



ALBA: PORTFOLIO AND RESULTS **OF THE FIRST HALF OF 2021**

- The net consolidated result amounted to €121.9 million in the first half of 2021, compared to losses of €24 million in the same period of the previous year due to the lower activity in most of our investee companies as a result of the COVID-19 crisis. This improvement is due to the greater income obtained by some of our subsidiaries and the positive performance in the fair value of other financial investments in companies registered at fair value.
- Net Asset Value (NAV) increased by 9.3% in the first half of the year to €4,702 million at 30 June 2021, equivalent to €80.74 per share. Alba's share price ended the first half of the year at €46.00 per share.
- During the first half of the year, Alba invested €197 million and sold assets for a total amount of €115 million. However, the significant volume of distributions received from investees, particularly Verisure, increased Alba's net cash position¹ to €596 million at 30 June 2021.
- In June, Alba distributed a final dividend of €0.50 gross per share to its shareholders, representing a disbursement of €29 million.

I. MOST SIGNIFICANT TRANSACTIONS

The investments made by Alba in the first half of the year were as follows:

- Acquisition of a 3.1% stake in Befesa for €70 million, in the context of the capital increase carried out by Befesa for the acquisition of American Zinc Recycling in the United States. With this investment, Alba increased its stake in Befesa to 5.1%.
- Purchase of an additional 0.93% interest in Viscofan for €25 million. With this purchase, Alba increased its stake in Viscofan to 13.97%.
- Financial investments in various listed companies for a total amount of €102 million.

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

- The sale, through Deyá Capital, of the entire stake (16.8%) in Alvinesa's share capital for €48 million. As part of this investment, Alba has obtained an IRR of 44.9% per annum over the 4.1 years it has been a shareholder in it.
- Sale of a 1.56% stake in Acerinox for €49 million, reducing its stake to 17.79% at the end of the first half of the year.
- Sale of a real estate property in Madrid for €9 million. Alba has obtained an IRR of 16.3% per annum for 21 years.
- Sale of a 0.54% stake in Indra for €8 million. With this sale, Alba reduced its stake in Indra to 9.98%.

¹ As at 30 June 2021, Satlink, Nuadi and Preving are consolidated by the full consolidation method. All comments made in this document concerning Alba's cash position refer exclusively to that of Alba, excluding the consolidated net debt of Satlink, Nuadi and Preving.

II. EVOLUTION OF THE MAIN INVESTEE COMPANIES¹

- In the first half of 2021, **Acerinox** achieved the best biannual results since early 2007. Sales rose 31.5% versus the same period of the previous year, to €3,066 million, thanks to the good performance of volumes and prices. Adjusted EBITDA was €378 million, 2.3 times higher than in the same period of the previous year, supported by the increase in sales and greater efficiency in terms of costs. Half-year net income was €203 million, compared to €2 million in the first half of 2020. Net financial debt at 30 June 2021 decreased by 3.9% compared to the same date of the previous year, to €838 million.
- The turnover of **CIE Automotive** amounted to €1,682 million in the first half, 39.2% higher than in the same period of 2020, showing above-market growth in all geographies. Excluding the impact of foreign exchange rates, sales would have increased by 48.0%. EBITDA increased by 97.3% compared to the first half of 2020, to €303 million. Net income increased 154.2% to €148 million. Adjusted net financial debt at 30 June 2021 was €1,533 million.
- **Ebro Foods** reported sales of €1,380 million in the first half of 2021, 7.3% lower than in the same period of the previous year, mainly due to the strong growth experienced in 2020 by COVID-19. EBITDA for the first half of the year fell to €177 million, 6.0% lower than in the same period of 2020, due to both the drop in sales and the increase in the cost of raw materials and logistics costs. However, compared to the first half of 2019, at a constant perimeter, sales grew by 13.2% and EBITDA by 16.2%. Meanwhile, the net profit increased by 4.3% to €107 million, favoured by the net capital gain obtained in the sales of assets made in North America. The net financial debt as of 30 June 2021 remained stable at €948 million.
- The turnover of **Euskaltel** grew to €348 million in the first half of 2021, 1.5% higher than the same period last year, supported by the consolidation of the launch of the Virgin brand and by the growth in the Companies and Wholesaler segments. The EBITDA decreased to €147 million, 16.1% lower than the first half of 2020, due to market impairment and the strong growth of Virgin. The semi-annual net result was reduced to losses of €6 million. Reported net financial debt increased to €1,510 million at 30 June 2021, 3.3% higher than at the same date of the previous year.
- The turnover of **Indra** was €1,618 million in the first half of 2021, 9.0% higher than in the same period of the previous year (+11.6% in local currency), due to the recovery in sales both in the Transport & Defence business (+15.5% reported and +16.2% in local currency) and in the Minsait division (+5.6% reported and +9.3% in local currency) and the incorporation of SmartPaper to the consolidation perimeter on 1 January. EBIT and net income for the first half amounted to €100 million and €55 million respectively, compared to negative EBIT and net income of -€78 million and -€75 million respectively in the first half of 2020, and in both cases results well above those of the first half of 2019. As of 30 June 2021, the net financial debt reached €546 million (18.5% lower than that of the same date of 2020).
- **Naturgy** obtained sales of €9,130 million in the first half of 2021, 17.4% higher than in the same period of the previous year, due to the increase in demand and energy prices, which offset the negative effect of the depreciation of Latin American currencies against the euro. Reported EBITDA for the period was €1,678 million, 3.8% lower than in the first half of 2020. However, if non-ordinary elements such as restructuring costs were eliminated, EBITDA would have increased by 2.7% in the first half. Net income for the first half was €484 million, 44.9% higher than in the same period of 2020. Net financial debt at 30 June 2021 was €13,611 million, 8.8% lower than at the same date of the previous year.
- **Verisure**, a company that also operates under the “Securitas Direct” brand, posted revenues of €1,222 million in the first half of 2021, up 22.2% year-on-year. This improvement was driven by growth in the customer portfolio, which increased by 15.9% to over 4.0 million

