



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 918 858 903  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: GONVARRI MATERIAL HANDLING AS  
Forretningsadresse: Østensjøveien 27  
0661 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Juan Maria Riberas Mera  
Dato for fastsettelse av årsregnskapet: 27.06.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 05.08.2023



## Resultatregnskap

Beløp i: EUR	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Utbytte	13	1 474 000	669 000
<b>Sum inntekter</b>		<b>1 474 000</b>	<b>669 000</b>
<b>Kostnader</b>			
Lønn	3	187 000	267 000
Administrasjon	3	328 000	140 000
Amortisering	11	0	4 000
<b>Sum kostnader</b>		<b>515 000</b>	<b>411 000</b>
<b>Driftsresultat</b>		<b>959 000</b>	<b>258 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern	4	171 000	156 000
Annen renteinntekt	4		3 000
Annen finansinntekt	4		448 000
Netto agio	4		203 000
<b>Sum finansinntekter</b>		<b>171 000</b>	<b>810 000</b>
Rentekostnad til foretak i samme konsern	4	267 000	249 000
Annen rentekostnad	4	41 000	492 000
Annen finanskostnad	4	135 000	5 000
Netto agio	4	114 000	
<b>Sum finanskostnader</b>		<b>557 000</b>	<b>746 000</b>
<b>Netto finans</b>		<b>-386 000</b>	<b>64 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>573 000</b>	<b>322 000</b>
Endring utsatt skatt	9	92 000	-44 000
<b>Ordinært resultat etter skattekostnad</b>		<b>481 000</b>	<b>366 000</b>
<b>Årsresultat</b>		<b>481 000</b>	<b>366 000</b>
<b>Overføringer og disponeringer</b>			
Overføring til annen egenkapital	7	481 000	366 000



## Resultatregnskap

<b>Beløp i: EUR</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Sum overføringer og disponeringer		481 000	366 000



## Balanse

Beløp i: EUR	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Software	11	0	0
Utsatt skattefordel	9	737 000	830 000
<b>Sum immaterielle eiendeler</b>		<b>737 000</b>	<b>830 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	5	86 658 000	86 954 000
Lån til foretak i samme konsern	13	3 630 000	3 598 000
Andre fordringer		648 000	624 000
<b>Sum finansielle anleggsmidler</b>		<b>90 936 000</b>	<b>91 176 000</b>
<b>Sum anleggsmidler</b>		<b>91 673 000</b>	<b>92 006 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Andre fordringer	6	186 000	25 000
Deposit group bank	12	8 731 000	5 959 000
Konsernfordringer	13	2 551 000	2 109 000
<b>Sum fordringer</b>		<b>11 468 000</b>	<b>8 093 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank	12	4 187 000	7 622 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>4 187 000</b>	<b>7 622 000</b>
<b>Sum omløpsmidler</b>		<b>15 655 000</b>	<b>15 715 000</b>
<b>SUM EIENDELER</b>		<b>107 328 000</b>	<b>107 721 000</b>

## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital



### Balanse

<b>Beløp i: EUR</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Innskutt egenkapital</b>			
Kapital	7	228 000	228 000
Annen innskutt egenkapital	7	39 457 000	39 457 000
<b>Sum innskutt egenkapital</b>		<b>39 685 000</b>	<b>39 685 000</b>
<b>Opptjent egenkapital</b>			
Annen EK	7	5 413 000	5 006 000
<b>Sum opptjent egenkapital</b>		<b>5 413 000</b>	<b>5 006 000</b>
<b>Sum egenkapital</b>		<b>45 098 000</b>	<b>44 691 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	10	335 000	208 000
<b>Sum avsetninger for forpliktelser</b>		<b>335 000</b>	<b>208 000</b>
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	8	28 003 000	27 775 000
Annen gjeld	8	648 000	516 000
<b>Sum annen langsiktig gjeld</b>		<b>28 651 000</b>	<b>28 291 000</b>
<b>Sum langsiktig gjeld</b>		<b>28 986 000</b>	<b>28 499 000</b>
<b>Kortsiktig gjeld</b>			
Kortsiktig konserngjeld		1 100 000	988 000
Annen kortsiktig gjeld	8	613 000	520 000
Trukket Group Bank	12	31 531 000	33 023 000
<b>Sum kortsiktig gjeld</b>		<b>33 244 000</b>	<b>34 531 000</b>
<b>Sum gjeld</b>		<b>62 230 000</b>	<b>63 030 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>107 328 000</b>	<b>107 721 000</b>



**Skattedirektoratet**

Saksbehandler Torstein Kinden Helleland	Deres dato 06.12.2017	Vår dato 14.12.2017
Telefon 22078139	Deres referanse Henrik Plaum	Vår referanse 2017/1278059

KPMG AS  
Postboks 7000 Majorstua  
0306 OSLO

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Inceptum 1005 AS, org. nr. 918 858 903**

Vi viser til deres brev av 6. desember 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Inceptum 1005 AS.

