antón Pradera Jaúregui
Board member

Mr José Ramón del Caño Palop
Non-executive secretary

CORPORACIÓN FINANCIERA ALBA, S.A. and Subsidiaries

NON-FINANCIAL INFORMATION STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

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

1. Introduction

This non-financial information statement, which forms part of the consolidated directors' report of Corporación Financiera Alba, S.A. and subsidiaries, is published in compliance with Law 11/2018 of 28 December 2018, amending the Commercial Code, the Revised Spanish Companies Act approved by Royal Legislative Decree 1/2010 of 2 July 2010 and Spanish Audit Law 22/2015 of 20 July 2015, on non-financial and diversity information (Non-Financial Information and Diversity Law).

Corporación Financiera Alba, S.A. is an investment firm which holds significant interests in various listed and unlisted companies operating in different sectors of the economy and owns real estate assets. Stakes in companies are also acquired through venture capital activities. The group, whose parent is Corporación Financiera Alba, S.A., includes Deyá Capital IV, SCR, S.A., Alba Europe, S.à.r.l., Alba Investments, S.à.r.l., Alba Patrimonio Inmobiliario, S.A.U., Alba KKR Core International, SCA and Alba KKR Core International Blocker, S.à.r.l. (hereinafter, Corporación Financiera Alba, S.A., and collectively, **Alba** or the **Company**).

In relation to the scope of this non-financial information statement for 2023, in March 2023 Alba sold its entire interest in the subsidiary Artá Partners, S.A., which owns 100% of the shares of the venture capital management company Artá Capital, SGEIC, S.A.U.
As a result of the loss of control over this company, Alba no longer exercises control over Nuadi, Facundo and Gesdocument (the **Subsidiaries**), and therefore, from the date of the sale, these subgroups are no longer considered Alba companies.

Thus, the information contained in this non-financial information statement in relation to the Subsidiaries is limited to the first quarter of 2023.

Hereinafter, Alba and its Subsidiaries shall be referred to collectively as the **Companies.**

This report also includes the EU Taxonomy report.

1.1. About the non-financial information statement and its progress

This non-financial information statement includes information on 2023 and is the fifth report prepared by Alba in accordance with the aforementioned regulations, having previously prepared four sustainability reports, from 2015 to 2018.

Due to the loss of control of the three Alba Subsidiaries mentioned in the previous section, the quantitative information reflected in the previous non-financial information statement (2022) is not comparable with most of the quantitative information included in this non-financial information statement for 2023, due to the change in the perimeter reported. As information on the three Alba Subsidiaries is only shown for the first quarter of 2023, and to facilitate comparison of quantitative information in future non-financial information statements, quantitative data has been broken down by company for the purposes of simplification. Thus, the information on Alba covers

2023 (1 January to 31 December), while the information on Gesdocument, Nuadi and Facundo spans the first quarter of 2023 (1 January to 31 March).

The non-financial information statement has been prepared on the basis of the reporting requirements of the Non-Financial Reporting and Diversity Law, which in turn requires the adoption of a national, European or international framework. A selection of indicators from the Global Reporting Initiative Standards, included in the Table of Contents of the non-financial information statement, have been taken into account, so reference would be made to selected GRI Standards.

In order to gradually adapt to Directive 2022/2464 of 14 December 2022 on Corporate Sustainability Reporting (CSRD), which came into force in January 2024 (though it will not apply to Alba until 2025), the content of this non-financial information statement has been prepared in accordance with the principles of stakeholder engagement, taking into account the principle of double materiality (proposed by the CSRD), transparency and integrity. In addition, balance, accuracy, timeliness, comparability, clarity and reliability of the data presented have been sought.

Lastly, it should be noted that this report has been subject to an independent, external assurance process, in accordance with the terms of the Non-Financial Information and Diversity Law.

2. Organisation of Companies

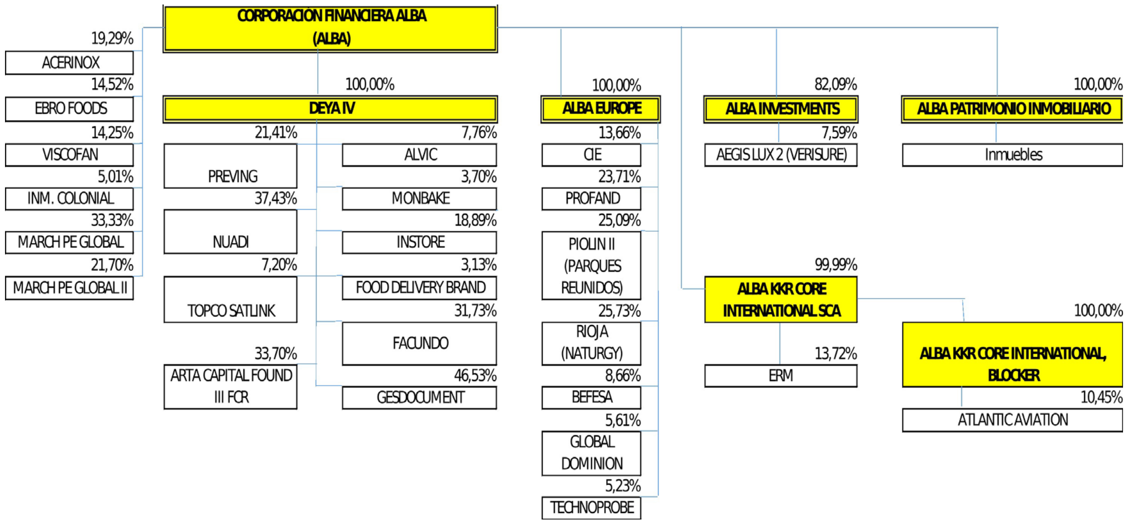
2.1. Description of the business model

2.1.1. Organisation and structure.

Corporación Financiera Alba, S.A. is an investment firm, listed on the continuous market of the Spanish stock exchanges since 1986. The company is majority owned by the March Group, which includes Banca March and Fundación Juan March.

- Banca March, founded in 1926, is a family-owned Spanish bank headquartered in Palma de Mallorca. Banca March is the parent of the March Group and a significant shareholder of Corporación Financiera Alba.
- Fundación Juan March, created in 1955, is a family and heritage institution, which carries out its activities in the field of humanistic culture, with exhibitions, concert series and conferences, and promotes scientific research.

The following diagram shows the companies in which Alba is a shareholder and its percentage interest in them at 31 December 2023:



As mentioned above, Alba lost control over the Subsidiaries as of the second quarter of 2023.

Alba also has a portfolio of listed and unlisted investees. Currently, all but two of Alba's listed companies are headquartered in Spain.

Alba's most significant investment transactions in 2023 include the acquisition of an additional 2.00% stake in the Italian company Technoprobe, S.p.A. and a further 2.5% stake in Inmobiliaria Colonial Socimi, S.A. Moreover, Alba has increased its interests in Acerinox, S.A. and CIE Automotive, S.A. by 0.77% and 0.31%, respectively, as a result of the redemption of own shares carried out by both companies.

This non-financial information statement has been prepared taking into account the companies that make up Alba, as well as information on the Subsidiaries that formed part of Alba during the first three months of the year only.

2.1.2. Main activities and services carried out

Alba's principal activity is the acquisition of long-term holdings in listed and unlisted companies operating in various sectors of the economy, which are industry leaders, with solid management teams and profitable and sustainable growth models. In addition, Alba channels investments into smaller unlisted companies in Spain and Portugal in the form of venture capital. Alba also leases office and commercial properties.

The main activities and services carried out by Alba's Subsidiaries until the first quarter of 2023 were as follows:

- **Nuadi** was first incorporated in Spain in 1958 as "ADI". Its principal activity is the manufacture and marketing of disc brake pad components for different applications: motorbikes, automobiles, road freight transport, public works and railways. Its main customers are brake pad and brake system manufacturers. For the past 60 years, Nuadi has been a major supplier of brake technologies and components to the after sales and original equipment markets, as well as an innovative driver of future technologies.

In 2021 Nuadi added Sadeca Automotive, founded in 1983, to its group and whose core business is the production of high quality electrical wiring harnesses and metal components for automotive, medical, household appliance and electronic applications.

- **Gesdocument** has been providing tax, economic, financial, administrative, labour and accounting advisory services to individuals and legal entities since 1989, as well as recruitment services for third parties. It is a leading consultancy firm in its field with a nationwide presence.
- **Facundo** is a business group incorporated in Palencia in 1944. Its principal activity is the production and distribution of nuts and snacks, with its main product being a variety of sunflower seeds. Other lines include mixed nuts, peanuts, pistachios, almonds, original corn ring snacks (Chaskis) and different flavours of potato crisps. Facundo's activity involves carefully selecting quality raw materials, and manufacturing and distributing its wide range of products.

2.1.3. Main markets in which the Companies operate

In terms of geography, **Alba** invests in both the domestic and international markets in order to diversify risk. It thus has investments in listed foreign companies such as Befesa, S.A., Technoprobe S.p.A. and unlisted companies such as Atlantic Aviation Holdings Corporation, Verisure Group and ERM International Group Limited.

International investment is carried out preferably through local partners and in companies that are characterised by their stability, reliability and security, many of which are leaders in their sector.

Through its investments, Alba moves in the following main sectors: energy, food, security and industrial. The Company’s stakes in entities and other assets are representative of its weight in the corporate structure and the responsibility, dedication and commitment to its investees.

In addition, Alba channels investments into smaller unlisted companies in Spain and Portugal through venture capital.

Alba's real estate activity involves the leasing of high-level office and commercial properties, all of which are located in prime central or peripheral areas of Madrid.

The activities of Alba's Subsidiaries until the first quarter of 2023 were carried out in the following markets:

- **Nuadi**, based in Spain, is also active internationally. It has group companies in Spain (Pamplona and Sentmenat), Morocco (Tangiers), China (Shanghai) and Mexico (Querétaro), the latter under construction in the first quarter of 2023. The subgroup has two divisions involved in the manufacture of components for the automotive sector. Its industrial activity is located in Sentmenat (Barcelona, Spain), from where it centralises its logistical operations and operational services such as engineering, quality and sales, and in Tangiers (Morocco), where its main factory is located.

- **Gesdocument** has five offices strategically located in Spain to offer nationwide coverage. It operates in the domestic (93.9%), European (4.6%) and international (1.5%) markets. Its main objective and strategy is to be the leading consultancy firm in Spain and Portugal through organic and inorganic transactions (integration of consultancy firms).
- **Facundo**, with headquarters in Palencia (Spain), has two production facilities very close to each other from which it distributes its products throughout Spain. The first factory was built in Villada (Palencia) in 1968 and, in 1992, a new plant was built in Villamuriel de Cerrato (near Palencia), which manufactures potato crisps, snacks and appetizers. Los Girasoles, a group company, was in charge of its own distribution network in Palencia, Valladolid and Burgos until 1999, when Facundo commenced retail sales nationally. The Facundo brand is clearly positioned in terms of quality and has a very relevant share in the northwest quadrant of Spain.

3. Identification and engagement of Alba's stakeholders

A basic principle of Corporate Social Responsibility (CSR) is the proper management of stakeholder expectations. An organisation is considered to be socially responsible when it responds satisfactorily to its stakeholders' expectations and needs as regards how it functions.

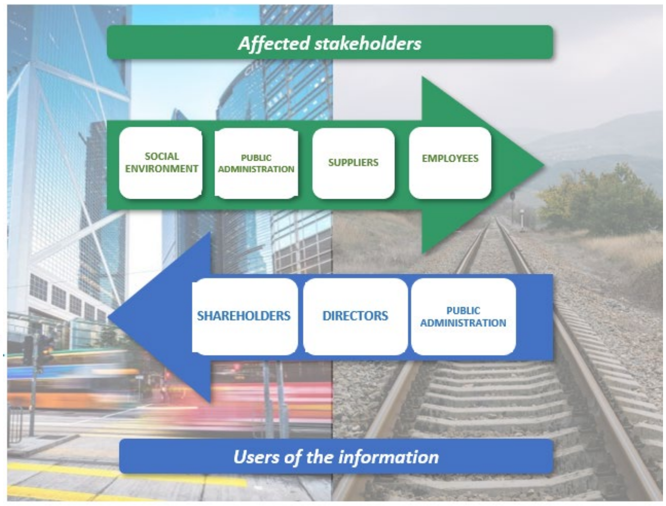
From a strategic and CSR perspective, stakeholders are important because of the possibility of intervening in the organisation's activity and results. When relations with them are well managed, existing risks are minimised and the possibility of generating competitive advantages is enhanced, improving the climate and reputation of the organisation or promoting learning and innovation.

Alba deems it essential to know the expectations and needs of its stakeholders in order to manage them better and forge relationships of trust between the parties. Alba's strategy also focuses on maximising value by creating close and lasting relationships with all of them. It therefore works to improve active communication, with effective dialogue through different channels such as intranet, regular meetings, surveys, website, email, post, videoconferencing and the presentation of reports.

In order to identify the main stakeholders, special attention has been paid to the two stakeholder groups indicated in the CSRD that can affect or be affected by a company's decisions and actions. Some, but not all, stakeholders may belong to both groups:

- Affected stakeholders: individuals or groups who have interests that are or may be affected - positively or negatively - by the company's activities and through its upstream and downstream value chain.
- Users of sustainability information: individuals or groups who are users of information about the company.

The six main stakeholder groups are as follows:



3.1. Stakeholder engagement channels

Alba is aware of the importance of knowing its stakeholders' expectations as regards its activities and their possible impact on the environment, both at an environmental and social level. For this reason, it fosters a fluid and transparent relationship with its stakeholders across all its businesses.

Both employees and other stakeholders have access to the Whistleblowing Channel on the corporate website. This channel can be used to safely report any acts or conduct that may be contrary to applicable regulations or Alba's Code of Ethics and Conduct. Suggestions, queries or proposals related to this Code of Ethics and Conduct may also be submitted.

In order to improve communication with its stakeholders, Alba made changes to the Whistleblowing Channel in 2023 to incorporate certain provisions of Law 2/2023 of 20 February 2023, which regulates the protection of informants who report regulatory infringements and corruption (the Whistleblower Law), though this law does not apply to Alba.

Furthermore, Alba has a Communication Policy which sets out the principles and guidelines relating to the Company's communication of financial, non-financial and corporate information through the media, social networks and other communication channels, within a framework that guarantees respect for and transparency of information.

The most important stakeholder relations channels, both face-to-face and online, and the main global issues detected, both across the board and specific to each stakeholder, are indicated below:

- **Shareholders and investors**: the Annual General Meeting is the primary conduit for shareholders to participate in Alba's governance. Informed and responsible shareholder participation is encouraged through measures such as an electronic shareholders' forum, accessible on the corporate website. An e-mail address is also available for enquiries and information requests.

The Company's management team is available for briefings with shareholders, institutional investors and analysts to present information of interest to these groups. Through its Investment Department, Alba communicates with the media and manages relations with investors and analysts.

- **Managers and employees:** Alba's managers and employees have access to information and resources on the intranet on issues related to their work and Alba's activities.
- **Suppliers:** communications with suppliers are carried out through face-to-face or telematic meetings, by telephone, e-mail and, when necessary, through reliable means of communication.
- **Social environment:** Alba uses communication tools that can be accessed by any entity, organisation or interested person from the social, public-administrative or corporate domain. The CNMV website is the Company's official information channel for its shareholders, investors and the market as a whole. Alba's corporate website also provides relevant information and financial, non-financial and corporate information, as well as other information that may be of interest to shareholders, investors, institutions, proxy advisors and stakeholders related to the Company, including press releases. Whenever possible, content is uploaded to this corporate website simultaneously in Spanish and English to facilitate consultation from other countries. In addition, the Company can be contacted via a contact form on its website, at a postal address and by e-mail.

4. Alba's dual materiality analysis

Alba has identified the financial, economic, social and environmental issues that are a priority for its stakeholders and its business, with a view to determining the information that may be of most interest and focussing its objectives and resources on managing and reporting them.

Under the framework of this commitment, and to meet the expectations of its stakeholders, in 2023 Alba updated its materiality analysis by applying a new approach to the dual materiality required by the Corporate Sustainability Reporting Directive (CSRD), based on the EFRAG (European Commission Technical Advisory Group) guide and the cross-cutting ESRSs (European Sustainability Reporting Standards), published in July 2023, which establish guidelines on how to develop this type of analysis in organisations.

This methodology takes into consideration both the impact of the organisation's activities on its surroundings and the environment (impact materiality) and the impact of its surroundings on the value of the business (financial materiality).