¹ The evolution of results of Parques Reunidos is not presented since they have not been made public.

customers as of 30 June. Adjusted EBITDA from the customer portfolio at the beginning of the year amounted to €720 million in the period, 19.3% higher than in the first half of 2020. The total adjusted EBITDA reached €526 million, 20.2% higher than the same period in 2020. Net income amounted to €18 million, compared to a negative net result of -€69 million in the first half of the previous year. Net financial debt at 30 June 2021 amounted to €7,029 million.

- **Viscofan's** sales in the first half of 2021 increased by 4.2% year-on-year to €466 million, driven by growth in the volume of casings and an improved price mix, despite the negative impact of exchange rate movements. In comparable terms, sales would have increased by 9.9% from the six-month period of the previous year. Half-year EBITDA increased by 10.1% to €121 million, due to higher revenues, cost control and production efficiencies achieved. Net income amounted to €64 million, 11.8% higher than in the same period of 2020. As at 30 June 2021, Viscofan's net bank debt was €6 million, compared to €44 million on the same date of 2020.

III. INVESTMENT PORTFOLIO

The composition of Alba's portfolio at 30 June 2021 is as follows (€ million):

	<u>Stake %</u>	<u>Fair value (1)</u>
LISTED HOLDINGS		2,996
Acerinox	17.79	490
Befesa	5.10	132
CIE Automotive	12.73	389
Ebro Foods	14.00	382
Euskaltel	11.00	216
Global Dominion	5.00	37
Indra	9.98	136
Naturgy (2)	5.44	727
Viscofan	13.97	382
Short term investments		105
Total market value		2,996
Total book value	2,553	
Unrealised gains	443	
UNLISTED HOLDINGS		751
Parques Reunidos	24.98	
Verisure (excluding minorities)	6.24	
<u>Through Deyá Capital</u>		
Alvic	7.76	
in-Store Media	18.89	
Monbake	3.70	
Nuadi (3)	37.43	
Preving (3)	24.81	
Satlink (3)	28.07	
Telepizza	3.27	
REAL ESTATE		307

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- (1) Closing price at 30 June for listed companies, external valuation for unlisted companies, except the internal one for In-Store Media and external appraisal for real estate.
(2) This includes an indirect stake of 5.33% and a direct stake of 0.11%.
(3) Consolidated by global integration.