Skattedirektoratet gir på bakgrunn av en konkret Inceptum 1005 AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

**Bakgrunn**

Inceptum 1005 AS er eid av det spanske selskap Gonvarri SA. Selskapet driver med reolsystemer og lageroppbevaringssystemer i hele Europa. Selskapet har døtre i England, Tyskland, Romania, Polen, Sverige, Tsjekkia, Slovakia, Ungarn, Danmark, Nederland og Belgia. Det er her driften foregår. Arbeidsspråket er engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

**Skattedirektoratets vurdering**

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal*

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse:  
Se [www.skatteetaten.no](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost)

Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



**Gonvarri Material Handling AS 2021**  
**Annual accounts and notes**

Board of Director's report  
Profit and loss account  
Balance sheet  
Statement of cash flows

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**Auditors' report 2021**

Penneo document key: BEP57-NDJL-0AMT7-FPIWI-UWNOC-BGVD3

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## Gonvarri Material Handling AS (GMH) Organisation number 918 858 903

### Board of Director's report 2021

#### Information about the nature of business and where the business is run

The company's purpose is trade, production and other economic activities, including participation in Norwegian and foreign companies. The company was founded on March 29, 2017 and is located in Oslo municipality, Norway. The company's main activity is investments in, and further development of, subsidiaries in storage systems.

#### Statement of the assumption of continues operations

In the annual accounts, continued operating assumptions are assumed, since in the opinion of the Board there are no circumstances which imply otherwise.

#### Working environment (internal)

The company has two employees at the end of 2021. Services are handled within accounting from Constructor Shared Services AB, Sweden. The working environment is satisfactory. The company had 0 days of sickness absence in 2021. During the year there have been no serious reports of accidents, or accidents that have resulted in material damage or personal injury.

#### Equality

The company's employees consist of two men. Both the board and the company's management are aware of the societal expectations of measures to promote gender equality in the company and the board.

#### External environment (external)

The company does not pollute the external environment.

#### Board liability insurance

The board members and the managing director are covered by a group liability insurance up to an amount of 10.000.000 EUR.

#### Statement of the financial accounts

It is the Board's opinion that the financial statements give a satisfactory description of the company's position year end.

The company's operating expenses are presented net after deduction of certain costs charged to the company's subsidiaries, the cost amounting to 2.320 tEUR in 2021 vs. 2.412 tEUR in 2020.

The company is financed in Euro, mainly by loan from the company's parent company. Earnings in the company's subsidiaries are mainly in Euro, and thus the value of these will also be in Euro. Due to fluctuations in exchange rates in 2021, net unrealized exchange loss is recorded by -114 tEUR, vs. net unrealized exchange profit 203 tEUR in 2020.

Cash flow through the year is negative by -3.436 tEUR with cash flow from operating, investment and financing activities respectively -876 tEUR, 1.770 tEUR and -4.330 tEUR.

The company's short-term debt amounted to 53% of total debt per 31.12.2021 (55% 2020). This year's equity ratio amounts to 42%, up from 41% in 2020.

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## **Impact of the Covid-19 pandemic**

The company is working continuously together with its subsidiaries and owner to manage the impacts of the Covid 19 crisis. All our units are open and our factories are able to produce. We receive raw-materials, manufacture, ship out to customers and install our products at customer sites in all our markets.

We follow closely the cash flow in the group, monitoring the inventory levels, customer receivables are followed up more extensively and we are insuring our receivables with a credit institution. Capital expenditures are kept on a minimum and we utilise the options for governmental support where available.

The main portion of the GMH assets consist of shares in subsidiaries. Within the GMH Group we have a common transfer pricing policy where the sales units will be adjusted to a at least a zero EBIT at year end, therefore there is a low risk for any write down of these shares.

## **Impact of the war in Ukraine**

We are closely following the extraordinary situation in Russia due to the Russia-Ukraine war and sanctions on Russia over its Ukraine invasion, starting late February 2022. The situation is mainly affecting the Russian entity (Constructor RUS), but this also affects other group entities and intra-group transactions with Constructor RUS. We are currently not able to make an estimate of its full financial effect. The last years the Russian entity has received funds through the Group transfer pricing policy, therefore the situation will have limited influence on other operating units within the group.

## **Statement that provides a basis for assessing the company's future development**

The company's equity is recorded at 45.098 tEUR. The corresponding figure for 2020 was 44.691 tEUR. The company's subsidiaries were above the 2021 budget and well above 2020 turnover and result.

It is estimated which values the total assets of the business represent and estimates of value have been made by discounting future cash flows that the subsidiaries are forecasted to generate. It has not been found necessary to write down any assets as of 31.12.2021.

The general economic development in Europe will affect the company's markets.

The Board emphasizes that there is usually considerable uncertainty associated with assessments of future conditions. The pandemic spread of Covid-19 virus has affected all markets and the Ukrainian war brings further uncertainty to the market, both in Russia but also generally throughout Europe. The company is prepared to adapt to significant changes in the market situation as quickly as possible and are, together with the subsidiaries and owner, monitoring the development closely. Please see note 14 subsequent events for more information.

The accounts of the company have been prepared on the basis of continued operations and the Board confirms that this assumption is present, cf. the description of financing and liquidity above.

## **Information of market, liquidity and financial risk**

The company's subsidiaries operate as a general exposure to developments in general economic conditions. These companies have shown earning improvements that have made the Group and, consequently, the parent company more robust for any adverse effects of such fluctuations.