The methodology applied to perform the dual materiality analysis, which enabled Alba to determine those areas of greatest relevance to its stakeholders, and which comprises four main phases, is detailed below:

Stage 1. Analysis of Alba's context and establishment of consultation mechanisms with stakeholders

Alba has established the following consultation mechanisms as the most appropriate for understanding the sustainability expectations of its most relevant stakeholders, and for cooperating jointly in identifying the impacts, risks and opportunities (commonly known as "IROs") associated with the material issues, as well as their assessment:

- Interviews with managers on the possible IROs arising from Alba's activity in its surroundings, as well as the impact of external factors on the Company's value and the surroundings, resulting from the profound changes arising from climate change.
- *Focus group* with employees from different areas of Alba to identify and assess potential ESG IROs that are caused by the Company and affect the social or environmental surroundings.
- Supplier questionnaire with a view to finding out their views on possible IROs generated by Alba on its surroundings, and their expectations in this connection.
- Significant shareholder questionnaire on the financial materiality and the implications of sustainability-related risks, as well as their impact on the Company's interests, to identify and assess potential ESG IROs affecting Alba's business.

Global and sector trends were also analysed, such as the Sustainability Accounting Standard Board (SASB) sector standard and a benchmarking of the sector, relating to possible risks, impacts and opportunities that should be taken into account for the materiality analysis, in order to have a global vision of Alba's surroundings.

Stage 2. Identification of positive and negative, potential and actual impacts

To identify and define the relevant ESG issues affecting Alba, an exhaustive internal and external analysis has been carried out, based on the topics and sub-topics proposed by the CSRD's ESRS standard. This analysis also includes an analysis of Alba and its sector in the press and a study of its internal policies, its previous sustainability reports, in order to align its approach, and also focuses on the due diligence procedures implemented at Alba to prevent, manage and mitigate the risks that most affect it. Thus, the IROs related to each potentially relevant issue were identified.

Once the potentially relevant issues have been identified, fluid communication with Alba's staff and management team has been maintained to determine and classify the positive and negative, real and potential impacts arising from these issues and affecting the Company, as well as to determine those impacts caused by its activities that affect its surroundings, with the aim of defining a definitive list of the relevant issues that have been assessed by stakeholders.

Stage 3. Impact assessment and identification of material issues

The definitive list of material issues was presented to the stakeholders through the consultation mechanisms mentioned in Phase 1, for them to assess the list of IROs relating to the relevant issues. The stakeholders assessed the severity or magnitude of the impacts and their likelihood of occurrence, as well as the timeframe (short, medium or long) in which the impacts are expected to materialise.

The information obtained from the surveys and questionnaires was included as part of the internal sources of the dual materiality analysis. To identify the material issues from the relevant issues, the corresponding study groups from internal and external sources were ranked and weighted in both the impact materiality and financial materiality assessments.

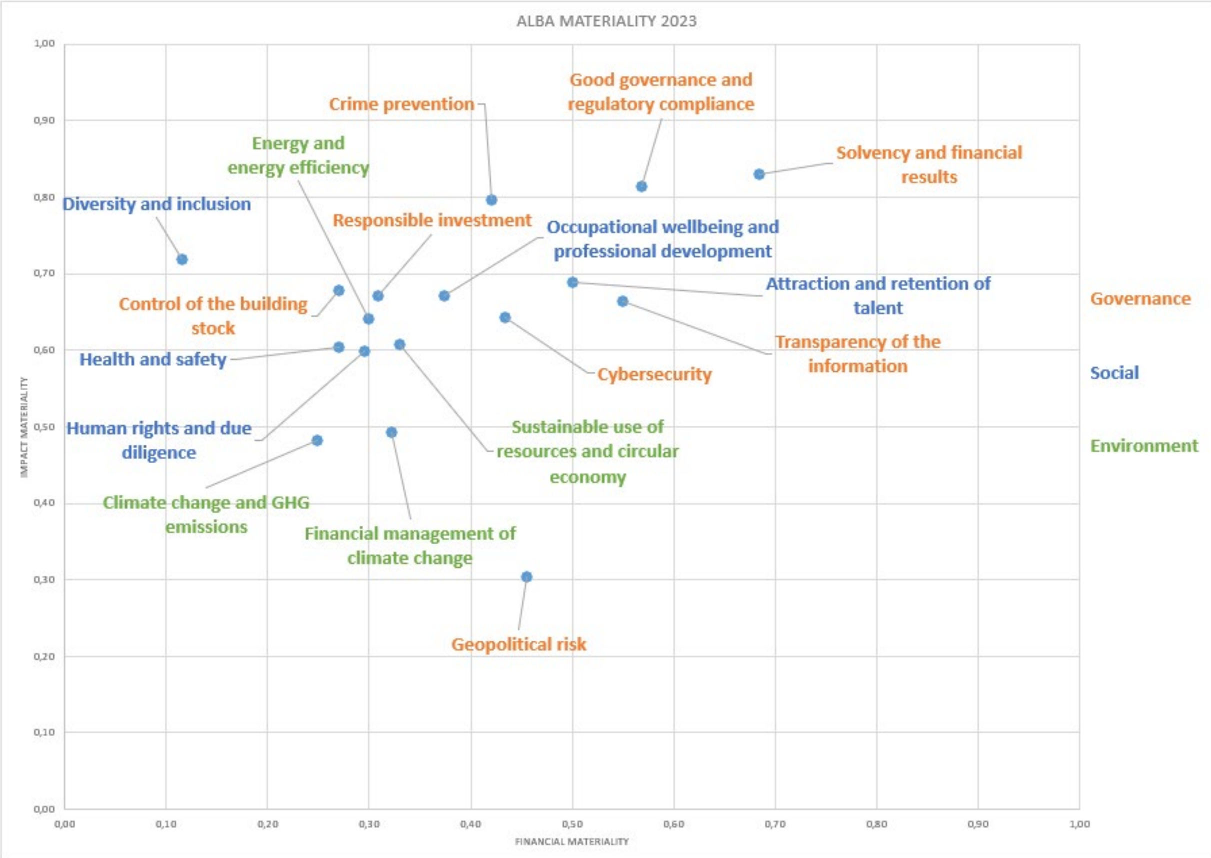
Stage 4. Consolidation of information and reporting

Based on the information obtained, the 17 main issues identified were set out in a double materiality matrix, in which the aspects considered relevant by stakeholders were prioritised based on a double analysis of information sources, and were consolidated, aligning them with the reporting areas established in the Non-Financial Reporting and Diversity Law:

- *Impact materiality analysis:* materiality of issues from an inside-out view of the sustainability impacts - positive and negative - that the Company's activities generate or may generate.
- *Financial materiality analysis:* materiality of issues from an outside-in view with a potential impact on the Company’s value.

To estimate materiality, we have taken into account both the severity of the impact and the likelihood of these aspects occurring for stakeholders, as well as Alba's level of exposure thereto in terms of the magnitude of the financial effects and their likelihood of occurrence.

Thus, the following graph and table shows the prioritisation of the aspects considered in the dual materiality analysis, with those considered to be of medium and high priority - both for impact and financial materiality - on which the information reported in this Non-Financial Information Statement has been mainly focused:



		ISSUE	MATERIALITY
GOVERNANCE	**1**	Good governance and regulatory compliance	HIGH
	2	Crime prevention	MEDIUM
	3	Transparency of information	HIGH
	4	Cybersecurity	MEDIUM
	5	Responsible investment	MEDIUM
	6	Solvency and financial results	HIGH
	7	Geopolitical risk	NOT MATERIAL
	8	Control of the building stock	MEDIUM
SOCIAL	**9**	Occupational wellbeing and professional development	MEDIUM
	10	Health and safety	MEDIUM
	11	Attraction and retention of talent	HIGH
	12	Diversity and inclusion	MEDIUM
	13	Human rights and due diligence	MEDIUM
ENVIRONMENTAL	**14**	Sustainable use of resources and circular economy	MEDIUM
	15	Climate change and GHG emissions	NOT MATERIAL
	16	Energy and energy efficiency	MEDIUM
	17	Managing the financial effects of climate change	NOT MATERIAL

5. Non-financial policies applicable

In 2023 **Alba** updated its Sustainability Policy with a view to adapting it to environmental, social and corporate governance best practices, without significantly changing its existing sustainability principles, commitments and objectives. ESG issues have been given greater prominence in corporate governance, in the policies setting out Alba's principles in its business strategy and in its risk management and assessment.

Alba also has the following internal non-financial regulations, approved by the Board of Directors of Corporación Financiera Alba, S.A., which cover the matters subject to reporting under Law 11/2018:

1. Code of Ethics and Conduct: The Code of Ethics and Conduct, which includes regulation of the Whistleblowing Channel, is the formal manifestation of the values and principles that should govern the conduct of Alba employees, with the aim of achieving business ethics. This Code was updated in 2023, as mentioned in section 3.1 of this report.

2. Anti-Corruption and Bribery Regulation: Alba includes the prevention of corruption in its policies and takes the necessary steps to ensure compliance with its oversight duties with a view to preventing the commission of offences referred to in its criminal prevention model. It has a Crime and Fraud Prevention Policy (2015) and a Crime Prevention Model (CPM) (latest version issued in 2020).

3. Occupational Health and Safety Regulation: Alba's Code of Ethics and Conduct includes specific health and safety objectives, as well as manuals and procedures aimed at defining the guidelines and criteria to be followed with regard to occupational health and safety, with a view to ensuring that employees can carry out their duties in complete safety and in compliance with appropriate health and hygiene conditions.

4. Equality and Non-Discrimination Regulation: Alba has a Corporate Governance Policy (latest version issued in 2021), a Director Candidate Selection Policy (2019) and the aforementioned Code of Ethics and Conduct. This regulation provides for non-discrimination and the prevention of harassment, as well as the total rejection of any behaviour that may violate the dignity of individuals. Alba is committed to the right to fair and respectful treatment by superiors, subordinates and peers and does not tolerate discrimination or harassment on the grounds of race, religion, nationality, gender, disability, age, language, opinion, ethnic origin, economic status, sexual orientation, trade union membership or any other personal or social condition or circumstance. The selection process for directors should favour diversity in the broadest sense, seeking a balanced presence of men and women. Its Code of Ethics and Conduct is applicable to its employees as well as to third parties with whom it has a relationship.

5. Sustainability Regulation: Alba considers the integration of sustainable strategies to be a key factor for long-term success and business viability. Therefore, Alba includes sustainability aspects in its Sustainability, Investment (latest version issued 2022) and Corporate Governance Policies.

6. Communication Regulation: Its Communication Policy (2020) sets out the principles and guidelines relating to communication and contact with shareholders, institutional investors, proxy advisors, analysts and stakeholders, and the communication of economic-financial, non-financial and corporate information. The Code of Ethics and Conduct also provides for proposals, suggestions and consultations thereon.

With regards to the aforementioned matters, the Subsidiaries, which only had the status of Subsidiaries in Q1 2023, had the following internal regulations:

- **Nuadi**: Code of Ethics; Equality Plan; Health, Safety, Environment and Quality Policy; Employee Welcome Plan, and Occupational Health and Safety Management System.
- **Gesdocument**: Code of Ethics; Harassment Prevention Policy; Human Rights Policy; Anti-Corruption Policy; Manual on the Prevention of Money Laundering and the Financing of Terrorism; Equality Plan; Harassment Prevention Code; Corporate Governance Policy; Human Rights Policy; and Sustainable Efficiency Plan (SOC).
- **Facundo**: Protocol to combat sexual and gender-based harassment; Risk Management Policy; Equality Plan; Environmental Policy; and Quality and Food Safety Policy.

6. Information on social and employee-related issues

Alba, both directly and through its investees, promotes and fosters corporate values and ethics to form accomplished, competent teams that strive to achieve greater business sustainability. Alba's commitment to equal opportunities ensures that selection, recruitment, employment and career development processes are governed exclusively by merit and skill requirements, thus avoiding any form of discrimination, and the cultivation of a working environment that encourages dignity and respect.

As far as social and employee-related issues are concerned, Alba's priority objectives are the following:

- Promote a management model in the organisation based on non-discrimination, equal opportunities, diversity and health and safety in the workplace.
- Work to improve the work-life balance and employee conditions, directing our efforts towards equal rights, obligations and opportunities.
- Create stable jobs and nurture professional development aimed at potentiating human capital and retaining talent.

Information on the Subsidiaries in this non-financial information statement is limited to the first quarter of 2023:

- **Nuadi** does not have a policy on recruitment, remuneration, training, etc., but does have an HR procedure covering training, jobs, performance management and staff motivation. Nuadi's first Equality Plan for the period 2022-2025 is currently in force.
- **Gesdocument** has internal human resources policies and procedures: selection, recruitment, onboarding, training and termination procedures; remuneration policy; variable remuneration policy; holiday policy; and a flexible remuneration plan.
- **Facundo** has a general holiday policy covering all its group companies. The company that manages the factories also has the following policies in place: a work-life balance policy, a salary policy, a training policy and a general recruitment policy to capture and retain talent.

6.1. Information on employees

Aware of the value of human capital, **Alba** strives to maintain favourable employment policies in line with the needs of its employees and the specific operational needs of the Company. Talent management and retention, as well as its offer of decent employment, appropriate career development, good permanent employment conditions and social benefits make it possible to maintain low staff turnover rates year after year. Consequently, the average employee turnover rate at year end is less than 5%. For this reason, average figures are not reflected in this report, as the difference does not significantly affect the interpretation of the data.

Although the perimeter changes in the companies between 2023 and 2022, mentioned in section 1, distort the comparability of year-on-year data, the main aspects related to social and employee-related issues are described below.

The number of employees at Alba has fallen by 22% from 2022 to 2023, as the latter year does not include those of Artá Capital SGEIC, S.A., which in 2023 ceased to form part of Alba due to the sale of the shares of Artá Partners, S.A., as described in section 1 of this report.

6.1.1. Distribution of employees by gender, age, country and professional category

The data for Alba's employees at 31 December 2023 and up to 31 March 2023 for its Subsidiaries[1], as well as the data for the Companies in 2022[2] are presented below:

	COMPANY	COUNTRY	2023				
			FEMALE	%	MALE	%	TOTAL
ALBA	ALBA	SPAIN	22	42.31%	30	57.69%	52
	TOTAL ALBA 2023		**22**	**42.31%**	**30**	**57.69%**	**52**
	TOTAL ALBA 2022		**26**	**38.81%**	**41**	**61.19%**	**67**
SUBSIDIARIES	NAUDI	SPAIN	64	24.62%	196	75.38%	260
		CHINA	17	43.59%	22	56.41%	39
		MOROCCO	110	84.62%	20	15.38%	130
		MEXICO	0	0.00%	3	100.00%	3
	GESDOCUMENT	SPAIN	131	66.84%	65	33.16%	196
	FACUNDO	SPAIN	22	19.82%	89	80.18%	111
	TOTAL SUBSIDIARIES 2023		**344**	**46.55%**	**395**	**53.45%**	**739**
	TOTAL SUBSIDIARIES 2022		**244**	**40.33%**	**361**	**59.67%**	**605**
	TOTAL COMPANIES 2023		**366**	**46.27%**	**425**	**53.73%**	**791**
	TOTAL COMPANIES 2022		**270**	**40.18%**	**402**	**59.82%**	**672**

Figure 1. Total number of employees by company, country and gender.

1 The data for the Subsidiaries corresponds to employees in Spain, except in Figure 1.
2 The data for the Companies for 2022 includes data on employees in Spain.