IV. NET ASSET VALUE (NAV)

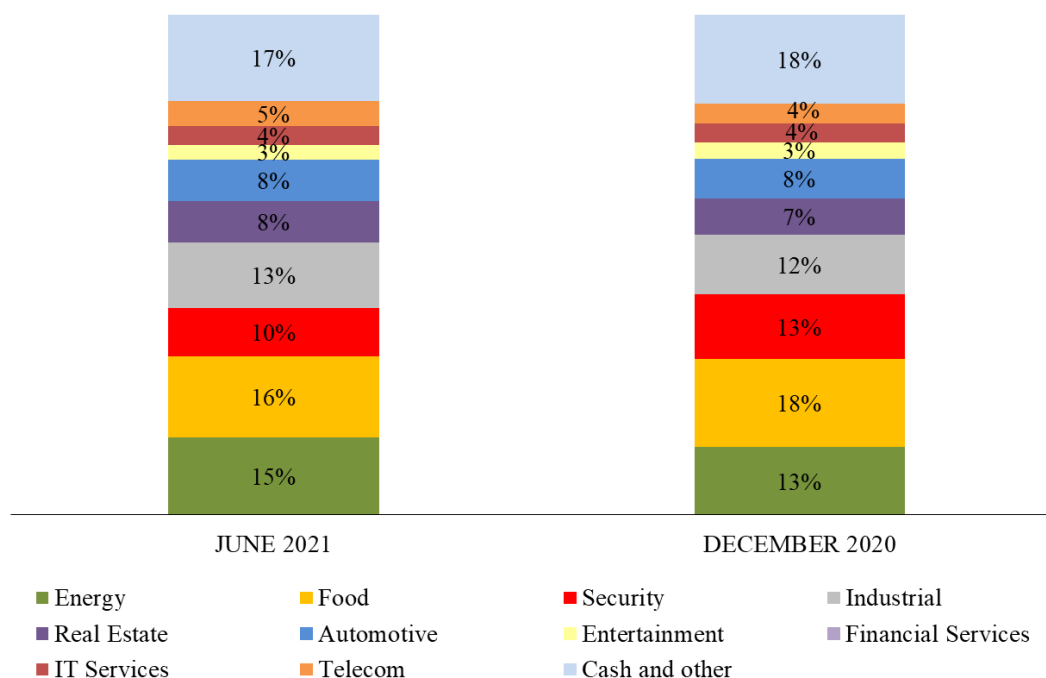
The most representative measure of a company like Alba is its Net Asset Value (NAV). Calculated according to the criteria commonly used in the market, at 30 June 2021, Alba's NAV before tax amounted to €4,702 million or €80.74 per share, representing an increase of 9.3% over the six-month period.

	<i>Million euros</i>	
	30/06/2021	31/12/2020
Listed holdings	2,996	2,530
Unlisted holdings	751	868
Real Estate	307	313
Other assets and liabilities	52	70
Net cash (including fixed income)	596	523
Net asset value	4,702	4,304
Million shares	58.24	58.24
Net asset value / share	80.74 €	73.89 €

Satlink, Nuadi and Preving are included at fair value.

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

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



(1) Closing price at 30 June 2021 for listed companies, external valuation for unlisted companies, except the internal one for In-Store Media and external appraisal for real estate.

VI. CONSOLIDATED RESULTS

CONSOLIDATED INCOME STATEMENT ⁽¹⁾

	Million euros	
	30/06/2021	30/06/2020
Share of net results of associates	75	(44)
Rental income and other	116	89
<i>Of leases and others</i>	6	9
<i>From other companies by global integration</i>	110	80
Profit / (Loss) on asset sales	7	22
Variation in fair value of financial instruments	45	(17)
Net financial result	1	8
Sum	244	58
Operating expenses	(100)	(74)
<i>From Alba</i>	(16)	(12)
<i>From other companies by global integration</i>	(84)	(62)
Depreciation	(13)	(9)
<i>From other companies by global integration</i>	(13)	(9)
Corporate income tax	(2)	(1)
Minority shareholders	(7)	2
Sum	(122)	(82)
Net result	122	(24)
EPS (€)	2.09	(0.42)

(1) Satlink, Nuadi and Preving are consolidated by global integration.

CONSOLIDATED BALANCE SHEET ⁽¹⁾

	ASSETS	
	Million euros	
	30/06/2021	31/12/2020
Intangible asstes	238	230
<i>Goodwill</i>	93	78
<i>Other intangible asstes</i>	145	152
(a) Real Estate Investments	290	287
(a) Fixed assets	39	30
(b) Investments in Associates	2,505	2,856
(b) Financial assets at fair value through P & L	244	171
(c) Other financial investments and other assets	154	61
Non-current assets	3,470	3,635
(a) (b) Non-current assets held for sale	188	9
Stock	25	18
Outstanding tax refunds	19	36
(b) (c) Other financial assets	604	380
(c) Treasury and temporary financial investments	91	296
Debtors and other assets	63	50
Current assets	990	789
Total assets	4,460	4,424

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

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

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

(c) This relates to the “Net cash (including fixed income)” heading of the NAV.