The parent company has partly financed parts of the group and has consequently been exposed to fluctuations in working capital and cash flow in some of the subsidiaries.

The company's equity is 45.098 tEUR, of which paid equity amounts to 39.685 tEUR.

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The Board of Director's recommends the following allocation:

Profit for the Year (EUR 1.000)	481
To retained earnings	-481
Total	0

Oslo, 27 June 2022

Board of Director's in Gonvarri Material Handling AS

\_\_\_\_\_  
Juan Maria Riberas Mera  
Chairman

\_\_\_\_\_  
Jesus Calvo Moreira  
Board member/ MD

\_\_\_\_\_  
Mario Ruiz Escribano  
Board Member

\_\_\_\_\_  
Sergio Rodriguez Cuesta  
Board Member

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## Gonvarri Material Handling AS

### Profit and loss account

<i>in thousands of EUR</i>	Note	1.1-31.12.2021	1.1-31.12.2020
Dividend received	13	1,474	669
<b>Operating income</b>		<b>1,474</b>	<b>669</b>
Wages and other personnel expenses	3	-187	-267
Administration cost	3	-328	-140
<b>Operating profit before depreciation and amortisation</b>		<b>959</b>	<b>262</b>
Depreciation and amortisation	11	-	-4
<b>Operating profit</b>		<b>959</b>	<b>258</b>
Financial income	4	57	810
Financial expenses	4	-442	-746
<b>Profit before tax</b>		<b>573</b>	<b>322</b>
Deferred tax expense	9	-93	44
Other tax expense	9	-	-
<b>Net profit/(loss) from ordinary activities</b>		<b>481</b>	<b>366</b>
Profit/(loss) for the year is distributed as follows:			
Net profit/(loss) from ordinary activities		481	366
Retained earnings	7	-481	-366
<b>Total</b>		<b>-</b>	<b>-</b>

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**Gonvarri Material Handling AS**  
**Balance sheet**

<i>in thousands of EUR</i>	Note	31/12/2021	31/12/2020
<b>Assets</b>			
Intangible assets	11	-	-
Deferred tax asset	9	737	830
Long term receivable group companies	13	3,630	3,598
Other Financial assets		648	624
Shares in subsidiaries	5	86,658	86,954
<b>Total financial assets</b>		<b>91,673</b>	<b>92,006</b>
<b>Total non-current assets</b>		<b>91,673</b>	<b>92,006</b>
Short term receivable group companies	13	2,551	2,109
Other Short-term receivable	6	186	25
Deposit Group Bank	12	8,731	5,959
Cash and cash equivalents	12	4,187	7,622
<b>Total current assets</b>		<b>15,655</b>	<b>15,715</b>
<b>Total assets</b>		<b>107,328</b>	<b>107,721</b>
<b>Equity and liabilities</b>			
Paid in capital		228	228
Share premium reserve		39,457	39,457
<b>Total paid in capital</b>		<b>39,685</b>	<b>39,685</b>
Gain/loss carried forward		5,414	5,006
<b>Total retained earnings</b>		<b>5,414</b>	<b>5,006</b>
<b>Total equity</b>	7	<b>45,098</b>	<b>44,691</b>
Other financial payable		648	516
Long-term debt related parties	8.13	25,922	25,422
Long-term debt to group companies	8.13	2,081	2,353
<b>Total non-current liabilities</b>		<b>28,651</b>	<b>28,291</b>
Pension liability	10	335	208
<b>Total pension liabilities</b>		<b>335</b>	<b>208</b>
Short-term debt related parties	8.13	1,029	652
Short-term debt to group companies	8.13	71	336
Other short-term debt	8	613	520
Drawn Group Bank	12	31,531	33,023
<b>Total current liabilities</b>		<b>33,244</b>	<b>34,531</b>
<b>Total equity and liabilities</b>		<b>107,328</b>	<b>107,721</b>

Oslo, 27 June 2022  
Board of Director's in Gonvarri Material Handling AS

\_\_\_\_\_  
Juan Maria Riberas Mera  
Chairman

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Jesus Calvo Moreira  
Board Member/ MD

\_\_\_\_\_  
Mario Ruiz Escribano  
Board Member

\_\_\_\_\_  
Sergio Rodriguez Cuesta  
Board Member

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## Gonvarri Material Handling AS Statement of cash flows

<i>in thousands of EUR</i>	Note	1.1-31.12.2021	1.1-31.12.2020
Profit before tax		573	322
Net interest expenses		-271	-494
Depreciation and amortization		-	4
Changes in other net operating assets		-1,178	253
<b>Net cash flow from operating activities</b>		<b>-876</b>	<b>85</b>
Dividend received from Group companies		1,474	669
Change in shares in subsidiaries - repayment capital		3,266	-
Change in shares in subsidiaries - purchase shares		-2,970	-8,239
<b>Net cash flow from investing activities</b>		<b>1,770</b>	<b>-7,570</b>
Change in Group Bank		-4,264	7,651
Change in interest-bearing debt Group Companies		-542	756
Change in interest-bearing debt related party		500	2,500
Change in other financial assets		-24	-
Proceeds from issue of share capital		-	-
<b>Net cash flow from financing activities</b>		<b>-4,330</b>	<b>10,907</b>
<b>Net change in cash and cash equivalents</b>		<b>-3,436</b>	<b>3,422</b>
Cash and cash equivalents as of 1 January		7,622	4,200
<b>Cash and cash equivalents as of 31 December</b>	12	<b>4,187</b>	<b>7,622</b>

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## Note 1: Accounting principles

### Gonvarri Material Handling AS

The financial statements consist of the profit and loss statement, balance sheet and notes to the accounts. The financial statements form a whole. The financial statements have been presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles in effect as of December 31, 2021. The financial statements give a true and fair view of assets and liabilities, financial standing and result.