		COMPANY	GENDER	<35	35-50	>50	TOTAL
ALBA	2023	ALBA	FEMALE	3	13	6	22
			MALE	2	15	13	30
		TOTAL ALBA 2023		**5**	**28**	**19**	**52**
	2022	ALBA	FEMALE	4	14	8	26
			MALE	5	21	15	41
		TOTAL ALBA 2022		**9**	**35**	**23**	**67**
SUBSIDIARIES	2023	NAUDI	FEMALE	5	45	14	64
			MALE	39	103	54	196
		TOTAL NAUDI		**44**	**148**	**68**	**260**
		GESDOCUMENT	FEMALE	68	50	13	131
			MALE	35	25	5	65
		TOTAL GESDOCUMENT		**103**	**75**	**18**	**196**
		FACUNDO	FEMALE	5	12	5	22
			MALE	8	45	36	89
		TOTAL FACUNDO		**13**	**57**	**41**	**111**
	TOTAL SUBSIDIARIES 2023			**160**	**280**	**127**	**567**
	TOTAL SUBSIDIARIES 2022			**184**	**310**	**111**	**605**
	TOTAL COMPANIES 2023			**165**	**308**	**146**	**619**
	TOTAL COMPANIES 2022			**193**	**345**	**134**	**672**

Figure 2. Total number of employees by company, gender and age

		COMPANY	GENDER	MANAGEMENT	MIDDLE MANAGEMENT	OPERATORS AND ADMINISTRATIVE STAFF	TOTAL
ALBA	2023	ALBA	FEMALE	0	3	19	22
			MALE	5	10	15	30
		TOTAL ALBA 2023		**5**	**13**	**34**	**52**
	2022	ALBA	FEMALE	0	7	19	26
			MALE	9	15	17	41
		TOTAL ALBA 2022		**9**	**22**	**36**	**67**
SUBSIDIARIES	2023	NAUDI	FEMALE	5	1	58	64
			MALE	15	18	163	196
		TOTAL NAUDI		**20**	**19**	**221**	**260**
		GESDOCUMENT	FEMALE	3	26	102	131
			MALE	5	15	45	65
		TOTAL GESDOCUMENT		**8**	**41**	**147**	**196**
		FACUNDO	FEMALE	0	1	21	22
			MALE	2	8	79	89
		TOTAL FACUNDO		**2**	**9**	**100**	**111**
	TOTAL SUBSIDIARIES 2023			**30**	**69**	**468**	**567**
	TOTAL SUBSIDIARIES 2022			**27**	**79**	**499**	**605**
	TOTAL COMPANIES 2023			**35**	**82**	**502**	**619**
	TOTAL COMPANIES 2022			**36**	**101**	**535**	**672**

Figure 3. Total number of employees by company, gender and professional category

6.1.2. Types of employment contract

The following figures include data on the types of employment contracts broken down by gender, age and professional category at 31 December 2023 in Alba and its Subsidiaries (up to 31 March) and data for 2022:

		COMPANY	GENDER	PERMANENT	TEMPORARY	TOTAL
ALBA	2023	ALBA	FEMALE	22	0	22
			MALE	30	0	30
		TOTAL ALBA 2023		**52**	**0**	**52**
	2022	ALBA	FEMALE	26	0	26
			MALE	41	0	41
		TOTAL ALBA 2022		**67**	**0**	**67**
COMPANIES	2023	NAUDI	FEMALE	63	1	64
			MALE	174	22	196
		TOTAL NAUDI		**237**	**23**	**260**
		GESDOCUMENT	FEMALE	131	0	131
			MALE	65	0	65
		TOTAL GESDOCUMENT		**196**	**0**	**196**
		FACUNDO	FEMALE	22	0	22
			MALE	88	1	89
		TOTAL FACUNDO		**110**	**1**	**111**
		TOTAL SUBSIDIARIES 2023		**543**	**24**	**567**
		TOTAL SUBSIDIARIES 2022		**577**	**28**	**605**
		TOTAL COMPANIES 2023		**595**	**24**	**619**
		TOTAL COMPANIES 2022	FEMALE	268	2	270
			MALE	376	26	402
		TOTAL COMPANIES 2022		**644**	**28**	**672**

Figure 4. Total number of employees of type of employment contract and gender

		COMPANY	AGE	PERMANENT	TEMPORARY	TOTA L
ALBA	2023	ALBA	<35	5	0	5
			35-50	28	0	28
			>50	19	0	19
		TOTAL ALBA 2023		**52**	**0**	**52**
	2022	ALBA	<35	9	0	9
			35-50	35	0	35
			>50	23	0	23
		TOTAL ALBA 2022		**67**	**0**	**67**
SUBSIDIARIES	2023	NAUDI	<35	39	5	44
			35-50	143	5	148
			>50	55	13	68
		TOTAL NAUDI		**237**	**23**	**260**
		GESDOCUMENT	<35	103	0	103
			35-50	75	0	75
			>50	18	0	18
		TOTAL GESDOCUMENT		**196**	**0**	**196**
		FACUNDO	<35	12	1	13
			35-50	57	0	57
			>50	41	0	41
		TOTAL FACUNDO		**110**	**1**	**111**
		TOTAL SUBSIDIARIES 2023		**543**	**24**	**567**
		TOTAL SUBSIDIARIES 2022		**577**	**28**	**605**
		TOTAL COMPANIES 2023		**595**	**24**	**619**
		TOTAL COMPANIES 2022	<35	184	9	193
			35-50	336	9	345
			>50	125	9	134
		TOTAL COMPANIES 2022		**644**	**28**	**672**

Figure 5. Total number of employees by type of employment contract and age

		COMPANY	PROFESSIONAL CATEGORY	PERMANENT	TEMPORARY	TOTAL
ALBA	2023	ALBA	MANAGEMENT	5	0	5
			MIDDLE MANAGEMENT	13	0	13
			OPERATORS AND ADMINISTRATIVE STAFF	34	0	34
		TOTAL ALBA 2023		**52**	**0**	**52**
	2022	ALBA	MANAGEMENT	9	0	9
			MIDDLE MANAGEMENT	22	0	22
			OPERATORS AND ADMINISTRATIVE STAFF	36	0	36
		TOTAL ALBA 2022		**67**	**0**	**67**
SUBSIDIARIES	2023	NAUDI	MANAGEMENT	20	0	20
			MIDDLE MANAGEMENT	18	1	19
			OPERATORS AND ADMINISTRATIVE STAFF	199	22	221
		TOTAL NAUDI		**237**	**23**	**260**
		GESDOCUMENT	MANAGEMENT	8	0	8
			MIDDLE MANAGEMENT	41	0	41
			OPERATORS AND ADMINISTRATIVE STAFF	147	0	147
		TOTAL GESDOCUMENT		**196**	**0**	**196**
		FACUNDO	MANAGEMENT	2	0	2
			MIDDLE MANAGEMENT	9	0	9
			OPERATORS AND ADMINISTRATIVE STAFF	99	1	100
		TOTAL FACUNDO		**110**	**1**	**111**
		TOTAL SUBSIDIARIES 2023		**543**	**24**	**567**
		TOTAL SUBSIDIARIES 2022		**577**	**28**	**605**
		TOTAL COMPANIES 2023		**595**	**24**	**619**
		TOTAL COMPANIES 2022	MANAGEMENT	36	0	36
			MIDDLE MANAGEMENT	100	1	101
			OPERATORS AND ADMINISTRATIVE STAFF	508	27	535
		TOTAL COMPANIES 2022		**644**	**28**	**672**

Figure 6. Number of employees by type of employment contract and professional category

6.1.3. Type of workday

Data on the types of employee workday by gender, age and professional category at 31 December 2023 for Alba and its Subsidiaries (up to 31 March) and data for 2022 are as follows:

			2023		
	COMPANY	GENDER	FULL-TIME	PART-TIME	TOTAL
ALBA	ALBA	FEMALE	21	1	22
		MALE	29	1	30
	TOTAL ALBA 2023		**50**	**2**	**52**
	ALBA	FEMALE	25	1	26
		MALE	41	0	41
	TOTAL ALBA 2022		**66**	**1**	**67**
SUBSIDIARIES	NAUDI	FEMALE	51	13	64
		MALE	180	16	196
	TOTAL NAUDI		**231**	**29**	**260**
	GESDOCUMENT	FEMALE	116	15	131
		MALE	63	2	65
	TOTAL GESDOCUMENT		**179**	**17**	**196**
	FACUNDO	FEMALE	16	6	22
		MALE	89	0	89
	TOTAL FACUNDO		**105**	**6**	**111**
	TOTAL SUBSIDIARIES 2023		**515**	**52**	**567**
	TOTAL SUBSIDIARIES 2022		**567**	**38**	**605**
	TOTAL COMPANIES 2023		**565**	**54**	**619**
	TOTAL COMPANIES 2022	FEMALE	251	19	270
		MALE	382	20	402
	TOTAL COMPANIES 2022		**633**	**39**	**672**

Figure 7. Number of employees by type of workday and gender.

		COMPANY	AGE	FULL-TIME	PART-TIME	TOTAL
ALBA	2023	ALBA	<35	5	0	5
			35-50	26	2	28
			>50	19	0	19
		TOTAL ALBA 2023		**50**	**2**	**52**
	2022	ALBA	<35	9	0	9
			35-50	34	1	35
			>50	23	0	23
		TOTAL ALBA 2022		**66**	**1**	**67**
SUBSIDIARIES	2023	NAUDI	<35	43	1	44
			35-50	131	17	148
			>50	57	11	68
		TOTAL NAUDI		**231**	**29**	**260**
		GESDOCUMENT	<35	98	5	103
			35-50	66	9	75
			>50	15	3	18
		TOTAL GESDOCUMENT		**179**	**17**	**196**
		FACUNDO	<35	13	0	13
			35-50	52	5	57
			>50	40	1	41
		TOTAL FACUNDO		**105**	**6**	**111**
		TOTAL SUBSIDIARIES 2023		**515**	**52**	**567**
		TOTAL SUBSIDIARIES 2022		**567**	**38**	**605**
		TOTAL COMPANIES 2023		**565**	**54**	**619**
		TOTAL COMPANIES 2022	<35	177	16	193
			35-50	333	12	345
			>50	123	11	134
		TOTAL COMPANIES 2022		**633**	**39**	**672**

Figure 8. Number of employees by type of workday and age.

		COMPANY	PROFESSIONAL CATEGORY	FULL-TIME	PART-TIME	TOTAL
ALBA	2023	ALBA	MANAGEMENT	5	0	5
			MIDDLE MANAGEMENT	12	1	13
			OPERATORS AND ADMINISTRATIVE STAFF	33	1	34
		TOTAL ALBA 2023		**50**	**2**	**52**
	2022	ALBA	MANAGEMENT	9	0	9
			MIDDLE MANAGEMENT	22	0	22
			OPERATORS AND ADMINISTRATIVE STAFF	35	1	36
		TOTAL ALBA 2022		**66**	**1**	**67**
SUBSIDIARIES	2023	NAUDI	MANAGEMENT	20	0	20
			MIDDLE MANAGEMENT	17	2	19
			OPERATORS AND ADMINISTRATIVE STAFF	194	27	221
		TOTAL NAUDI		**231**	**29**	**260**
		GESDOCUMENT	MANAGEMENT	8	0	8
			MIDDLE MANAGEMENT	41	0	41
			OPERATORS AND ADMINISTRATIVE STAFF	130	17	147
		TOTAL GESDOCUMENT		**179**	**17**	**196**
		FACUNDO	MANAGEMENT	2	0	2
			MIDDLE MANAGEMENT	9	0	9
			OPERATORS AND ADMINISTRATIVE STAFF	94	6	100
		TOTAL FACUNDO		**105**	**6**	**111**
		TOTAL SUBSIDIARIES 2023		**515**	**52**	**567**
		TOTAL SUBSIDIARIES 2022		**567**	**38**	**605**
		TOTAL COMPANIES 2023		**565**	**54**	**619**
		TOTAL COMPANIES 2022	MANAGEMENT	36	0	36
			MIDDLE MANAGEMENT	99	2	101
			OPERATORS AND ADMINISTRATIVE STAFF	498	37	535
		TOTAL COMPANIES 2022		**633**	**39**	**672**

Figure 9. Number of employees by type of workday and professional category.

6.1.1. Redundancies

The following figures reflect employee redundancies by gender, age and professional category at 31 December 2023 in Alba and its Subsidiaries (up to 31 March) and data for 2022:

COMPANY	2023		
	WOMEN	MEN	TOTAL
ALBA	1	1	2
TOTAL ALBA 2023	**1**	**1**	**2**
TOTAL ALBA 2022	**0**	**0**	**0**
NAUDI	2	2	4
GESDOCUMENT	5	3	8
FACUNDO	0	0	0
TOTAL SUBSIDIARIES 2023	**7**	**5**	**12**
TOTAL SUBSIDIARIES 2022	**18**	**3**	**21**
TOTAL COMPANIES 2023	**8**	**6**	**14**
TOTAL COMPANIES 2022	**18**	**3**	**21**

Figure 10. Number of redundancies by gender

COMPANY	2023			
	<35	35-50	>50	TOTAL
ALBA	0	1	1	2
TOTAL ALBA 2023	**0**	**1**	**1**	**2**
TOTAL ALBA 2022	**0**	**0**	**0**	**0**
NAUDI	2	2	0	4
GESDOCUMENT	1	6	1	8
FACUNDO	0	0	0	0
TOTAL SUBSIDIARIES 2023	**3**	**8**	**1**	**12**
TOTAL SUBSIDIARIES 2022	**10**	**11**	**0**	**21**
TOTAL COMPANIES 2023	**3**	**9**	**2**	**14**
TOTAL COMPANIES 2022	**10**	**11**	**0**	**21**

Figure 11. Number of redundancies by age

COMPANY	2023			
	MANAGEMENT	MIDDLE MANAGEMENT	OPERATORS AND ADMINISTRATIVE STAFF	TOTAL
ALBA	0	0	2	2
TOTAL ALBA 2023	**0**	**0**	**2**	**2**
TOTAL ALBA 2022	**0**	**0**	**0**	**0**
NAUDI	1	1	2	4
GESDOCUMENT	0	1	7	8
FACUNDO	0	0	0	0
TOTAL SUBSIDIARIES 2023	**1**	**2**	**9**	**12**
TOTAL SUBSIDIARIES 2022	**3**	**2**	**16**	**21**
TOTAL COMPANIES 2023	**1**	**2**	**11**	**14**
TOTAL COMPANIES 2022	**3**	**2**	**16**	**21**

Figure 12. Number of redundancies by professional category

6.2. Remuneration

6.2.1. Average employee remuneration

Alba reaffirms its commitment to maintaining a remuneration model for its employees that ensures effective application of the principle of equal pay for work of equal value. In addition, it is committed to ensuring that there are no gender-based or other discriminatory pay differentials, with remuneration based strictly on merit. Remuneration is based on salary bands adjusted to the level of responsibility, type of work and alignment with market remuneration for positions with equivalent conditions. This approach takes into account the financial sustainability of the Company in this area.

In relation to Alba, average salaries have increased from 2022 to 2023 in terms of gender, age and professional category. However, this data is not comparable, as these salary differences are exclusively due to the fact that the average remuneration of the employees of Artá Capital SGEIC, S.A. is not included in this last financial year. This situation also affects the results of the pay gap (section 6.2.3.).

The average remuneration of Alba in 2023 and its Subsidiaries up to 31 March of that year, broken down by gender, age and professional category, as well as the data for 2022, are shown below:

COMPANY	2023		
	WOMEN	MEN	AVERAGE TOTAL
ALBA	100.814,52	276.082,54	201.431,35
TOTAL ALBA 2023	**100.814,52**	**276.082,54**	**201.431,35**
TOTAL ALBA 2022	**72.904,25**	**244.706,12**	-
GESDOCUMENT	27.358,09	33.142,58	29.197,51
NUADI	21.779,65	33.144,65	28.182,47
FACUNDO	22.611,81	28.606,24	27.418,16
AVERAGE COMPANIES 2022	**32.626**	**56.735**	-

Figure 13. Average remuneration by gender

COMPANY	2023			
	<35	35-50	>50	TOTAL AVERAGE
ALBA	107.467,42	164.891,97	277.904,43	201.431,35
TOTAL ALBA 2023	**107.467,42**	**164.891,67**	**277.904,43**	**201.431,35**
TOTAL ALBA 2022	**100.488,57**	**141.490,42**	**263.995,63**	-
GESDOCUMENT	26.791,87	31.266,73	34.140,04	29.197,51
NUADI	32.280,32	26.252,62	28.153,99	28.182,47
FACUNDO	21.457,95	26.630,27	30.403,33	27.418,16
AVERAGE COMPANIES 2022	**32.069**	**43.742**	**76.488**	-

Figure 14. Average remuneration by age

COMPANY	2023			
	MANAGEMENT	MIDDLE MANAGEMENT	OPERATORS AND ADMINISTRATIVE STAFF	TOTAL AVERAGE
ALBA	894.970,20	311.340,28	65.417,17	201.431,35
TOTAL ALBA 2023	**894.970,20**	**311.340,28**	**65.417,17**	**201.431,35**
TOTAL ALBA 2022	**646.855,99**	**180.727,36**	**59.187,66**	-
GESDOCUMENT	84.815,10	38.373,05	24.585,47	29.197,51
NUADI	58.998,51	21.249,64	23.834,23	28.182,47
FACUNDO	112.503,36	46.866,64	23.966,09	27.418,16
AVERAGE COMPANIES 2022	**231.035**	**71.974**	**29.229**	-

Figure 15. Average remuneration by professional category

6.2.2. Average remuneration of the Board of Directors

Corporación Financiera Alba, S.A. has a Board Remuneration Policy, the latest update of which was approved at the General Meeting on 19 June 2023.

This Policy stipulates that directors' remuneration should be in reasonable proportion to the importance of the Company, its economic situation at any given time and the market standards of comparable companies, and should be geared to promoting the long-term profitability and sustainability of the Company, incorporating the necessary safeguards to avoid excessive risk-taking and the rewarding of poor results.

The remuneration paid to directors in their capacity as such, as well as for sitting on Board Committees, is set at moderate amounts, especially when compared to those established for other listed companies.