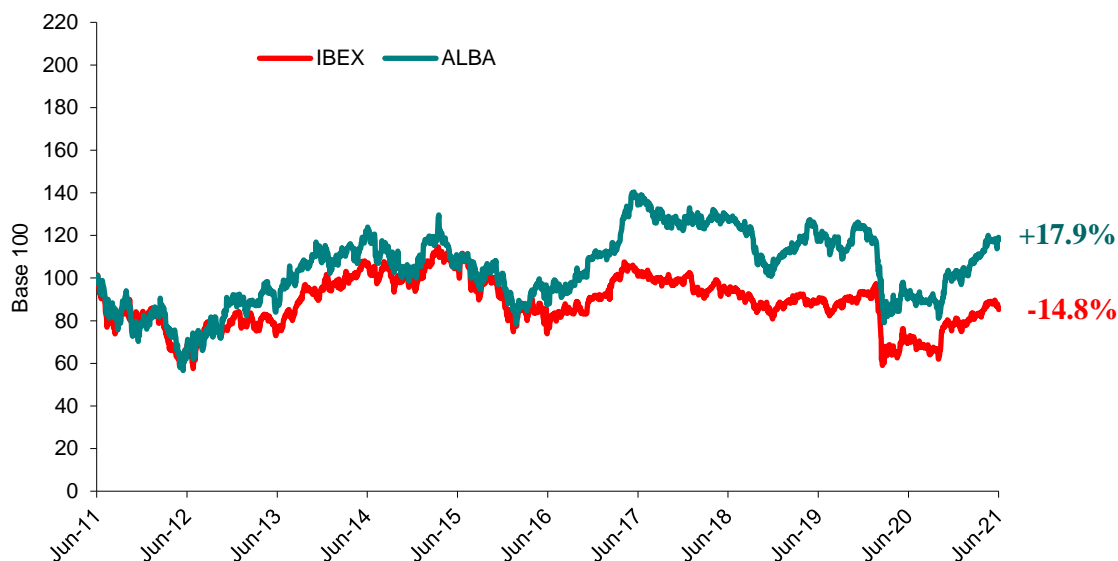
CONSOLIDATED BALANCE SHEET ⁽¹⁾

	LIABILITIES	
	Million euros	
	30/06/2021	31/12/2020
Share capital	58	58
Reserves and treasury stock	3,764	3,889
Earnings for the year	122	(95)
Minority interests	162	182
Shareholders' equity	4,106	4,034
Other non-current liabilities	22	10
Net deferred tax	65	67
(c) Long-term debts with credit institutions	118	202
Non-current liabilities	205	279
(c) Short-term debts with credit institutions	78	50
Current liabilities	72	61
Current liabilities	150	111
Total shareholders' equity and liabilities	4,460	4,424

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

(c) This relates to the "Net cash (including fixed income)" heading of the NAV.

VII. STOCK PRICE PERFORMANCE



- In the first half of 2021, Alba's share price increased by 18.1%, from €38.95 to €46.00, while in the same period the IBEX 35 increased by 9.3% to 8,821 points.

VIII. SUBSEQUENT EVENTS

Since 30 June 2021, Alba has announced the following transactions:

- The agreement to purchase a c.14% interest in Nature Topco UK Limited for an investment of \$295 million. Through this company, Alba acquires an indirect interest of c.14% in the share capital of ERM Worldwide Group Limited. ERM, headquartered in London, is the leading company specialising in environmental, sustainability and health and safety consulting services.
- The agreement to purchase a c.12% interest in KKR Apple Holdings Corporation for an investment of \$350 million. Through this company, Alba acquires an indirect interest of c.12% in the share capital of Atlantic Aviation FBO Holding. With a presence at 69 airports in the United States, Atlantic Aviation is one of the leading providers of airport services for private and corporate aviation in the USA.
- Sale of its entire stake (11.0%) in the share capital of Euskaltel for €216 million, as part of the voluntary takeover bid launched by Grupo MásMóvil. This sale generated a gross capital gain of €28 million.
- The agreement to purchase a c. 24% stake in Profand Fishing Holding through an investment of €100 million, through the purchase of shares and the subscription of a capital increase aimed at supporting the Company's organic and inorganic growth. Profand is one of the leading companies in the fishing sector in Spain and a world leader in cephalopods. It has fishing activities and processing plants in Spain, the United States, Argentina, Morocco, India, Peru and Senegal.
- The purchase of the office building located at Paseo de la Castellana 42 in Madrid for €55 million.