The financial statement is presented in thousands of Euro (EUR). The functional currency of the company is Euro (EUR). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of each transaction. Receivables and liabilities in foreign currencies are translated into the functional currency at the exchange rates at the end of the reporting period. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss.

The financial statements have been prepared based on the fundamental principles governing historical cost accounting, comparability, continued operations, congruence and prudence. Transactions are recorded at their value at the time of the transaction. Income is recognized at the time of delivery of goods or services. Costs are expensed in the same period as the income to which they relate.

In cases where actual figures are not available at the time of the closing of the accounts, generally accepted accounting principles require management to make estimates and assumptions regarding the effect of these items on the statement of profit and loss as well as the balance sheet. Actual results could differ from these estimates.

Costs are expensed in the same period as the income to which they relate is recognized. Costs that cannot be directly related to income are expensed as incurred. All costs related to restructuring and discontinued activities are expensed at the time restructuring or discontinuance is decided upon.

Items which fall due within one year are classified as current assets/liabilities. Other assets are classified as non-current assets and other debt is classified as non-current liabilities. Current assets/liabilities are recognized initially at the lowest/highest of acquisition cost and fair value. Other assets are classified as fixed assets. Fixed assets are recognized at historical cost, with deductions for depreciation. In the event of a decline in value which is not temporary, the fixed asset will be subject to a write-down.

When applying the basic accounting principles and disclosure of transactions and other items, the "substance over form" rule is adopted. Losses which are probable and quantifiable are charged to profit and loss.

#### *Related parties*

Parties are classified as related if one party has influence on the decisions of the other party.

Transactions between related parties are mainly based on the arm's lengths principles.

#### *Investments in subsidiaries*

Subsidiaries are entities of which the company owns, either directly or indirectly, over fifty percent of the voting rights, or as to which the company has the power, in some other way, to control the entity's operating and financial policies. Subsidiaries are assessed in the balance sheet using the cost method. The company's investments in subsidiaries are valued at the lower of average cost and fair value. If the fair value of an investment in subsidiary is lower than book value, and the decline in value is not temporary, the investment will be written down to fair value. Previous write-downs are reversed when the basis for such write-down is no longer present.

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## *Receivables*

Receivables are accounted for at face value with deductions for expected loss. If fair value of receivables is lower than book value, and the decline in value is not temporary, the receivables will be written down to fair value.

Previous write-downs are reversed when the basis for such write-down is no longer present.

## *Pension liabilities and pension costs*

Two employees were transferred to the company in 2017 from BSG Norway AS including a pension plan that entitles its members to defined future benefits, called defined benefit plans.

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

## *Assets and liabilities in foreign currency*

Cash and cash equivalents, assets and liabilities in foreign currencies are recorded at the year-end exchange rates.

## *Deferred tax and tax expense*

Deferred tax is calculated based on temporary differences between book values and values according to the tax basis for assets and liabilities at year end. For the purposes of calculating deferred tax, nominal tax rates are used. Positive and negative differences are offset to the extent they reverse within the same time-frame. Temporary differences, including carry-forward of unused tax losses, that will constitute a future tax deduction, give rise to a deferred tax asset. The deferred tax expenses for the year is the change in deferred tax assets/ liabilities together with currency differences and changes in deferred tax assets/liabilities related to takeovers.

Information is marked as Restricted and belongs to GMH.



## Note 2: Number of employees

Number of employees comprise of the following items:

<i>Number of employees:</i>	2021	2020
Average total year	2.0	2.0
As of 31 December	2.0	2.0

## Note 3: Wages and Administration cost

Wages and personnel expense comprise of the following items:

<i>in thousands of EUR</i>	2021	2020
Wages and salaries	-249	-222
Social securities	-29	-25
Pension cost	-58	-49
Other benefits	-	-1
<b>Total wages and personnel expense</b>	<b>-336</b>	<b>-298</b>
Management fee invoiced from owner	-988	-630
Wages and personnel costs recharged from group companies	-1,183	-1,751
Management fee invoiced subsidiaries	2,320	2,412
<b>Net wages and personnel expense</b>	<b>-187</b>	<b>-267</b>

Administration cost comprise of the following items;

Rent and leasing cost	-10	-10
Consultants and hired services	-254	-205
Other cost	-87	-39
Net recharged costs to group companies	-69	77
Net Management fee invoiced subsidiaries without salaries/wages	91	37
<b>Administration cost</b>	<b>-328</b>	<b>-140</b>
<b>Total</b>	<b>-515</b>	<b>-407</b>

The managing director is employed in the Spanish mother company, a part of his salary costs is included in the management fee from owner. Gonvarri Material Handling AS has no salary cost to the Managing Director.