The Board of Directors of Corporación Financiera Alba, S.A. is composed of 10 members, 4 women and 6 men. The remuneration of the Board of Directors in 2023, by virtue of sitting on the Board and its Committees, and including the multi-year variable remuneration paid in the year, totalled
Euros 6,080,500, with the average remuneration for men being Euros 916,333 and Euros 145,625 for women. This difference in average remuneration between male and female directors is due to the following: (i) the Chairman and Vice-Chairmen receive additional remuneration for the positions they hold on the Board, which is not received by the other directors; and, (ii) a bonus is included as a result of a variable remuneration plan for executive directors, agreed in 2020, and provided for in Alba's Remuneration Policy. Therefore, these differences are not the result of any gender bias since, in their capacity as directors, all members of the Board of Directors receive the same remuneration and a plus for sitting on different committees. The average remuneration of the members of the Board, excluding the aforementioned circumstances, is Euros 134,167 for male directors and Euros 145,625 for female directors.

As in the previous year, there are no commitments at 31 December 2023 in respect of pension supplements, guarantees or sureties granted to the Board of Directors.

6.2.3. Pay gap

Both **Alba** and its Subsidiaries are committed to a remuneration model for their employees that guarantees effective application of the principle of equal pay for work of equal value.

There are no discriminatory criteria, nor are any guidelines or criteria encouraged or maintained that could lead to a gender pay gap for similar categories, and the principle of equality is a key element of Alba's organisational culture.

The pay gap is measured as the difference between the average pay received by men and the average pay received by women, expressed as a percentage of the average pay of men. Alba has conducted this exercise including the data of its subsidiaries in Spain until the first quarter of 2023, but excluding the average remuneration of employees abroad, as these are not comparable with employees in Spain due to the different salary bands in each of these countries and the different currencies in which they are paid, the conversion of which into euros would significantly distort the data. For this reason, data on employees abroad and their average remuneration have been included in a separate section (see section 6.4.).

In 2023 there was a change of perimeter at Alba, as indicated above, with movement in the number of employees compared to 2022, so it is not possible to strictly monitor and compare the gross pay gap figure for the Companies, which in 2023 was 63% compared to 42% in 2022.

In addition, this aggregate gross pay gap figure does not adequately represent the situation in this area, given that the salaries of each professional category are very different in each company, and in some professional categories the presence of women is residual.

In order to provide more representative data, the pay gap data by professional category in each of the Companies referred to in this report is broken down below, with no comparison between 2023 and 2022 for the reasons indicated above.

	2023			2022		
COMPANY	MANAGEMENT	MIDDLE MANAGEMENT	OPERATORS AND ADMINISTRATIVE STAFF	MANAGEMENT	MIDDLE MANAGEMENT	OPERATORS AND ADMINISTRATIVE STAFF
ALBA	n/a	-12.20%	1.50%	n/a	55.00%	-16.00%
NAUDI	27.52%	66.56%	21.91%	22%	n/a	18.00%
GESDOCUMENT	25.44%	3.33%	5.73%	3.00%	8.00%	8.00%
FACUNDO	n/a	36.30%	9.10%	n/a	36.00%	9.00%

Figure 16. Pay gap by professional category

As mentioned above, there are no gender-based discriminatory criteria in the remuneration models applied.

6.3. Employees with disabilities

The following figure shows the comparative data for workers with disabilities, broken down by company:

COMPANY	2023
Alba	0
NUADI	3
GESDOCUMENT	5
FACUNDO	3
TOTAL COMPANIES 2023	**11**
TOTAL COMPANIES 2022	**9**

Figure 17. Employees with disabilities by company

Alba does not have any employees with disabilities in its workforce, and the General Act on Persons with Disabilities does not apply to it.

6.4. Employees abroad

At 31 March 2023, **Nuadi** had employees performing their duties in other countries, almost all of whom have permanent, full-time contracts and whose distribution and average salaries are as follows:

COUNTRY	2023			2022		
	FEMALE	MALE	TOTAL 2023	FEMALE	MALE	TOTAL 2022
CHINA	17	22	39	18	22	40
MOROCCO	110	20	130	96	17	113
MEXICO	0	3	3	n.a.	n.a.	n.a.
TOTAL ABROAD	127	45	172	114	39	153

Figure 18. Total number of Nuadi employees abroad by company and gender

COUNTRY	2023				2022		
	GENDER	HEADCOUNT	AVERAGE REMUNERATION	TOTAL AVERAGE	GENDER	HEADCOUNT	AVERAGE REMUNERATION
CHINA	FEMALE	17	11,080.62	14,018.08	FEMALE	18	90,299.00
	MALE	22	16,316.97		MALE	22	157,933.00
MOROCCO	FEMALE	110	6,688.26	6,736.45	FEMALE	96	50,111.00
	MALE	20	7,003.89		MALE	17	66,087.00
MEXICO	FEMALE	0	n.a.	26,759.83	FEMALE	n.a.	n.a.
	MALE	3	26,759.83		MALE	n.a.	n.a.
	TOTAL ABROAD	172				153	

Figure 19. Nuadi employees abroad and average remuneration by country and gender

Note: Average remuneration and total average remuneration figures in China (CNY), Morocco (MAD) and Mexico (MCN).

COUNTRY	2023				2022		
	PROFESSIONAL CATEGORY	HEADCOUNT	AVERAGE REMUNERATION	TOTAL AVERAGE	PROFESSIONAL CATEGORY	HEADCOUNT	AVERAGE REMUNERATION
CHINA	<35	8	7,340.66	14,018.08	<35	8	87,645.00
	35-50	30	16,791.73		35-50	30	146,597.00
	>50	1	2,461.71		>50	2	59,329.00
MOROCCO	<35	108	5,835.62	6,736.45	<35	90	48,554.00
	35-50	22	11,199.64		35-50	23	74,881.00
	>50	n.a.	n.a.		>50	0	n.a.
MEXICO	<35	2	26,606.72	26,759.83	<35	n.a.	n.a.
	35-50	1	27,066.06		35-50	n.a.	n.a.
	>50	n.a.	n.a.		>50	n.a.	n.a.
TOTAL ABROAD		172				153	

Figure 20. Nuadi employees abroad and average remuneration by country and age

Note: Average remuneration and total average remuneration figures in China (CNY), Morocco (MAD) and Mexico (MCN).

COUNTRY	2023				2022		
	PROFESSIONAL CATEGORY	HEADCOUNT	AVERAGE REMUNERATION	TOTAL AVERAGE	PROFESSIONAL CATEGORY	HEADCOUNT	AVERAGE REMUNERATION
CHINA	MANAGEMENT	1	80,785.69	14,018.08	MANAGEMENT	1	n.a.
	MIDDLE MANAGEMENT	12	22,594.64		MIDDLE MANAGEMENT	10	209,233.00
	OPERATORS AND ADMINISTRATIVE STAFF	26	7,957.85		OPERATORS AND ADMINISTRATIVE STAFF	29	88,742.00
MOROCCO	MANAGEMENT	1	84,616.05	6,736.45	MANAGEMENT	4	249,332.00
	MIDDLE MANAGEMENT	19	8,683.43		MIDDLE MANAGEMENT	12	73,956.00
	OPERATORS AND ADMINISTRATIVE STAFF	110	5,701.56		OPERATORS AND ADMINISTRATIVE STAFF	97	41,747.00
MEXICO	MANAGEMENT	0	n.a.	26,759.83	MANAGEMENT	n.a.	n.a.
	MIDDLE MANAGEMENT	2	27,211.10		MIDDLE MANAGEMENT	n.a.	n.a.
	OPERATORS AND ADMINISTRATIVE STAFF	1	25,857.30		OPERATORS AND ADMINISTRATIVE STAFF	n.a.	n.a.
TOTAL ABROAD		172				153	

Figure 21. Nuadi employees abroad and average remuneration by country and professional category

Note: Average remuneration and total average remuneration figures in China (CNY), Morocco (MAD) and Mexico (MCN).

The data reported in the figure above on the employees abroad are broken down by country, as required by the Non-Financial Information and Diversity Law, and only include remuneration data for 2023 and 2022.

6.5. Organisation of work[3]

Alba's Code of Ethics and Conduct includes the Company's respect for the personal and family lives of its professionals, and implements measures aimed at facilitating the enjoyment of flexibility and a work-life balance that promote this necessary balance for employees, such as the possibility of remote working. Special days are established at different times of the year: Easter and Christmas, and certain bank holiday weekends. The working day in July and August is reduced. No meetings are held outside of office hours, to encourage digital disconnection.

In 2023, Alba did not have to adopt any furlough schemes (ERTEs).

The actions carried out in this connection in the Subsidiaries, which were controlled by Alba only in the first quarter of 2023, are the following:

- **Nuadi** already established shift flexibility measures in 2021, which have remained in place since then. The administrative department has flexible start and finish times and lunchbreaks, as well as the option to leave earlier on Fridays. The other operational departments have rotating shifts to spread the workload.

  At Sadeca there are also different work shifts, which help to improve organisation, efficiency and the work-life balance.

- **Gesdocument** has implemented policies and measures to disconnect from work. In its "flexi-work" policy, the ability to remote work has been improved. This subsidiary also offers flexible start and finish times and lunchbreaks. It has a holiday policy that is better than the applicable collective bargaining agreement.

- **Facundo** has work-life balance measures in place. In the centres that are not factories, no meetings are held and, except in urgent situations or force majeure circumstances, no calls are made or mails are sent, outside of working hours. A reminder of the right to disconnect from work is included in the electronic equipment delivery forms. With the exception of the Villamuriel de Cerrato factory, which has work shifts in place, the rest of the centres do not work on Friday afternoons, and there are flexible start and finish times. An Equality Plan has been agreed with factory personnel to encourage the use of new information technologies (conference calls, telephone calls, etc.) as a means of achieving a balance between employees' personal lives and work lives, reducing, whenever possible, travel, as well as holding, whenever possible, internal meetings and training sessions during working hours.

6.5.1. Absenteeism

The following figure shows the hours of absenteeism at Alba and its Subsidiaries until the first quarter of 2023:

[3] GRI 3-3 y GRI 403-9

COMPANY	2023
ALBA	0
NUADI	10,997
GESDOCUMENT	652
FACUNDO	2,944
TOTAL COMPANIES 2023	**14,593**
TOTAL COMPANIES 2022	**36,884**

Figure 22. Number of hours of absenteeism

The downward trend in absenteeism, which commenced in 2022, continued in 2023, although the data for the Subsidiaries is limited to until 31 March 2023, making it difficult to closely monitor and compare this type of information.

It should be noted that in 2023, no hours of absenteeism were identified in Alba.

6.5.2. Parental leave

No **Alba** employees have taken hours of parental leave in 2023 or 2022.

6.6. Health and safety[4]

Alba and its Subsidiaries have measures in place to monitor and promote health and safety in the workplace. Initiatives include carrying out training activities in this connection for employees, health monitoring programmes and external audits to verify that the procedures established in this field are being applied correctly.

Alba has specific health and safety commitments that are set out in its Code of Ethics and Conduct and in the procedures and manuals established for this purpose. All employees have the option of undergoing an annual medical check-up. In 2023, a course on first aid, basic life support and semi-automatic defibrillation was given, and an occupational health and safety assessment was carried out.

Alba's subsidiaries had in place the following measures in the first quarter of 2023:

- To comply with its health and safety policy, **Nuadi** has an occupational health and safety management system, integrating preventive activities in all aspects of management and at all hierarchical levels. It has an occupational health and safety plan, approved by management, adopted by all its organisational structure, and known by all its workers, and its essential instruments include risk assessments and the planning of preventive activities. Furthermore, periodic surveillance of workers' state of health is carried out, bearing in mind the risks inherent in their work. It has

[4] GRI 3-3, GRI 403-9 y GRI 403-10

an external prevention service for the occupational health and safety portion of Sadeca.

- **Gesdocument** is subscribed to the external prevention service activities agreement with the Preving Group.
- **Facundo** has an external prevention service, Ibersys, for all the group companies.

The following figure shows the health and safety indicators for 2023 and 2022, broken down by gender, pertaining to Alba and its Subsidiaries (at 31 March 2023) for its employees in Spain:

			2023			
	HEALTH AND SAFETY INDICATORS	GENDER	FREQUENCY RATE	SEVERITY RATE	OCCUPATIONAL ILLNESSES	NUMBER OF FATALITIES
2023	ALBA	FEMALE	0.00	0.00	0	0
		MALE	0.00	0.00	0	0
	NUADI	FEMALE	20.80	0.78	0	0
		MALE	60.06	0.44	0	0
	GESDOCUMENT	FEMALE	0.00	0.00	0	0
		MALE	19.71	0.18	0	0
	FACUNDO	FEMALE	151.84	2.86	0	0
		MALE	50.08	1.60	0	0
2022	**TOTAL COMPANIES 2022**	**FEMALE**	**2.03**	**0.09**	**82**	**0**
		MALE	**31.45**	**0.32**	**8**	**0**

Figure 23. Health and safety indicators

As indicated in figure 23, there were no occupational illnesses at Alba or its Subsidiaries at the corresponding dates.

COMPANY	COUNTRY	2023		
		FEMALE	MALE	TOTAL
ALBA	SPAIN	0	0	0
NUADI	SPAIN	2	7	9
	CHINA	0	0	0
	MOROCCO	0	0	0
GESDOCUMENT	SPAIN	0	2	2
FACUNDO	SPAIN	6	8	14
TOTAL COMPANIES 2023		**8**	**17**	**25**

Figure 24. Number of accidents

6.7. Social relations[5]

Alba and its Subsidiaries strive for effective and meticulous management of its labour relations with employees, with a view to ensuring compliance with the labour rights of all employees. Furthermore, social dialogue is based on the different collective bargaining agreements in force, which guarantees respect for and adherence to the principles set out in each agreement.

The collective bargaining agreements that apply are listed below:

- For **Alba**, the Collective Bargaining Agreement for the Offices and Firms Sector of the Madrid region.
- For **Nuadi**, the Collective Bargaining Agreement for the Iron and Steel Sector of Navarra. Relations in China are governed by a State workers' agreement, and in Morocco, there is no concept of an agreement, but they do have rules based on a "Workers' Statute" with a workers' committee.
- For **Gesdocument**, the Collective Bargaining Agreement for the Offices and Firms Sector of Catalonia, Bilbao, the Madrid region, the Valencia region and Zaragoza.
- For the **Facundo** subgroup, the Food Trade Agreement of Valladolid, the Collective Bargaining Agreement for the Offices and Firms sector of Palencia, the General Trade Agreement of Palencia, the Food Trade Agreement and a Collective Company Agreement in one of the group companies.

All employees of Alba and its Subsidiaries in Spain are covered by collective bargaining agreements.

In those companies where it is applicable, there are also workers' committees and/or union representatives who ensure compliance with the principles established in the applicable agreements and the establishment of fluid means of communication between all workers and the relevant bodies of the company.

6.8. Training[6]

Alba has training procedures adapted to the needs of its employees, which take into account the characteristics of the duties they perform, their careers and their professional development, so that resources are focused on the requirements of each job position and the current market. Alba offers the training it considers useful for its employees, who can also request the training they consider necessary for the correct performance of their duties.

In 2023, employees were able to access the online and face-to-face training they needed. Worthy of note is the ESG training that has been provided to all employees and to the board of directors.

Training in the Subsidiaries is organised as follows:

- **Nuadi** has an employee welcome plan with the necessary information packages for new employees. In addition, Nuadi detects the training needs of its employees mainly from the performance evaluations of its

5 GRI 3-3 and GRI 2-30
6 GRI 3-3 and GRI 404-1

employees. The heads of each functional area are responsible for determining the training needs of their employees, which are set out in the training proposal sent annually to the human resources department.

- **Gesdocument** has several training policies for its employees: internal training provided by its specialists; external training for all employees if it is required for the job position, with a view to them improving professionally or developing skills; and a foreign language training policy, which is partially funded by the company and the rest is paid by means of a flexible remuneration. Career plans are also offered to all employees, from junior team members (interns and assistants) to seniors team members and team leaders. In addition, this subsidiary collaborates in creating jobs by working with different universities to offer internships to students to facilitate the start of their professional development and the possibility of them becoming part of the group's workforce.
- **Facundo** has a training policy for one of its companies. In the rest of its group companies, when an employee or the company detects a need for training, the need is assessed. Fundae training credits are used.

The training hours for employees of Alba and its Subsidiaries for 2023 are detailed below, taking into account that only the first quarter of 2023 is provided for the latter, thus not allowing for a sufficient comparison with 2022:

COMPANY	2023			
	MANAGEMENT	MIDDLE MANAGEMENT	OPERATORS AND ADMINISTRATIVE STAFF	TOTAL
ALBA	101	262	1,642	2,005
NUADI	93	35	276	404
GESDOCUMENT	9	318	453	780
FACUNDO	0	0	0	0
TOTAL COMPANIES 2023	**203**	**615**	**2,370**	**3,189**
TOTAL COMPANIES 2022	**444**	**1,754**	**2,533**	**4,731**

Figure 25. Total number of hours of training by professional category

6.9. Accessibility and equality[7]

Alba's Code of Ethics and Conduct includes principles of non-discrimination and equal opportunities, with the aim of creating a working environment in which all employees are treated equally and with respect and dignity, rejecting any form of violence or harassment, abuse of authority or any other conduct that violates the rights of workers and individuals.

Alba also ensures that its general meetings are accessible to people with disabilities and the elderly, in order to guarantee their right to prior information and the support necessary so that they can attend the meeting and exercise their right to participate therein.

7 GRI 3-3

The premises in which the general meetings are held are universally accessible for people with special needs.

All buildings owned by Alba have measures in place to ensure universal accessibility for people with disabilities, in compliance with all applicable regulations. In addition, although not compulsory, accessible toilets have been installed on all floors.

Alba’s subsidiaries had the following measures in place in the first quarter of 2023:

- **Nuadi** has signed a collaboration agreement with Areté Activa covering the 2023 to 2025 period, for the implementation and roll out of actions linked to the measures agreed in the 1st Nuadi Equality Plan, signed in 2021. The non-discrimination and prevention of harassment principles set out in the Code of Ethics and Conduct also apply.
- **Gesdocument** has an equality plan, which is the basis for the mandatory training on gender equality provided for all employees: “Fostering equality in Gesdocument”. This training is also included in the initial training plan for new hires. This subsidiary also has a harassment prevention code and a confidential internal ethics channel available to all employees. Moreover, its offices comply with the measures required to facilitate access for people with disabilities.
- **Facundo** has an equality plan, which describes the measures for its implementation and development. Furthermore, in the event that in a selection process there are two or more finalists that equally meet the requirements and fit in the role for the position offered, preference is given to the candidate who belongs to an under-represented group. This subsidiary also has a policy of bringing the workplace closer to employees' homes for the care of children under 12 years of age or dependent family members with a disability rating of over 65%. In addition, factory visits are universally accessible.

7. Information on environmental matters

7.1. Policies[8]

As part of Alba's commitment to its stakeholders, the Board of Directors of Corporación Financiera Alba, S.A. has approved various internal policies and regulations, such as the Sustainability and Investment Policies and the Code of Ethics and Conduct, which sets out the guidelines for action on environmental issues. Alba's Code of Ethics and Conduct sets out its commitment to the environment, both in terms of its direct activity and in the environmentally responsible behaviour of the companies in which it invests.

Alba’s Sustainability Policy reflects its unwavering commitment to preserving the natural environment, reducing the negative impact of its activities and highlighting the fight against climate change. Based on the definitions of these

[8] GRI 3-2 and GRI 3-3

commitments, Alba focuses on pollution prevention and the responsible and sustainable use of resources, as well as appropriate waste management. Furthermore, since 2017 its Investment Policy has included criteria for assessing responsible investments, ensuring that it invests in companies with sound environmental practices.

In addition, as a signatory to the United Nations Global Compact, Alba is actively committed to environmental conservation, abiding by legal requirements and carrying out its activities while endeavouring to minimise potential environmental impacts. The environmental Principles of the Global Compact use, as their baseline framework, three principles enshrined in the earlier Rio Declaration on the Environment and Development, whereby companies should adopt a precautionary approach that favours the environment, foster initiatives that promote greater environmental responsibility and promote the development and spread of environmentally-friendly technologies.

In view of the activities carried out by Alba, the details of which are set out under section 2.1.2 of this report, no significant environmental impact has been identified either at present or potentially in the future.

Environmental topics are not among the most salient matters for its stakeholders. The most significant issues, as can be observed in the materiality analysis in section 4, are the topics related to sustainable resource use and the circular economy, and those related to energy and energy efficiency measures.

In the first quarter of 2023, Alba's Subsidiaries have the following environmental regulations and measures in place:

- Nuadi has a certified Environmental Management System that meets the stipulations of ISO 14001:2015. This system contains an Environmental Policy that completely respects the environment where it operates. It also has an Environmental Management Department that involves the entire organisation in these issues. It has taken out public liability insurance for all types of environmental incident, although no such incidents have taken place. Implementation of its Waste Reduction Plan began in 2020.

  Sadeca's environmental targets are included in the company's overall objectives. Simulations are carried out and environmental incidents are monitored as KPIs.

- **Gesdocument** applies environmental criteria across its activity and has somebody in charge of executing the procedures for the prevention and management of environmental and health and safety impacts, despite the fact that its activity has little impact on the environment.

- **Facundo** has an Environmental Policy, the main principles of which are as follows: (i) to ensure compliance with the environmental legislation and regulations applicable to its facilities and operations; (ii) to apply the necessary measures to prevent pollution, minimise waste generation and make responsible use of material and energy resources; and (iii) to promote environmental training and awareness among all employees. The environmental control function is carried out by its quality department, the activity of which is geared towards preventing environmental risks and promoting ways to achieve a sustainable organisation.

7.2. Environmental management and performance

7.2.1. Energy and climate change[9]

One of Alba's commitments, as set out in its Sustainability Policy, revolves around mitigating climate change and minimising the impact that its activities may have in this regard. Given the nature of its activity, the impacts are monitored using indicators that measure energy consumption and the generation of the associated emissions. Furthermore, for the purposes of this Non-Financial Information Statement, the indicators have been calculated in accordance with the EU Taxonomy of Sustainable Finance Regulation 2020/852. These indicators help Alba to ascertain and optimise the impact of its activities on climate change and the natural environment, encouraging the consideration of sustainable and environmentally-friendly business models.

Alba will continue to work on identifying, assessing and managing climate change risks and opportunities, as well as evaluating the financial impacts that these could have on its activity.

At **Alba**, energy consumption is mainly from the use of lighting, air conditioning and IT equipment at its owned offices and buildings (Castellana 42, Castellana 44, Castellana 89 and the Oasis buildings). With a view to reducing this consumption, various energy efficiency measures have been implemented, such as the replacement of traditional light bulbs with LEDs, building renovations to increase energy efficiency and external energy efficiency controls and audits, all of which helps Alba to reduce its environmental impact.

In addition, the Castellana 89 building has held the LEED Gold Seal awarded by the U.S. Green Building Council (USGBC) since 2021, which guarantees the eco-efficiency of the building. In addition, an agreement was signed in 2023 to ensure the supply of energy from 100% renewable sources. A process got underway in 2022 to remove gas boilers and replace chillers with heat pumps to further improve energy efficiency and reduce Alba's carbon footprint. The above-mentioned renovations were completed in 2023. New aerothermal chillers with heat pumps were installed and three of the four existing boilers were removed, reducing natural gas consumption to instances of extreme necessity only. In addition, a study has gotten underway to install photovoltaic panels for self-supply on the building's roof.

A photovoltaic plant has been in operation at the Oasis building since January 2021, providing part of the energy needed for the building's installations and services, with a consequent reduction in electricity consumption. Production during the year totalled 194,979 kWh, up 62% on the previous year. This avoided the equivalent of 34,364 kg of CO_2e being released into the atmosphere (CNMC emission factor). In addition, the potable water system has been replaced to limit leakage and consumption meters have also been installed.

At the end of the 2022 financial year, work began on the ESG improvement study for the Castellana 42 building. In addition to the foregoing, work was also carried out in 2023 to improve the building's energy efficiency and ensure optimum working conditions, as well as the health and

[9] GRI 3-3, GRI 302-1, GRI 302-2, GRI 302-4 and GRI 305-1

safety of its occupants. Key improvements include the replacement of light fittings with LED panels, which reduce energy consumption and optimise the use of lighting through motion sensors and smart programming; the enhanced insulation of façades and roofs, which improves the thermal insulation of the building and helps to reduce heat loss in winter and heat input in summer. This reduces the need for heating and cooling, respectively, and contributes to greater thermal comfort for occupants; the installation of low consumption timed taps, which reduces wasteful consumption of drinking water in the building; the installation of individual water consumption meters; air ionisation with monitored air quality, which contributes to improving indoor air quality by reducing the presence of pollutants and pathogens and promotes a healthier environment for building occupants. The continuous monitoring of air quality is essential to ensure its effectiveness and to maintain optimal levels of comfort and health. A roof terrace with vegetation has also been created for tenants' use and enjoyment. This building has a 100% renewable electricity supply contract and is currently undergoing a pre-assessment process for LEED certification.

The Castellana 89 and Castellana 42 buildings have vinyl solar filters on their façades that reduce solar radiation and, therefore, the energy needed for air conditioning.

Work continued in 2023 to prepare the Castellana 44 building for its comprehensive refurbishment. This includes the replacement of its façades and new, more efficient installations, all with the aim of increasing its energy efficiency and sustainability and achieving better levels of comfort and maintenance. These works will also enable it to secure sustainable building certification.

Likewise, six electric vehicle charging points were installed at the Castellana 42 building in 2023. The Oasis and Castellana 89 buildings have had electric vehicle charging points since 2021, which can be used by their users after arranging the service with the electricity supplier.

The Castellana 42 and Oasis buildings have bicycle parking facilities to promote cycling, which is an alternative to other more polluting modes of travel.

The environmental performance of Alba's Subsidiaries during the first quarter of 2023 is detailed below:

- **Nuadi** has installed LED lighting throughout its plant in Spain as a measure to reduce energy consumption.
- As part of its efforts to respect the environment and optimise resource use, **Gesdocument** has installed LED lights, fostered the elimination of paper, arranged cleaner energy supply agreements, and contributed to the progressive reduction of its carbon footprint by eliminating unnecessary travel and using, wherever possible, trains instead of planes.
- **Facundo** is committed to improving the energy performance of both its facilities and equipment, taking into consideration opportunities to improve the design and procurement of energy-efficient products and services. It has continued to replace conventional light fittings with LEDs and has forged ahead with the installation of stepper motors,

the use frequency converters instead of starters and has improved the thermal insulation of the manufacturing bays. It also began to calculate its first carbon footprint in the first quarter of 2023.

The following figures reflect the energy consumption and greenhouse gas emissions of Alba and its Subsidiaries up until 31 March 2023:

Energy consumption

COMPANY	2023			
	% ENERGY CONSUMED FROM RENEWABLE SOURCES	ELECTRICITY CONSUMED (MWh)	NATURAL GAS CONSUMED (MWh)	DIESEL CONSUMED (litres)
ALBA	51.27%	4,353	1,395	20,705
TOTAL ALBA 2023	**50.44%**	**4,353**	**1,395**	**20,705**
TOTAL ALBA 2022	**16.48%**	**4,833**	**2,212**	**20,333**
NUADI	n.a.	1,138	723	4,368
GESDOCUMENT	n.a.	70	n.a.	n.a.
FACUNDO	n.a.	481	254	86,802
TOTAL SUBSIDIARIES 2023	**n.a.**	**1,688**	**977**	**91,170**
TOTAL SUBSIDIARIES 2022	**n.a.**	**3,487**	**1,889**	**245,744**
TOTAL COMPANIES 2023	**50.44%**	**6,041**	**2,372**	**111,875**
TOTAL COMPANIES 2022	**16.48%**	**8,320**	**4,101**	**266,077**

Figure 26. Energy consumption

Note: 2023 includes the Nuadi data for all applicable countries.

Greenhouse gas emissions (GHG) (tonne CO_2eq)

Greenhouse gas emissions (GHG)	2023		
	SCOPE 1 (ton CO_2 e)	SCOPE 2 (ton CO_2 e)	TOTAL (tonne CO_2 e)
TOTAL ALBA 2023	**517.96**	**572.71**	**1,090.67**
TOTAL SUBSIDIARIES 2023	**425.79**	**455.75**	**881.54**
TOTAL COMPANIES 2023	**943.75**	**1,028.47**	**1,972.22**
TOTAL COMPANIES 2022	**1,566.00**	**2,163.00**	**3,729.00**

Figure 27. Greenhouse gas emissions

Note: the 2023 data for Subsidiaries refers to Nuadi and Facundo's activities for Scope 1 emissions.

Alba's electricity consumption stems from the operation of its buildings. Alba’s electricity consumption fell by 11% with respect to 2022, thanks to energy efficiency improvements, in particular the above-mentioned improvement at the Castellana 89 and Castellana 42 buildings. Energy self-supply at the Oasis building in 2023 came in at 125,877 kWh, up 34% on 2022. Energy efficiency certifications were renewed in 2023 at the Castellana 89, Castellana 42 and Oasis buildings, securing better ratings and a reduction in CO_2 emissions.

Natural gas consumption was down by a considerable 64% with respect to 2022, due to the removal of three natural gas boilers at the Castellana 89 building.

With regard to GHG emissions, as indicated in other sections of this Report, the change in the scope of consolidation in 2023 prevents a comparison and strict monitoring of that year's data with previous years. However, Alba's efforts to reduce its carbon footprint are reflected in the share of energy consumed from renewable sources, rising from 17.48% in 2022 to 50.43% in 2023. Across Alba's buildings, 54.14% of total energy consumed is from renewable sources, of which 6.18% is from its own clean self-supply. As of the first quarter of 2023, the Castellana 89 building terminated its conventional energy contract and entered into an agreement for the supply of energy from certified renewable sources, which avoided the release of 347,006 kg CO_2e into the atmosphere in 2023. Alba also offset 100% of its transport emissions with Cabify. In this regard it offset the kilometres travelled using this service, which amounted to 11 kg of CO_2.

7.2.2. Sustainable resource use and circular economy[10]

Alba has adopted a raft of measures which, as mentioned above, aim to improve efficiency and foster the sustainable and responsible use of resources. Given that the main material used in its activities is paper, to order to minimise consumption, Alba has a digital archive in place for all departments, through which files can be consulted, downloaded and shared. In addition, all paper used is certified with the FSC environmental stamp.

The environmental performance of Alba's Subsidiaries during the first quarter of 2023, in terms of the sustainable use of resources, is detailed below:

- The main raw material input in **Nuadi**'s production process are steel coils of various sizes. After the manufacturing process, surplus material is sent to a waste metal management company. The reduced size of the waste shavings make them highly suitable for use in automatic dosing systems at foundries or steel mills to control the composition of the molten mix. The waste management company sends the vast majority of surplus material to a steel mill located some 40 kilometres away, where they are converted into engine blocks and cylinder heads for reuse in the automotive manufacturing sector. As for water, this will feature in future phases of its Waste Reduction Plan.

  With regard to Sadeca, this company's water consumption is only for human and sanitary purposes and is not used in the industrial process. The company uses recycled raw materials such as polyamide or PVC injection pellets, harnessing the injection waste of both for subsequent sale as a by-product for the manufacture of recycled material. The waste that is recycled and recovered includes paper and cardboard, film, wood from pallets, leftover stainless steel parts, cable and non-hazardous waste.

- For **Gesdocument**, the water consumption at its various branches remains insignificant and has been assumed by the lessors of the properties. Although there is no formal waste management, Gesdocument

[10] GRI 3-3, GRI 301-1 and GRI 303-3

continues to promote digitalisation as opposed to the use of paper.

- In its manufacturing processes, **Facundo** has always sought to optimise the use of natural resources and remains steadfast in its commitment to carry out its activity in a sustainable manner, using the most advanced techniques available and adopting the necessary measures to reduce its environmental impact. It has therefore paid particular attention to improving its production equipment, so that there are no breakdowns or leaks leading to raw material losses. The same can be said of water supply networks to avoid uncontrolled water leakage.

  In view of market quality requirements and to prevent food waste, it has continued to improve conveyor elements, such as belts and vibration equipment to minimise waste. Moreover, all manufactured products are stored at room temperature, which has a favourable environmental impact, and the vehicles used to transport products comply with current regulations. The primary suppliers of maize and potato submitted the relevant agricultural records that show the traceability of the treatments carried out. The "dry" organic waste is used as animal feed.

The following figure shows the consumption of materials by Alba and its Subsidiaries up until 31 March 2023:

Raw materials used

COMPANY	2023			
	WATER CONSUMED (m^3)	PAPER CONSUMED (kg)	OTHER MATERIALS	
			FILM CONSUMED (kg)	STEEL CONSUMED (tonne)
ALBA	32,678	1,068	n.a.	n.a.
TOTAL ALBA 2023	**32,678**	**1,068**	**n.a.**	**n.a.**
TOTAL ALBA 2022	**29,896**	**930**	**n.a.**	**n.a.**
NUADI	1,302	268	n.a.	6,480
GESDOCUMENT	n.a.	140	n.a.	n.a.
FACUNDO	3,065	122,355	35,079	n.a.
TOTAL SUBSIDIARIES 2023	**4,367**	**122,763**	**35,079**	**6,480**
TOTAL SUBSIDIARIES 2022	**9,987**	**5,764**	**141,000**	**n.a.**
TOTAL COMPANIES 2023	**37,045**	**123,831**	**35,079**	**6,480**
TOTAL COMPANIES 2022	**39,883**	**6,694**	**141,000**	**n.a.**

Figure 28. Raw materials used

Note: 2023 includes the Nuadi data for all applicable countries. Nuadi's steel consumption excludes data from Morocco due to the difficulty in obtaining data from that unit.