Payments/fees to auditors for Gonvarri Material Handling are included in administration expenses and have the following split:

<i>in thousands of EUR</i>	2021	2020
Audit	121	102
Other advisory services	11	14
<b>Total</b>	<b>132</b>	<b>116</b>

## Note 4 : Financial items

Financial items comprise of the following items;

<i>in thousands of EUR</i>	2021	2020
Interest income	171	159
Net foreign exchange	-114	203
Other financial income	-	448
<b>Financial income</b>	<b>57</b>	<b>810</b>
Interest expense	-307	-740
Other financial expenses	-135	-5
<b>Financial expenses</b>	<b>-442</b>	<b>-746</b>
<b>Total Financial items</b>	<b>-385</b>	<b>64</b>

Information is marked as Restricted and belongs to GMH.



## Note 5: Shares and voting rights

Shares in subsidiaries as per 31.12.2021 comprise of the following items:

<i>in thousands of euro</i>	Owner share %	Registered office	Equity per 31.12.21 1)	Profit after financial items 2021 1)	Book value
Dexion Spol sro	88.7	Slovakia	370	46	-
Constructor Sweden AS	100.0	Sweden	5,850	1,119	3,177
Dexion GmbH	100.0	Germany	25,000	4,525	22,763
Dexion Austria	100.0	Austria			35
Dexion NV/SA	99.9	Belgium	1,317	332	826
Dexion SRO	100.0	Czech Republic	601	26	151
Dexion Kft	96.7	Hungary	143	70	1,016
ConstructorDexion Holland BV	100.0	Netherland	1,553	813	542
Dexion Polska Sp. Z.o.o	100.0	Poland	2,325	270	1,207
Dexion Storage Solutions SRL	100.0	Romania	7,576	1,756	5,616
Constructor Denmark A/S	100.0	Denmark	955	200	920
Constructor Norge AS	100.0	Norway	770	482	2,001
Constructor Finland	100.0	Finland	5,803	892	9,000
Constructor RUS	100.0	Russia	6,994	2,559	8,460
O.S.KREDIT	100.0	Czech Republic	5,837	525	11,313
Hilo Storage Systems Ltd, UK	100.0	United Kingdom			100
Constructor Group UK Ltd	100.0	United Kingdom	10,430	892	8,382
Kaufmann Systems AG	80.0	Switzerland	1,767	207	11,148
<b>Total shares in subsidiaries</b>					<b>86,658</b>

1) 100% of the company's equity and profit after financial items (before tax) pr 31.12. 2021.

The company's voting rights equals owner share.

## Note 6: Other short-term receivables

Other short-term receivables comprise of the following items:

<i>in thousands of EUR</i>	2021	2020
Prepayments	143	
Other short-term receivables	43	25
<b>Total other short-term receivables</b>	<b>186</b>	<b>25</b>

## Note 7: Equity and shareholders information

Changes in equity comprise of the following items::

<i>in thousands of EUR</i>	Paid in capital	Share premium	Total paid in capital	Retained earnings	Total equity
<b>Equity as of 31.12.2019</b>	<b>228</b>	<b>39,457</b>	<b>39,685</b>	<b>4,697</b>	<b>44,382</b>
Profit/(loss) for the year	-	-	-	366	366
OCI - Pension cost	-	-	-	-57	-57
<b>Equity as of 31.12.2020</b>	<b>228</b>	<b>39,457</b>	<b>39,685</b>	<b>5,006</b>	<b>44,691</b>
Profit/(loss) for the year				481	481
OCI - Pension cost				-73	-73
<b>Equity as of 31.12.2021</b>	<b>228</b>	<b>39,457</b>	<b>39,685</b>	<b>5,414</b>	<b>45,098</b>

Share capital of 228 thousand EUR comprise of 30.000 shares with face value of NOK 72.00, recalculated to EUR 7.59.

All shares are A shares.

All shares have voting rights.

By 31.12.21 all shares are paid.

100 % of total shares are owned by Gonvarri Corporacion Financiera SL, Spain.

There exists no option agreements

The company is part of the consolidated figures of Gonvarri Corporacion Financiera SL. in Spain.

The consolidated accounts that include the company can be obtained from:

Gonvarri Corporacion Financiera SL., Prolongación de Embajadores s/n, 28053 Madrid, Spain.

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## Note 8: Total liabilities

Short-term liabilities comprise of the following items:

<i>in thousands of EUR</i>	Note	2021	2020
Short-term debt related parties	13	1,029	652
Short-term interest-bearing debt to group companies	13	71	336
Accounts payables		163	78
Other short-term liabilities		450	442
<b>Total short-term liabilities</b>		<b>1,713</b>	<b>1,508</b>

Long-term liabilities comprise of the following items:

<i>in thousands of EUR</i>	Note	2021	2020
Long-term liabilities related parties	13	25,922	25,422
Long-term interest-bearing debt to group companies	13	2,081	2,353
<b>Total long-term liabilities</b>		<b>28,003</b>	<b>27,775</b>

## Note 9: Tax

Deferred tax asstes comprise of the following items:

<i>in thousands of EUR</i>	2021	2020
Loss carried forward	-4,279	-5,841
Other temporary differences	-335	-208
<b>Total temporary differences</b>	<b>-4,614</b>	<b>-6,048</b>
Not recognised temporary differences	1,263	2,284
<b>Basis for deferred tax asset</b>	<b>-3,352</b>	<b>-3,764</b>
Tax rate	22%	22%
<b>Total deferred tax asset</b>	<b>-737</b>	<b>-830</b>

Current Tax expense comprise of the following items:

<i>in thousands of EUR</i>	2021	2020
Profit/(loss) before tax	573	322
Translation differences due to EUR/NOK conversion	1,765	-1,699
Permanent differences	-894	-1,117
Change temporary differences	118	13
<b>Taxable profit</b>	<b>1,562</b>	<b>-2,482</b>
Tax rate	22%	22%
<b>Current Tax expense</b>	<b>-</b>	<b>-</b>

Deferred tax expense comprise of the following items:

<i>in thousands of EUR</i>	2021	2020
Change in deferred tax asset	93	-44
<b>Deferred tax expense</b>	<b>93</b>	<b>-44</b>

Reconciliation of effective tax rate:

Expected tax from nominal tax rate	126	71
Effect of translation differences due to EUR/NOK conversion	386	-372
Effect permanent differences	-171	-246
Effect Not recognized temporary differences	-249	502
<b>Total tax expense/ income in income statement</b>	<b>93</b>	<b>-44</b>

Information is marked as Restricted and belongs to GMH.



## Note 10: Pension expenses and pension liabilities

The pension arrangements in the company fulfills the requirements of the act related to mandatory occupational pensions (OTP).

Pension expenses and liabilities related to the defined benefit plans are reviewed by an actuary.

Two persons was in 2021 included in the pension scheme arrangements in the company.

Economic assumptions for defined benefit plans	2021	2020
Expected return	1.50%	1.70%
Discount rate	1.50%	1.70%
Wage growth	2.50%	2.25%
Social security base adjustment / inflation	2.25%	2.00%
Pension adjustment	0.00%	0.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables

Change in pension liability comprise of the following items:

<i>in thousand of EUR</i>	2021	2020
Opening balance	208	210
Net periodic pension cost	62	52
Employer contribution	-60	-59
Prepaid cost	40	-40
Exchange	14	-12
OCI	72	56
<b>Net pension liabilities recognised in the balance sheet end of year</b>	<b>335</b>	<b>208</b>

Net pension funds and liabilities by 31.12:

<i>in thousands of EUR</i>	2021	2020
Defined benefit obligation funded plans (secured)	833	659
Fair value of plan assets	-498	-411
Prepaid cost	-	-40
<b>Net liabilities recognised in the balance sheet</b>	<b>335</b>	<b>208</b>

## Note 11: Intangible assets

Intangible assets comprise of the following items:

<i>in thousands of EUR</i>	2021	2020
Opening balance		4
Amortisation		-4
<b>Book value</b>	<b>-</b>	<b>-</b>

## Note 12: Cash and cash equivalents, Group Bank

Cash and cash equivalents, Group Bank comprise of the following items:

<i>in thousands of EUR</i>	2021	2020
Cash	4,187	7,622
Net drawn Group Bank	-22,800	-27,064
<b>Total cash and cash equivalents</b>	<b>-18,613</b>	<b>-19,442</b>

Gonvarri Material Handling AS (GMH AS) is part of a Group cash pool with Skandinaviska Enskilda Banken AB (SEB) Gonvarri Corporacion Financiera (Owner) is Guarantor for a limited general guarantee in SEB of total value 120 MSEK GMH AS has an overdraft facility with SEB and the facility has a total value 100 MSEK By 31.12.2021 the overdraft facility has 100 MSEK available.

GMH AS has not pledged assets or any other guarantees for Gonvarri Material Handling Group units.

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## Note 13: Transactions and agreements with related parties

Gonvarri Material Handling AS is owned by Gonvarri Corporacion Financiera SL.

The company has received dividend of 4.605 thousand EUR in 2021, and 669 thousand EUR in 2020,  
For the year 2021 1.474 thousand is recognized and reported as operating income  
The other part, 3.131 thousand EUR is booked as return on investment and reduced the shares in subsidiaries  
For the year 2020 669 thousand is recognized and reported as operating income

Dividend is received from following units in 2020:

Constructor Dexion Holland BV	546 thousand EUR
Dexion Polska Sp. Z.o.o	123 thousand EUR

Dividend is received from following units in 2021:

Constructor Norge AS	3.247 thousand EUR
Constructor Dexion Holland BV	595 thousand EUR
Dexion Polska Sp. Z.o.o	355 thousand EUR
Kaufmann Systems AG	408 thousand EUR

Gonvarri Material Handling AS have transactions with owner and subsidiaries, figures included in P&L and Balance Sheet.