Given the diversity of Alba's Subsidiaries, the consumption of materials is likewise heterogenous and does not affect all the Subsidiaries to the same extent. This is the case of Facundo's film consumption, for example, which amounted to 141,000 kg during the first quarter of 2023. As mentioned earlier, the change in the scope of consolidation prevents a comparison and strict monitoring of this year's data with that of previous years.

At **Alba**, on the other hand, the consumption of natural resources has increased slightly compared to 2022. Water consumption increased by 9% as the buildings reached almost full occupancy in 2023. Paper consumption has increased by 15%.

Alba continues to channel efforts into reducing its consumption and adopting specific measures to cut down waste generation and ensure its correct treatment and handling. Water fountains are installed at Alba's offices and all employee have been given their own glass bottle and personalised mug to avoid using disposable cups. Improvements continue to be made in terms of waste management, such as coffee capsules, batteries and other office waste, as well as in the recycling of polluting waste such as printer toner cartridges.

At the buildings operated by Alba, taps fitted with timers have continued to be installed to reduce the consumption of drinking water, as well as dual flush cisterns and individual water consumption meters, which result in better water use. The water leakage prevention measures mentioned earlier have been implemented at the Oasis building to avoid water wastage.

The data below shows the waste generated by Alba and its Subsidiaries up until 31 March 2023:

Waste generated

COMPANY	2023 WASTE GENERATED (tonne)	
	HAZARDOUS	NON-HAZARDOUS
ALBA	0	163
TOTAL ALBA 2023	**0**	**163**
TOTAL ALBA 2022	**n.a.**	**n.a.**
NUADI	114	65
GESDOCUMENT	n.a.	n.a.
FACUNDO	5	27
TOTAL SUBSIDIARIES 2023	**119**	**91**
TOTAL SUBSIDIARIES 2022	**429**	**19,272**
TOTAL COMPANIES 2023	**119**	**254**
TOTAL COMPANIES 2022	**429**	**19,272**

Figure 29. Waste generated

Note: 2023 includes the Nuadi data for all applicable countries.

Alba began accounting for waste at some of its buildings (Castellana, 89 and Castellana, 42) in 2023. A portion of the waste generated during the year is due to the refurbishment work at Castellana 42, the aim of which is to improve the building's sustainability. Therefore, there is no data in 2022 with which to make a coherent comparison.

In addition, a clear decrease in the amount of waste can be observed for the companies from 2022 to 2023, due to changes in the scope of consolidation and the period of time that includes Alba's Subsidiaries. Nuadi is the subsidiary that contributes most to waste generation, specifically its activity in Pamplona.

8. Ethics, human rights and the fight against corruption

8.1. Ethical conduct and respect for human rights[11]

Alba’s Code of Ethics and Conduct sets out the values and principles that should govern its conduct. This Code affects all persons who, in the discharge of their duties and conduct of their employment, commercial and professional relationships, have dealings with the Company. The following such values are particularly noteworthy:

- Respect for human rights and commitment to the Global Compact, of which it is a Signatory Partner.
- Ethical and lawful conduct.
- Fair and respectful treatment, based on equal opportunities and non-discrimination.
- Respect for the environment.
- Respect for the interests of other persons related to the Company.
- Prudence in the pursuit of the Company’s activities, risk-taking and dealings with customers.
- Information processing based on rigour, integrity and transparency.

The above Code lays down mandatory rules of conduct for Alba's governing bodies, executives and employees, as well as for third parties that have dealings with Alba.

Also, given the importance of internal whistleblowing channels, there is a procedure for reporting -confidentially and in certain cases anonymously- any acts or conduct occurring within the Company or in dealings with third parties that may be contrary to the applicable regulations or to Alba's Code of Ethics and Conduct, or that may be detrimental to Alba. The Whistleblowing Channel may be used by all persons inside and outside the Company, the latter including Alba's customers, suppliers, contractors and partners. As noted in section 3.1 of this report, the Whistleblowing Channel was adapted to certain provisions of the Whistleblowing Law in 2023.

Alba provides its employees with a reminder of the Code of Ethics and Conduct each year. The reminder circulated in 2023 reiterated the general rules of conduct to be followed, the functions of the Monitoring Committee and the procedure for monitoring compliance with the Code and the Whistleblowing Channel, which guarantees whistleblower confidentiality and establishes the scenarios in which anonymous communications are accepted.

No complaints or Code of Ethics and Conduct-related suggestions or queries were received in 2023.

Alba’s subsidiaries also had measures of this kind in place in the first quarter of 2023:

11 GRI 3-3, GRI 3-2, GRI 2-23, GRI 2-26 and GRI 406-1

- **Nuadi** has a Code of Ethics that lays down the bases of conduct and associated values applicable to both the persons forming part of the entity and third parties that have dealings with it. Such conduct is based on constant respect for human rights and the regulations established in each particular case.

  Up to 31 March 2023, Nuadi had received no complaints concerning human rights violations or bribery.

- **Gesdocument** has a Code of Conduct and Ethics, a Harassment Prevention Code and an Ethics Channel Reporting Protocol. In addition, the onboarding process to which each employee is subject includes mandatory ethics training, together with a knowledge validation test. Employees can access the training course material at any time from the GD Avanza internal training platform.

  It is worth noting that no complaints were received via the company's whistleblowing channel between 1 January and 31 March 2023.

- **Facundo** does not have a code of ethics in place and applies the provisions of the applicable collective bargaining agreements.

  There were no complaints relating to human rights violations in the first quarter of 2023.

8.2. Anti-corruption and anti-bribery management[12]

Alba takes the necessary steps to ensure compliance with its oversight duties with a view to preventing the commission of the offences referred to in its crime prevention model. Ethical values and responsible conduct permeate the everyday lives of everyone who forms part of Alba. To safeguard these values and, in particular, combat all forms of corruption, the Board of Directors of Corporación Financiera Alba, S.A. approved the Crime and Fraud Prevention Policy in 2015.

On the back of this Policy, a Crime Prevention Manual was established, the latest update of which was approved in 2020 by the Audit and Compliance Committee. This Manual constitutes the reference framework of the Crime Prevention Model. The Manual sets out a series of effective measures aimed at preventing, detecting and reacting to criminal conduct. It applies to directors, executives and employees, and enables situations involving the potential commission of wrongdoings to be monitored. The principles upon which it is based, namely, coordination and participation of all professionals, transparency and communication, effective action, training, etc., ensure the proper implementation, monitoring and improvement of the Model.

Contracts with third parties also contain clauses requiring such third parties to monitor situations involving a risk of crimes, infringements or serious irregularities, and to reject corruption and fraud, including extortion, bribery and kickbacks.

Moreover, Alba's general rules of conduct in the Code of Ethics and Conduct specifically mention bribes, commissions, gifts and presents, and Alba is

12 GRI 3-3, GRI 3-2, GRI 2-23 and GRI 2-26

opposed to influencing the will of individuals outside the Company in order to obtain a benefit through unethical practices. It likewise forbids other individuals or entities from doing so with their employees. Hospitality and business courtesies in favour of public officials in tenders in which Alba participates, facilitation payments and donations to trade unions, political parties and donations or sponsorships to obtain favourable treatment for Alba are prohibited. Only gifts of negligible financial value may be accepted.

Alba's Code of Ethics and Conduct also refers to compliance with the provisions on the prevention of money laundering and the financing of terrorism.

Alba's subsidiaries also had measures of this kind in place up to 31 March 2023.

- **Nuadi** has several documents over and above the aforementioned Code of Ethics, which regulate and control any such conflicts of interest as may arise in the conduct of the business and cases relating to intellectual property and the confidentiality of the information handled by the company, which are applicable both in Spain and in China. These documents are the "Confidentiality and Intellectual Property Agreement Non Solicitation Agreement - NUADI Europe" and the "Code of Ethics and Business Conduct - NUADI Europe v.2".
- **Gesdocument** has several internal codes in place in respect of the fight against corruption within the company, such as the 2018 Harassment Prevention Code, the 2020 Money Laundering Prevention Manual, the 2020 Corporate Report and a 2018 Anti-Corruption Policy.
- **Facundo** does not have a policy in place in this area, as the nature of its business means that the risk of corruption and money laundering is low. An analysis of these risks has revealed the risk of the misappropriation of small amounts of cash during distribution to stores. To ensure control, the money is deposited and checked by different people. Although the risk associated with bribery practices is also very low, efforts are made to maintain good business practices.

9. Information about the Company

9.1. Alba's commitments to sustainable development[13]

Alba's Sustainability Policy establishes the principles for, and scope of, its contribution to improving personal well-being and fostering the economic and social development of the communities in which it operates, while creating value for its various internal and external stakeholders. Alba's primary responsibility as regards sustainability is to ensure the utmost diligence and integrity throughout the investment process. To this end, its investments are based on three principles:

- A long-term vision.
- Responsible management, selecting the assets over which it has the greatest capacity for influence and transformation.

[13] GRI 3-3, GRI 3-2, GRI 2-6, GRI 2-28 and GRI 2-29

- Mitigation of non-financial risks, including social, environmental and governance-related risks.

Along with these principles, others such as the pursuit of excellence, the fostering of transparency, integrity and business ethics, the adoption of best corporate governance practices and the promotion of human rights are also noteworthy.

In addition, Alba is committed to seeking a balance between financial profitability and sustainable development, in terms of its impact on its surrounding community and society as a whole, respecting both the environment and the interests of shareholders, employees and other groups and individuals with which it interacts.

Alba is stakeholder-focussed and has in place the communication channels necessary to be able to respond to all of its stakeholders' needs and expectations.

It also strives to extend these guidelines and responsible principles to its subsidiaries and investees through its representatives. Alba demonstrates its commitment to achieving the Sustainable Development Goals through its investments, its own activities and the activities of its investees. As part of its commitment to the Global Compact initiative in Spain, Alba participates in the training activities organised by its training platform and submits progress reports to the organisation. In 2023, it attended four training sessions organised by the Global Compact initiative, on issues related to sustainable development.

Alba makes financial contributions to a number of foundations and organisations that carry out a range of initiatives to promote sustainable development, with the aim of exchanging knowledge and concerns related to its activity. In 2023, Alba made contributions totalling Euros 364,500 to Fundación Juan March, Fundación Tengo Hogar, Fundación de Estudios de Economía Aplicada (FEDEA), Fundación Parques Reunidos and Emisores Españoles.

It also implemented the following actions in 2023 as part of its commitment to sustainable development:

- <u>Social and cultural commitment:</u> Alba seeks to implement its social actions at a local level, building bridges between neighbouring communities and the entities that make a difference locally thanks to our donations. Alba's strong social and cultural commitment is borne out by its contribution to Fundación Juan March. The Foundation's mission is to promote culture in Spain and its activities in this area include exhibitions, concerts and conferences held at its headquarters in Madrid. In addition, as part of its social commitment to reducing the vulnerability of certain populations to disasters, for the second year, Alba has made a contribution to Fundación Tengo Hogar, which supports Ukrainian refugee families in Spain, offering them housing solutions and assisting them with their integration into society and the workplace.

- <u>Commitment to social and environmental sustainability:</u> Alba contributes to social and environmental action through its contribution to Fundación Parques Reunidos, whose mission is to contribute to a more caring and sustainable world through its childhood and health, social inclusion, education and awareness, biodiversity conservation and research programmes.

- <u>Commitment to innovation:</u> Alba assists companies on the journey towards sustainable development by means of an annual contribution to FEDEA. Through its research, FEDEA seeks to contribute to enriching the public debate on the issues most relevant for the smooth functioning of Spain's economy, its sustained growth and the welfare of its citizens.

- Commitment to other organisations: Alba has been a signatory member of the Global Compact since 2015, and is committed to the Ten Principles of the Global Compact. These Principles include support for the elimination of discriminatory employment practices, the fight against corruption in all of its forms, a precautionary approach to environmental challenges, and the encouragement of initiatives to promote greater environmental responsibility. Since its creation in 2009, Alba has also been a member of Emisores Españoles, an association whose aims include improving communication between companies and their shareholders, developing high levels of good corporate governance and enhancing legal certainty in relation to the issuance, trading, settlement and registration of listed securities. All this, based on a relationship of ongoing dialogue and close cooperation with the public administrations, particularly the National Securities Market Commission (CNMV).

  Since 2020, Alba has adhered to the State Tax Agency's Code of Good Tax Practices, promoted by the Large Companies Forum.

Finally, Alba's commitment to sustainability is reflected in its listing in October 2023 on the IBEX ESG, one of the Bolsas y Mercados Españoles (BME) sustainability indexes. Alba and six of its investees are among the 47 companies listed on this index. The six Alba investees that are included on BME's Ibex ESG are Acerinox, S.A. and Inmobiliaria Colonial Socimi, S.A. (both IBEX 35 companies), and Cie Automotive, S.A., Ebro Foods, S.A., Global Dominion Access, S.A., and Viscofan, S.A.

The sustainable development commitments of Alba's subsidiaries up to 31 March 2023 were as follows:

- During the first quarter of 2023, **Nuadi** made no contributions to industry associations, other not-for-profit associations or NGOs, nor has it engaged in any sponsorships.
- **Gesdocument** promotes a close relationship with the community and promotes continuous improvement with and for its customers in the solutions and services that it offers.

  In 2023 Gesdocument was a sponsor of and jury member in the last edition of the AECA Awards for Business Transparency. With a view to contributing to the progress of society, the company is also affiliated with several international associations such as LEA, EuRA, IHR Providers, the British Chamber of Commerce, Economía 3, E&J, and has established alliances with new partners (Tolley, Partners Immigration and the EU Posted Workers Alliance) while collaborating with other providers (ORH, IHR Providers, etc.). It made no contributions to non-profit associations in the first quarter of 2023.
- Despite its location in the sparsely populated towns of Villada and Villamuriel de Cerrato, in Palencia, **Facundo** has achieved significant growth and has become a benchmark in its sector. It collaborates with the local authorities continuously, at no charge or by means of financial contributions, in a variety of activities. Its deep-rooted commitment to local development is reflected in its factories in the above towns, which provide employment for

local residents, thereby helping to combat depopulation, which is crucial in rural areas. The company strives to respond to all local requests for collaboration, be it from public institutions, sports clubs, schools, or others. It made no contributions to industry or non-profit associations, and engaged in no sponsorships in the first quarter of 2023.

9.2. Subcontractors and suppliers[14]

Alba extends the principles and values set out in its Code of Ethics and Conduct to its entire value chain, including contractors, suppliers and collaborators who have a business relationship with the company. Thus, in their contracts and collaboration agreements, they must undertake to observe and comply with the principles of respect for human rights, the environment, the law and ethical principles, in accordance with Alba's Code of Ethics and Conduct.

Alba has a Whistleblowing Channel, referred to in other sections of this report, which is accessible to third parties with which Alba does business.

This Whistleblowing Channel is a confidential and, in certain cases, anonymous channel for reporting acts or conduct known to have taken place, or of which there is reasonable evidence, that may be in breach of the applicable regulations or the Code itself. If the reported act or conduct meets the relevant requirements, the pertinent procedure is followed, concluding with the relevant corrective, preventive and organisational actions and measures. If processing of the complaint reveals that there is sufficient evidence of the perpetration of a criminal offence or of conduct in breach of the securities market regulations, the competent authorities are notified.

Alba’s subsidiaries had in place the following measures in the first quarter of 2023:

- **Nuadi** has established an internal purchasing procedure applicable to its suppliers, which covers both products and processes.

  Suppliers are not required to have policies in place, but Nuadi places great value on them taking a proactive attitude to identifying environmental aspects in order to evaluate their impact and implement improvements within their companies.

  It also has a system of annual supplier audits, according to VDA benchmarks, based on the level of performance and risk of each supplier.

  Sadeca does not have a purchasing policy in place. However, it makes its Code of Ethics available to its suppliers and, in accordance with the Suppliers' Manual provided to them, on entering into contracts with them it applies environmental criteria such as certification, proximity, optimisation of packaging and transport, etc., as well as legal and regulatory compliance criteria. If the supplier does not hold ISO14001 certification, it is asked to complete an environmental questionnaire. It also has an annual supplier audit plan, whereby suppliers are selected on the basis of criteria such as strategic importance,

[14] GRI 3-3, GRI 308-1 and GRI 414-3

certification level, quality and service level, and responsiveness, among others.

- **Gesdocument's** Code of Ethics includes guidelines and standards that are also applicable to the companies in its value chain. In addition, it has a whistleblowing channel available to all of its professionals, customers, suppliers and business partners, to enable them to raise any doubts they may have regarding the Code of Ethics or report any reasonable indication or suspicion of acts in breach of the standards established in the Code of Ethics. In the event of detection of conduct infringing its Code of Ethics, the relevant business relationship may be terminated immediately. Compliance with the Harassment Prevention Code and related policies is also mandatory.
- **Facundo** does not have a written purchasing policy document, but it applies the same business principles as the company to both national and international suppliers. In addition, its supplier in China holds the Business Registration Certificate (BRC) attesting to its compliance with specific requirements guaranteeing the safety, quality and legality of suppliers' products. The company is in regular contact with its suppliers by phone and by email. For international suppliers, intermediaries are used to purchase raw materials, thereby guaranteeing quality standards and best practices. The purchasing manager occasionally visits supplier premises to assess the quality of products on site.