**For the P&L, the transactions are related to Management fee and Recharges;**

<i>In thousands of EUR</i>	2021	2020
Management fee to Group Companies	2,411	2,449
Management fee from Owner / related parties	-668	-510
Recharges from Owner / related parties	-320	-120
Recharges from subsidiaries (included in Management fee to Group companies)	-990	-1,310
Recharges from CSS (Group cost to Gonvarri Material Handling AS)	-69	-91
Recharges to CSS (for distribution to Group companies)	-	55
<b>Net P&amp;L transactions with Group companies and related parties</b>	<b>365</b>	<b>473</b>

**For the Balance Sheet, below the transactions related to receivables and liabilities;**

Receivables from group companies comprise of the following items:

<i>In thousands of EUR:</i>	2021		2020	
<i>Currency</i>	LC (1000)	EUR (1000 kr)	LC (1000)	EUR (1000 kr)
EUR	3,630	3,630	3,598	3,598
<b>Long-term receivable from group companies</b>		<b>3,630</b>		<b>3,598</b>

Current receivable from group companies comprise of the following items:

<i>In thousands of EUR:</i>	2021		2020	
<i>Currency</i>	LC (1000)	EUR (1000 kr)	LC (1000)	EUR (1000 kr)
EUR	2,551	2,551	2,109	2,109
<b>Short-term receivable from group companies</b>		<b>2,551</b>		<b>2,109</b>

<b>Total receivables from group companies</b>		<b>6,181</b>		<b>5,707</b>
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Debt to group companies and related parties comprise of the following items:

<i>In thousands of EUR:</i>	2020		2020	
<i>Currency</i>	LC (1000)	EUR (1000 kr)	LC (1000)	EUR (1000 kr)
EUR	2,081	2,081	2,353	2,353
<b>Long-term debt to group companies</b>		<b>2,081</b>		<b>2,353</b>

Debt to related parties comprise of the following items:

<i>In thousands of EUR:</i>	2021		2020	
<i>Currency</i>	LC (1000)	EUR (1000 kr)	LC (1000)	EUR (1000 kr)
EUR	25,922	25,922	25,422	25,422
<b>Long-term debt related parties</b>		<b>25,922</b>		<b>25,422</b>

<b>Total long-term debt to group companies and related parties</b>		<b>28,003</b>		<b>27,775</b>
--	--	---------------	--	---------------

Short-term debt to group companies comprise of the following items:

<i>In thousands of EUR:</i>	2021		2020	
<i>Currency</i>	LC (1000)	EUR (1000 kr)	LC (1000)	EUR (1000 kr)
EUR	71	71	273	273
PLN			291	63
<b>Short-term debt to group companies</b>		<b>71</b>		<b>336</b>

Short-term debt to related parties comprise of the following items:

<i>In thousands of EUR:</i>	2021		2020	
<i>Currency</i>	LC (1000)	EUR (1000 kr)	LC (1000)	EUR (1000 kr)
EUR	1,029	1,029	652	652
<b>Short-term debt to related parties</b>		<b>1,029</b>		<b>652</b>

<b>Total short-term debt to group and related parties</b>		<b>1,100</b>		<b>988</b>
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Related parties is to the mothercompany Gonvarri Corporacion Financiera, denominated in EUR.

Liabilities to group companies are denominated in EUR and PLN. The main part is in EUR, and the other currencies are translated to EUR with closing rates 31.12.2021.

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## Note 14: Subsequent events

We are closely following the extraordinary situation in Russia due to the Russia-Ukraine war and sanctions on Russia over its Ukraine invasion, starting late February 2022. The situation is mainly affecting the Russian entity (Constructor RUS), but this also affects other group entities and intra-group transactions with Constructor RUS. We are currently not able to make an estimate of its full financial effect. The last years the Russian entity has received funds through the Group transfer pricing policy, therefore the situation will have limited negative influence on other operating units within the group.

There are no other significant events after the end of the reporting period.

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"By my signature I confirm all dates and content in this document."

### Sergio Rodriguez Cuesta

Board member

On behalf of: Gonvarri Material Handling AS

Serial number: sergio.rodriguez@gonvarri.com

IP: 213.39.xxx.xxx

2022-06-27 08:28:48 UTC

### Jesus Calvo Moreira

Managing Director

On behalf of: Gonvarri Material Handling AS

Serial number: josu.calvo@gonvarri.com

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2022-06-27 09:50:46 UTC

### Jesus Calvo Moreira

Board member

On behalf of: Gonvarri Material Handling AS

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2022-06-27 09:50:46 UTC

### Mario Ruiz Escribano

Board member

On behalf of: Gonvarri Material Handling AS

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2022-06-30 10:22:44 UTC



### Juan Maria Riberas Mera

Chairman

On behalf of: Gonvarri Material Handling AS

Serial number: jriberas@gonvarri.com

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2022-07-01 06:07:00 UTC

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To the General Meeting of Gonvarri Material Handling AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Gonvarri Material Handling AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable

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Drammen	Kristiansand	Stavanger	Ålesund

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the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors 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.