9.3. Consumers[15]

The companies apply appropriate consumer health and safety procedures, making suitable communication, complaints and claims mechanisms available to their consumers in each case, adapted to the type of activity pursued by each one.

In its real estate activities, **Alba** implements all health and safety measures provided for in the applicable legislation.

It also provides all necessary means for the coordination of business activities in the buildings it owns via a document platform on which all tenants and other users may access the general documentation relating to the building.

Contracts with tenants and internal building regulations set out the procedures necessary to manage the various needs that may arise.

Buildings are equipped with a variety of security measures, such as a 24-hour surveillance service every day of the year, CCTV systems and alarms alerting to the opening of emergency exits. All buildings are also up to date with the inspection schedules for the different installations. Alba also has in place mandatory civil liability insurance for the buildings.

15 GRI 3-3 and GRI 207-4

A number of measures have been implemented to protect the health of the users of the buildings it operates: the Castellana 42 building has interior green areas that improve air quality and, in 2023, a roof garden was installed for use by tenants; the Castellana 42 and Castellana 89 buildings have ambient air ionisation systems to eliminate pathogens and detect CO_2, and air quality is monitored.

No complaints or claims were received in relation to the buildings in 2023.

Alba keeps records of personal data processing activities in relation to its customers, suppliers, building access control and video surveillance.

These records of personal data are also kept in relation to employees, shareholders, the electronic forum for shareholders, affected parties in relation to the securities market and the Whistleblowing Channel referred to in the Code of Ethics and Conduct.

To safeguard stored data, its IT systems have different cybersecurity protection measures for each layer or service: firewalls, AV systems, anti-phishing software for e-mails, etc. All customer PCs and servers have EDR systems installed with the services of a SOC (Security Operations Center) for continuous monitoring. As part of the contingency plan and business continuity plan, there are two data centres to maintain the infrastructures necessary to support the business from a technological viewpoint and an information replication system. Backups and replicas are created and stored as needed (on a daily, weekly, monthly, yearly, etc. basis). Strong password security policies are in place for local identity management, with different permissions depending on roles, etc. and there is two-factor authentication process for identity management in the case of critical IT roles.

In 2023, Alba provided 80 hours of in-company training for IT security planning and also provides employee cybersecurity training in the form of bite-sized learning emails on the subject. These learning bites are permanently available on Alba's intranet, enabling employees to access the information and review it again at any time. This practice helps to increase employee awareness on the importance of cybersecurity and how they can contribute to keeping the company's information secret. A total of 11 cybersecurity learning bites were sent out in 2023.

In the first quarter of 2023, Alba's subsidiaries had in place and implemented the following consumer-related measures and actions:

- **Nuadi** has a cybersecurity system in place to protect its customers' data with a firewall, a system for monitoring and logging access to control unauthorised connections, and equipment and servers equipped with antivirus software. Vulnerability checks are performed regularly along with updates to the latest versions of software and firmware. As part of its contingency plan, it uses daily and weekly backup and replica solutions. It has security policies and a password complexity factor in place for services hosted on internal servers. Users are assigned access to information according to their defined roles. Access for roles identified as critical is subject to two-factor authentication. It also has in place a customer-oriented complaints management system, certified according to the IATF standard. Customer complaints management and monitoring processes are essential in order to obtain this certification. At 31 March 2023, nine customer complaints had been received, complaint being defined as any action taken by a customer as a result of any dispute in the dealings between the two organisations. Customer complaints can be received by various means: telephone, fax, letter, e-mail, in person, or via an employee reporting to Quality.

Sadeca also has a complaints system, essentially implemented via the customer satisfaction index (CSI), which analyses aspects such as punctuality of deliveries, urgent transport, quality complaints and stoppages in the production chain, among others.

- **Gesdocument** has a technology department that ensures security in terms of IT services. This department and a number of security partners ensure that IT services are provided correctly. It also has cybersecurity insurance. In 2023, it began implementing a system to measure customer satisfaction by means of quality surveys that will be logged by customer, service and the team/professional assigned to each customer. It records customer “cases”, customer and professional complaints and incidents in its CRM, and the steps taken to resolve them are then monitored. One complaint was received in the first quarter of 2023.

- Guaranteeing its consumers’ health and safety is of **paramount** importance to Facundo. For this reason, it has renewed its IFS (International Food Standard) certification, one of the strictest regulations in relation to food safety, installation quality and process optimisation in product preparation. It also has in place a Food Safety and Quality Policy. It has implemented a mandatory Hazard Analysis and Critical Control Point (HACCP) system, in line with the European Union's Regulation EC 852/2004. These policies and procedures ensure the food safety of its products and the health and safety of its consumers, customers and users.

  In its quest to offer excellent customer service and safeguard the health of its consumers, it has an allergens table for all of its products on its website and provides a contact telephone number.

  Consumers and other interested third parties can send complaints, comments and suggestions to the company's customer service department via its corporate website, by e-mail or telephone. The customer service department then forwards the communications to Management and the Quality Department. No distinction is drawn between different complaints and grievances. They are all treated in the same way. Facundo received a total of 56 complaints in the first quarter of 2023. All claims are assessed and receive a reply, and the data collected is used to improve internal processes.

  In addition, it organises visits to its factory, giving consumers the opportunity to see how the factory works and how its products are made, thereby strengthening the relationship between the brand and its customers.

10. EU Sustainable Finance Taxonomy

The EU Taxonomy reporting carried out by Alba and its Subsidiaries is driven by Regulation (EU) 2020/852, published by the European Parliament on 22 June 2020. This Regulation seeks to contribute to the decarbonisation of the European economic system by providing a reference framework for identifying environmentally sustainable economic activities. Substantial contribution to the six environmental objectives set out in article 9 of the Regulation will also be determined.

July 2021 saw the publication of Delegated Regulation (EU) 2021/2139, which set out to supplement Regulation (EU) 2020/852 and specify the Technical Selection Criteria (TSC) for the first two environmental objectives, namely climate change mitigation and climate change adaptation.

Additionally, Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council and amending Commission Delegated Regulation (EU) 2021/2178 further specifies the disclosures to be made in respect of the substantial contribution of activities to the sustainability objectives by establishing the TSC for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

Furthermore, Delegated Regulation (EU) 2022/1214, amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities, was published on 9 March 2022.

Undertakings that are subject to the obligation to disclose non-financial information under Law 11/2018 of 28 December 2018, which transposed Directive 2014/95/EU of the European Parliament and of the Council, are required to disclose the extent to which their activities are in line with the Taxonomy.

Delegated Regulation (EU) 2021/2178 of 6 July 2021, supplementing Regulation 2020/852, specifies the content and presentation of information to be disclosed by undertakings subject to the Non-Financial Reporting Directive (NFRD).

In this connection, the aforementioned requirements laid down in Delegated Regulation (EU) 2021/2178 are fulfilled in this section, based on the activity data for 2023. To continue with the taxonomy exercise carried out in the previous year, which concluded with the publication of the eligible financial indicators according to the activities referred to in Delegated Regulation (EU) 2021/2139, the activities identified as eligible according to the mitigation and adaptation criteria established in the Regulation have been reviewed. With regard to Delegated Regulation (EU) 2023/2486, the economic activity eligibility analysis has been performed in relation to the four sustainability objectives that are relevant for the purposes of this report.

10.1. Compliance with the EU Taxonomy

Alba is an investment company the purpose of which is to acquire long-term holdings in listed and unlisted companies operating in various economic sectors. Alba is majority owned by the shareholders of the March Group, one of Spain's leading private family-owned financial groups. Alba currently focuses its investments on listed and unlisted companies and real estate assets.

In accordance with the applicable regulations on the disclosure of non-financial information, the Company must disclose the proportion of eligible and non-eligible and aligned and non-aligned activities according to the EU Taxonomy, in addition to the KPIs associated with Revenues, CapEx and OpEx.

Eligible activities are those listed in Annexes I and II to Regulation 2021/2139 and in Annexes I, II, III and IV to Delegated Regulation 2023/2486, which will potentially contribute to the defined objectives by meeting the technical criteria established for the climate change mitigation and adaptation objectives. Non-eligible activities would therefore be those which do not comply with the relevant provisions and/or are not included in the list of Taxonomy-eligible activities defined in the legislation.

Aligned activities are those which are considered eligible and meet the criteria of substantial contribution (SCC) to one of the set objectives (mitigation or adaptation), which ensure that they do no significant harm to the other objectives (DNSH) and which are carried out in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (Minimum Social Safeguards). Non-aligned eligible activities are thus those which do not meet any of the requirements of the aforementioned alignment analysis phases (SCC, DNSH and Safeguards).

10.2. Analysis and calculation procedure

In order to calculate the indicators required by the EU Sustainable Finance Taxonomy, an eligibility analysis was conducted on the activities pursued by Alba in 2023 and by its Subsidiaries up to the first quarter of 2023.

The analysis was based on a description of the various activities carried out by the companies. Furthermore, in order to avoid double counting, the percentages allocated to just one activity were accounted for. The different indicators required by the relevant regulations were determined for each of them, including the calculation of the numerator and denominator for Alba's Revenue, CapEx and OpEx figures at the end of 2023, and those of its Subsidiaries at the 31 March 2023 close.

- Revenues: the proportion of turnover referred to in article 8(2)(a) of Regulation (EU) 2020/852 was calculated as the proportion of net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by net turnover (denominator) as defined in article 2(5) of Directive 2013/34/EU.
- CapEx: this includes the calculation of the CapEx figure associated with activities classed as eligible following the analysis performed on Alba and its

Subsidiaries. The numerator shall include the part of the capital expenditure included in the denominator that:

a) is related to assets or processes that are associated with Taxonomy-aligned economic activities;

b) is part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ("CapEx plan") under the conditions specified in the second subparagraph of this point 1.1.2.2 (relating to the "CapEx plan");

c) is related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in sections 7.3 to 7.6 of Annex I to the CDA, as well as other economic activities listed in the delegated acts adopted pursuant to articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

The denominator of the CapEx indicator shall cover additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for 2023 in the case of Alba and the first quarter of 2023 in the case of its Subsidiaries, excluding fair value changes.

- OpEx: this includes the calculation of the Taxonomy-eligible OpEx figure associated with the activities deemed eligible in the analysis. It is equal to the part of the operating expenditure included in the denominator that:

a) is related to assets or processes that are associated with Taxonomy-aligned economic activities;

b) is part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned as set out in the second paragraph of this point 1.1.2.2; and

c) is related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in sections 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

It includes direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Since the information systems of Alba and its Subsidiaries (up to 31 March 2023) do not currently allow the specific data corresponding to the type of expenditure referred to in the regulations to be obtained, and in view of the nature of the activities carried out by these companies, this indicator was prepared on the basis of the "Other Operating Expenses" heading of the Consolidated Annual Accounts of Alba and its Subsidiaries.

Eligibility analysis

For the climate change mitigation and adaptation objectives, the eligible activities resulting from the eligible activities analysis study previously carried out by an independent third party for both Alba and the Subsidiaries covered in this report -the activities of which remained unchanged in 2023- were selected.

An eligibility study was carried out in respect of the other objectives set out in Regulation 2023/2486 for the preparation of this report. To determine the eligibility of the economic activities of Alba in 2023, and those of its Subsidiaries up to 31 March 2023, account was taken of whether they are described in the relevant Regulations. The NACE codes stated in the descriptions also served as a guideline without being a prerequisite.

Neither Alba nor its Subsidiaries (in the first quarter of 2023) carried out any eligible activities per the descriptions of the objectives provided for in Regulation 2023/2486.

Eligible activity alignment analysis

On identifying the eligible activities, the criteria set out in Annexes I and II to the Climate Delegated Regulation were then reviewed and analysed.

The technical interpretation of the activities identified as eligible, on which the alignment analysis was carried out, is detailed below:

- Activities that contribute to climate change mitigation:

Activity 7.7 Acquisition and ownership of buildings: The acquisition of real estate and exercise of the ownership rights over such assets carried out by Alba Patrimonio Inmobiliario, S.A. in respect of five buildings located in Madrid are considered here. All of these buildings were constructed prior to 31 December 2020. Thus, according to the TSC, in order to contribute substantially to the climate change mitigation objective, they should at least have a class A energy performance certificate or, alternatively, be among the 15% most energy efficient buildings in the national or regional building stock in terms of primary energy demand. Also, as large non-residential buildings, they need to be managed efficiently through energy efficiency monitoring and assessment.

The analysis performed at the 2023 close suggests that there is no energy performance certificate such as the one referred to in the TSC; nor are there any plans to control or assess the energy efficiency of the buildings considered. It is thus concluded that this activity could not be classed as aligned as it does not comply with the TSC. Likewise, for the purposes of complying with the DNSH criteria and, specifically, the climate change adaptation objective, no analysis has been conducted on physical climate risks or specific plans for adaptation to climate change in these buildings; although Alba has implemented a number of the mechanisms required by the Minimum Social Safeguards provided for in the Regulation, at corporate level.

In future years, work will be done to analyse the steps required in order to adapt to these criteria with a view to aligning the Company's business model with the requirements laid down in the Regulation, thus supporting the transition towards a more sustainable economy.

10.3. Results in 2023

The analysis shows that the Subsidiaries had no eligible activities during the first quarter of 2023, while 22.48% of Alba's Revenues, 32.92% of its CapEx and 23.51% of its OpEx were Taxonomy-eligible. However, the analysis did not reveal any activities that were actually aligned with the Taxonomy.

The information contained in this report considers the methodology applied by Alba and its Subsidiaries, as well as the results obtained in the second exercise performed to comply with Sustainable Finance Taxonomy Regulation 2020/852. Nonetheless, changes in sectoral interpretations and positions, the development of new implementing guidelines and the publication of the remaining four environmental objectives could lead to amendments to, or the restatement of, the information set out in this analysis.

Moreover, the activities of Alba and its Subsidiaries are unrelated to nuclear energy and fossil gas for the purposes of Regulation 2022/1214.

The results of the analysis are detailed below:

2023	2023			Substantial contribution criteria						Do no significant harm criteria (DNSH)									
Economic activities (net revenues)	Code	Turnover	Proportion of turnover, 2023	Climate change mitigation	Climate change adaptation	Groundwater resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of turnover that complies with the Taxonomy (A.1) or is from eligible activities under the Taxonomy (A.2), 2022	Category (enabling activity)	Category (transitional activity)
	CCM	€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7.	0.00	0.00%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	Y	0.00%		
Turnover from environmentally sustainable activities (Taxonomy- aligned) (A.1)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N	N	N	N	N	N	Y	0.00%	-	-
Of which: enabling		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N	N	N	N	N	N	Y	0.00%		-
Of which: transitional		0.00	0.00%	0.00%	-	-	-	-	-	N	N	N	N	N	N	Y	0.00%	-	
A.2. Taxonomy-eligible activities but not environmentally sustainable (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	-	-	-	-	-	-	-	-	-	-
Acquisition and ownership of buildings	CCM7.7.	14,700,000.00	28.99%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	7.60%	-	-
Turnover from taxonomy-eligible activities but not environmentally sustainable (not taxonomy aligned) (A.2)		14,700,000.00	28.99%	28.99%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	8.20%	-	-
A. Turnover from sustainable activities under the Taxonomy (A.1 + A.2.)		**14,700,000.00**	**28.99%**	28.99%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	8.20%	-	-
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover from taxonomy-non-eligible activities		36,000,000.00	71.01%																
TOTAL turnover (A + B)		**50,700,000.00**	**100.0%**																

	Proportion of turnover / total turnover	
	that is taxonomy aligned by objective	taxonomy-eligible, by objective
CCM	**0.00%**	**28.99%**
CCA	**0.00%**	**0.00%**
WTR	**0.00%**	**0.00%**
CE	**0.00%**	**0.00%**
PPC	**0.00%**	**0.00%**
BIO	**0.00%**	**0.00%**

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

2023	2023			Substantial contribution criteria						Do no significant harm criteria (DNSH)									
Economic activities (Investment; CapEx)	Code	CapEx	Proportion of CapEx, 2023	Climate change mitigation	Climate change adaptation	Groundwater resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Groundwater resources	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of CapEx that complies with the Taxonomy (A.1) or is from eligible activities under the Taxonomy (A.2), 2022	Category (enabling activity)	Category (transitional activity)
	CCM	€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7.	0.00	0.00%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	Y	0.00%		
CapEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N	N	N	N	N	N	Y	0.00%	-	-
Of which: enabling		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N	N	N	N	N	N	Y	0.00%		-
Of which: transitional		0.00	0.00%	0.00%	-	-	-	-	-	N	N	N	N	N	N	Y	0.00%	-	
A.2. Taxonomy-eligible activities but not environmentally sustainable (Not-taxonomy-aligned)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	-	-	-	-	-	-	-			
Acquisition and ownership of buildings	CCM 7.7.	2,700,000.00	49.08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	2.60%	-	-
CapEx from taxonomy-eligible activities but not environmentally sustainable (Not taxonomy-aligned) (A.2)		2,700,000.00	49.08%	49.08%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	2.60%	-	-
A. CapEx from sustainable activities under the Taxonomy (A.1 + A.2.)		**2,700,000.00**	**49.08%**	49.08%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	2.60%	-	-
B. TAXONOMY-NON-ELIGIBLE ACTIVITY																			
CapEx from taxonomy-non-eligible activities		2,801,129.19	50.92%																
TOTAL (A + B)		**5,501,129.19**	**100.0%**																

	Proportion of CapEx/total CapEx	
	that is taxonomy-aligned by objective	taxonomy-eligible, by objective
CCM	**0.00%**	**49.08%**
CCA	**0.00%**	**0.00%**
WTR	**0.00%**	**0.00%**
EC	**0.00%**	**0.00%**
PPC	**0.00%**	**0.00%**
BIO	**0.00%**	**0.00%**

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

2023	2023			Substantial contribution criteria						Do no significant harm criteria (DNSH)									
Economic activities (Expenses; OpEx)	Code	OpEx	Proportion of OpEx, 2023	Climate change mitigation	Climate change adaptation	Groundwater resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Groundwater resources	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of OpEx that complies with the Taxonomy (A.1) or is from eligible activities under the Taxonomy (A.2) 2022	Category (enabling activity)	Category (transitional activity)
	CCM	€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7.	0.00	0.00%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	Y	0.00%		
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N	N	N	N	N	N	Y	0.00%	-	-
Of which: enabling		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N	N	N	N	N	N	Y	0.00%		-
Of which: transitional		0.00	0.00%	0.00%	-	-	-	-	-	N	N	N	N	N	N	Y	0.00%	-	
A.2. Taxonomy-eligible activities but not environmentally sustainable (Not-taxonomy-aligned)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	-	-	-	-	-	-	-			
Acquisition and ownership of buildings	CCM 7.7.	693,967.07	30.73%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.60%		
OpEx from taxonomy-eligible activities but not environmentally sustainable (not taxonomy-aligned) (A.2)		693,967.07	30.73%	30.73%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	0.40%	-	-
A. OpEx from sustainable activities under the Taxonomy (A.1 + A.2.)		**693,967.07**	**30.73%**	30.73%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	0.40%	-	-
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx from Taxonomy-non-eligible activities		1,564,290.43	69.27%																
TOTAL (A + B)		**2,258,257.50**	**100.0%**																

	Proportion of OpEx/total OpEx	
	that is taxonomy-aligned by objective	taxonomy-eligible, by objective
CCM	**0.00%**	**30.73%**
CCA	**0.00%**	**0.00%**
WTR	**0.00%**	**0.00%**
EC	**0.00%**	**0.00%**
PPC	**0.00%**	**0.00%**
BIO	**0.00%**	**0.00%**

Column	Nuclear energy-related activities	
1.	The company conducts, finances or is exposed to research, development, demos and deployment of innovative electricity generation facilities that produce energy from nuclear processes with a minimal fuel cycle waste.	NO
2.	The company conducts, finances or is exposed to the construction and safe operation of new nuclear facilities to produce electricity or process heat, including for district heating or industrial process purposes, such as hydrogen production, as well as their safety upgrades, using the best available technologies.	NO
3.	The company conducts, finances or is exposed to the safe operation of existing nuclear facilities that produce electricity or process heat, including for district heating or industrial process purposes, such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas-related activities	
4.	The company conducts, finances or is exposed to the construction or operation of electricity generation facilities that produce electricity from gaseous fossil fuels.	NO
5.	The company conducts, finances or is exposed to the construction, renovation and operation of combined heat/cool and electricity generation facilities using gaseous fossil fuels.	NO
6.	The company conducts, finances or is exposed to the construction, renovation and operation of heat generation facilities that produce heat/cool using gaseous fossil fuels.	NO

Nuclear energy and fossil gas-related activities

6. Table of contents of the non-financial information statement

Content required under Law 11/2018 NFIS		**Standard applied**	**Section of the report**	**Page of the report**
	– Resources allocated to preventing environmental risks	GRI 3-3	7.1 Information regarding environmental issues - Policies	Page 31
	– Application of the precautionary principle	GRI 3-3	7.1 Information regarding environmental issues - Policies	Page 31
	– Provisions and guarantees for environmental risks	GRI 2-27	Note 1 of the consolidated annual accounts of Corporación Financiera Alba, S.A. and subsidiaries for 2023	
Pollution	– Measures adopted to prevent pollution	GRI 3-3	7.2.1 Energy and climate change	Page 33
Circular economy and waste prevention and manageme nt	– Prevention and waste management measures	GRI 3-3	7.2.2 Sustainable resource use and circular economy	Page 36
Sustainable use of resources	– Water consumption	GRI 303-5	7.2.2 Sustainable resource use and circular economy	Page 36
	– Raw materials used	GRI 301-1	7.2.2 Sustainable resource use and circular economy	Page 36
	– Direct and indirect consumption of energy – Measures taken to improve energy efficiency – Use of renewable energies.	GRI 3-3, GRI 302-1 , GRI 302-2 , GRI 302-4	7.2.1 Energy and climate change	Page 33
Climate change	– Greenhouse gas emissions (GHG)	GRI 305-1 GRI 305-2	7.2.1 Energy and climate change	Page 33
	– Measures to adapt to climate change	GRI 3-3	7.2.1 Energy and climate change	Page 33
	– Targets to reduce GHG emissions	GRI 3-3	7.2.1 Energy and climate change	Page 33
Protection of biodiversity	– Measures to preserve and restore biodiversity	GRI 3-3	Not material	
	– Impacts caused by activities	GRI 304-3	Not material	

Content required under Law 11/2018 NFIS		**Standard applied**	**Section of the report**	**Page of the report**
	Information on social and employee-related issues			
Policies	− Management approach	GRI 3-3	5. Non-financial policies applicable	Page 13
			6. Information on social and employee-related issues	Page 15
Risks	− List of material topics	GRI 3-2	4. Double materiality analysis	Page 10
			6. Information on social and employee-related issues	Page 15
Employment	− Total number and distribution of employees by gender, age, country and professional category	GRI 2-7, GRI 405-1	6.1.1. Distribution of employees by gender, age, country and professional category	Page 16
			6.4. Employees abroad	Page 24
	− Total number and distribution of types of employment contract.		6.1.2. Types of employment contract	Page 17
	− Average annual number of permanent, temporary and part-time contracts, by gender, age and professional category		6.1. Information on employees	Page 16
			6.1.3. Type of working day	Page 19
	− Number of dismissals by gender, age and professional category		6.1.4. Dismissals	Page 20
	− Average pay by gender, age and professional category or like value	GRI 405-2	6.2.1. Average remuneration of employees	Page 21
	− Pay gap		6.2.3. Pay gap	Page 24
	− Remuneration of like positions or average remuneration in the company		6.2.1. Average remuneration of employees	Page 21
	− Average remuneration of directors and management by gender.		6.2.1. Average remuneration of employees	Page 21

Content required under Law 11/2018 NFIS		Standard applied	Section of the report	Page of the report
			6.2.2. Average remuneration of the Board of Directors	Page 22
	– Measures to disconnect from work	GRI 3-3	6.5. Organisation of work	Page 25
	– Employees with disabilities	GRI 405-1	6.3. Employees with disabilities	Page 24
Organisation of work	– Organisation of working hours	GRI 3-3	6.5. Organisation of work	Page 25
	– Number of hours of absenteeism	GRI 403-9	6.5.1 Occupational absenteeism	Page 26
	– Measures adopted to facilitate the work-life balance	GRI 3-3	6.5. Organisation of work	Page 26
Health and safety	– Occupational health and safety conditions	GRI 3-3	6.6. Health and safety	Page 27
	– Accident indicators disaggregated by gender	GRI 403-9	6.6. Health and safety	Page 27
	– Occupational illnesses	GRI 403-10	6.6. Health and safety	Page 27
Social relations	– Organisation of social dialogue	GRI 3-3	6.7. Social relations	Page 28
	– Percentage of employees covered by a collective bargaining agreement	GRI 2-30	6.7. Social relations	Page 28
	– Assessment of collective bargaining agreements in the field of occupational health and safety	GRI 3-3	6.7. Social relations	Page 28
	– Mechanisms and procedures that the company has in place to promote the involvement of workers in its management, in terms of information, consultation and participation	GRI 3-3	6.7. Social relations	Page 28
Training	– Training policies	GRI 3-3	6.8. Training	Page 29
	– Total hours of training by professional category	GRI 404-1	6.8. Training	Page 29

Content required under Law 11/2018 NFIS		**Standard applied**	**Section of the report**	**Page of the report**
Accessibility	– Universal accessibility for people with disabilities	GRI 3-3	6.9. Accessibility and equality	Page 30
Equality	– Gender equality measures	GRI 3-3	5. Non-financial policies applicable	Page 13
			6.9. Accessibility and equality	Page 30
	– Equality plans		5. Non-financial policies applicable	Page 13
			6.9. Accessibility and equality	Page 30
	– Measures adopted to promote employment		6.9. Accessibility and equality	Page 30
	– Protocols to combat sexual and gender-based harassment		5. Non-financial policies applicable	Page 13
			6.9. Accessibility and equality	Page 30
	– Universal accessibility for people with disabilities		6.9. Accessibility and equality	Page 30
	– Policies against discrimination and diversity management	GRI 3-3	5. Non-financial policies applicable	Page 13
			6.9. Accessibility and equality	Page 30
	Information about respect for human rights			
Policies	– Management approach	GRI 3-3	8.1. Ethical behaviour and respect for human rights	Page 39
Risks	– Material topics	GRI 3-2	4. Alba's dual materiality analysis	Page 10
			8.1. Ethical behaviour and respect for human rights	Page 39
Human rights	– Implementation of due diligence procedures	GRI 2-23, GRI 2-26, GRI 406-1	8.1. Ethical behaviour and respect for human rights	Page 39
	– Measures to prevent and manage any potential abuses committed			
	– Reported human rights violations			

Content required under Law 11/2018 NFIS		Standard applied	Section of the report	Page of the report
	− Promotion of and compliance with ILO provisions			
Information about the fight against corruption and bribery				
Policies	− Management approach	GRI 3-3	8.2. Anti-corruption and anti-bribery management	Page 40
Risks	− Material topics	GRI 3-2	4. Alba's dual materiality analysis	Page 10
			8.2 Action to combat corruption and bribery	Page 40
Corruption and bribery	− Measures to prevent corruption and bribery	GRI 2-23, GRI 2-26	8.2 Action to combat corruption and bribery	Page 40
	− Measures to combat money laundering	GRI 2-23, GRI 2-26	8.2 Action to combat corruption and bribery	Page 40
	− Contributions to foundations and non-profit organisations	GRI 3-3	9.1. Alba's commitments to sustainable development	Page 41
Information about the company				
Policies	− Management approach	GRI 3-3	9.1. Alba's commitments to sustainable development	Page 41
Risks	− Material topics	GRI 3-2	4. Alba's dual materiality analysis	Page 10
			9.1. Alba's commitments to sustainable development	Page 41
Company commitments to sustainable development	− Impact of the company's activity on employment and local development	GRI 2-6, GRI 3-3	9.1. Alba's commitments to sustainable development	Page 41
	− Impact of the company's activity on local populations and the local area			Page 41
	− Relationships with local communities	GRI 2-29	9.1. Alba's commitments to sustainable development	Page 41
	− Association and sponsorship actions	GRI 2-28	9.1. Alba's commitments to sustainable development	Page 41

Content required under Law 11/2018 NFIS		**Standard applied**	**Section of the report**	**Page of the report**
Subcontractors and suppliers	– Inclusion of ESG issues in the purchasing policy	GRI 3-3, GRI 308-1, GRI 414-1	9.2. Subcontractors and suppliers	Page 44
	– Attention given to social and environmental responsibility in relations with suppliers and subcontractors		9.2. Subcontractors and suppliers	Page 44
	– Oversight and audit systems and results thereof		9.2. Subcontractors and suppliers	Page 44
Consumers	– Consumer health and safety measures	GRI 3-3	9.3 Consumers	Page 45
	– System for managing complaints and grievances received	GRI 3-3	9.3 Consumers	Page 45
Tax information	– Profits obtained by country	GRI 207-4	Note 24 of the consolidated annual accounts of Corporación Financiera Alba, S.A. and subsidiaries for 2023	
	– Corporate income tax paid		Note 22 of the consolidated annual accounts of Corporación Financiera Alba, S.A. and subsidiaries for 2023	
	– Government grants received	GRI 201-4	In 2023, Corporación Financiera Alba, S.A. and its subsidiaries did not receive any subsidies from the public authorities	
EU Taxonomy	– Key EU Taxonomy performance indicators for non-financial entities: % of revenue, CapEx and OpEx linked to Taxonomy Regulation eligible and aligned activities	N/A	10. EU Sustainable Finance Taxonomy	Page 48

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APPROVAL BY THE BOARD

At its meeting held on 18 March 2024, the Board of Directors of Corporación Financiera Alba, S.A. approved this directors' report, written on 14 pages (excluding this final page and the appendices), 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 2023, which were authorised for issue at the meeting held on 18 March 2024 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 2023, and of the consolidated results of its operations, changes in consolidated equity and consolidated cash flows of Corporación Financiera Alba, S.A. and the companies included in the consolidated Group taken 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 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 member	Ms Claudia Pickholz Board Board member
Ms Ana María Plaza Arregui Board member	Mr Antón Pradera Jaúregui Board member
Mr José Ramón del Caño Palop Non-executive secretary	

Corporación Financiera Alba, S.A. and subsidiaries

Independent Assurance Report on the Consolidated Non-Financial Information Statement (NFIS)

31 December 2023

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

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

Independent Assurance Report on the Consolidated Non-Financial Information Statement of Corporación Financiera Alba, S.A. and subsidiaries for 2023

(Free 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.

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of Corporación Financiera Alba, S.A. (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2023, which forms part of the accompanying consolidated Directors' Report of the Group for 2023.

The NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. Our work was limited exclusively to providing assurance on the information identified in the "Non-Financial Information Statement Table of Contents" table of the accompanying NFIS.

Directors' Responsibility

The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in the Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on each subject area in the "Non-Financial Information Statement Table of Contents" table of the aforementioned NFIS.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
N.I.F. B-78510153

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Our firm applies International Standard on Quality Management 1 (ISQM1), which requires the firm to design, implement and operate a quality management system that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on 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. We conducted our engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

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 of making inquiries of management and of the different units and areas of the Group that participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2023 based on the materiality analysis performed by the Group and described in the "Analysis of Alba's double materiality" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2023.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2023.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2023 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Corporación Financiera Alba, S.A. and subsidiaries for the year ended 31 December 2023 has not been prepared, in all material respects, in

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accordance with prevailing mercantile legislation and the selected GRI Standards based on each subject area in the "Non-Financial Information Statement Table of Contents" table of the aforementioned NFIS.

Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and the delegated acts promulgated in accordance with this Regulation, stipulate the obligation to disclose information on how and to what extent the undertaking's activities are associated with eligible economic activities relating to the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems (the other environmental objectives), and relating to certain new activities included in the objectives of climate change mitigation and adaptation. This obligation applies for the first time for the 2023 fiscal year, in addition to the information related to eligible and aligned activities required in 2022 associated with the climate change mitigation and climate change adaptation objectives. Consequently, no comparative information on eligibility has been included in the accompanying NFIS in relation to the other environmental objectives listed above or to the new activities included in the 15 climate change mitigation and climate change adaptation objectives. Furthermore, inasmuch as the information relating to 2022 was not required to be as detailed as in 2023, the disclosures included in the accompanying NFIS are not strictly comparable. In addition, the directors of Corporación Financiera Alba, S.A. have included information on the criteria which, in their opinion, allow them to comply better with these obligations and which are defined in the "EU Taxonomy for Sustainable Finances" section of the accompanying NFIS. Our conclusion is not modified in respect of this matter.

Other Matters

On 25 April 2023, a different assurance provider issued a favourable independent assurance report on the Consolidated Non-Financial Information Statement of Corporación Financiera Alba, S.A. and subsidiaries for 2022.

Use and Distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Auditores, S.L.

This report corresponds to stamp number 01/24/01656 issued by the Spanish Institute of Registered Auditors