Drammen, 01 July 2022  
KPMG AS

Kjetil Kristoffersen  
State Authorised Public Accountant  
(This document is signed electronically)



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## Kjetil Kristoffersen

Statsautorisert revisor

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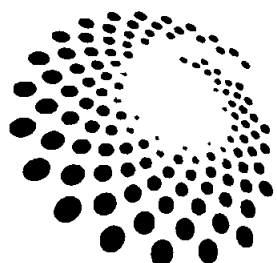
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**Gonvarri**  
Industries

**GONVARRI CORPORACIÓN FINANCIERA, S.L. AND  
SUBSIDIARIES (GI GROUP)**

Consolidated annual accounts at 31 December 2021 and Consolidated  
Directors' Report



*This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation*

## Independent auditor's report on the consolidated annual accounts

To the partners of Gonvarri Corporación Financiera, S.L.:

### Opinion

We have audited the consolidated annual accounts of Gonvarri Corporación Financiera, S.L. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at December 31, 2021, and the income statement, statement of other comprehensive income, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at December 31, 2021, as well as its financial performance and cash flows, all consolidated, 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 legislation governing the audit practice 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 relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgment, were considered to be the most significant risks of material misstatement in our audit of the consolidated annual accounts of the current period. These risks 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 risks.

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Gonvarri Corporación Financiera, S.L. and subsidiaries

Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
<p>Recoverability of goodwill</p> <p>As indicated in note 7 to the accompanying consolidated annual accounts, the Group recognises goodwill at 31 December 2021 amounting to 69.226 thousand euros.</p> <p>As mentioned in notes 2.9 and 4.2 to the accompanying consolidated annual accounts, goodwill is tested annually for impairment. This evaluation entails estimating the recoverable amount of the assets, grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). These recoverable amounts are determined based on calculations of value in use and require the use of significant estimates. The most significant assumptions used by the Group's management and the sensitivity analysis performed are summarized in note 7 of the attached consolidated annual accounts.</p> <p>Deviations in these variables and management estimates can determine important variations in the calculations made and, therefore, in the analysis of the recovery of goodwill. This fact, together with the relevance of the financial statement line item, makes it a most relevant aspect of the audit.</p>	<p>In relation to the recoverable amount of goodwill, we assessed the methodology used by the Group and reviewed the projections, corroborating the significant assumptions and areas of critical judgement. In order to verify the discount rate used by management to calculate the present value of the flows and solely in those cases where we considered it necessary, we relied on our firm's valuation experts.</p> <p>As a result of our procedures, we consider that the approach of the Group is consistent and is supported by available evidence.</p> <p>Lastly, we assessed whether the disclosures of information included in note 7 to the accompanying consolidated annual accounts in relation to this matter are adequate with respect to those required under applicable accounting regulations.</p>
<p>Assessment of control over joint ventures</p> <p>At 31 December 2021 investments defined as joint ventures and therefore accounted for using the equity method amount to 134.356 thousand euros, as detailed in note 34.1 to the accompanying consolidated annual accounts.</p> <p>The volume of assets and net revenue contributed by those investments over which it has been determined that the Group has control, that are considered to be subsidiaries and are therefore consolidated by the global integration method, amounts to 434.889 thousand euros and 787.724 thousand euros, respectively, as detailed in note 34.2 to the accompanying consolidated annual accounts.</p>	<p>We analysed the joint arrangements and assessed management's significant judgements to determine the existence or otherwise of control by the Group.</p> <p>Through interviews of management, we corroborated and obtained an understanding of the purpose and significant activities of the investees and how decisions are taken concerning these activities.</p> <p>We verified the analysis carried out by the Group with financial and management information, the minutes of the meetings of the governance bodies, the functional organisation charts of the investees and other documentation of interest.</p>



Gonvarri Corporación Financiera, S.L. and subsidiaries

Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
<p>As indicated in notes 2.3.a and 2.3.e to the consolidated annual accounts, the Group controls an investee when it is exposed or has the rights to obtain variable returns as a result of its involvement with the investee and has the ability to affect those returns through its power over the investee. Those subsidiaries over which the Group has control are fully consolidated. Those companies in which the Group has assessed the nature of its joint arrangements and has determined that the Group does not have control and are joint ventures, are accounted for using the equity method.</p> <p>We considered this area a most relevant aspect due to the relevance of the figures and because of the fact that determining control in these circumstances involves management applying significant judgement.</p>	<p>Finally, we verified the accounting treatment applied for each investment over which the Group has full or joint control and we assessed the sufficiency of the information disclosed in note 34 to the accompanying consolidated annual accounts.</p> <p>As a result of our procedures, we consider that the classification by the Group of the investees over which it has full or joint control is consistent with the information in effect within the context of each transaction.</p>
<p>Revenue recognition</p> <p>The Group's activity, as indicated in note 1 of the attached consolidated annual accounts, consists mainly of the manufacture, transformation and sale of flat steel products and metals related to the steel industry.</p> <p>As detailed in note 2.22 to the accompanying consolidated annual accounts, the Group recognises revenues on sales of goods at the time the control of the asset has been transferred. Additionally, the Group provide mainly services for the maquila which revenue is recognized when the services is rendered.</p> <p>We focused on revenue recognition on account of its relevance with respect to the Group's consolidated annual accounts</p>	<p>We assessed the adequate application of the revenue recognition policy and the design and implementation and operational effectiveness of the relevant controls that underpin revenues.</p> <p>Additionally, we obtained confirmation of the balance for the year for a selection of customers and verified, also for a sample, the correct revenue recognition in the year and the operations cut-off.</p> <p>Also, we analysed a sample of journal entries, selected according to certain characteristics.</p> <p>The results of our procedures are consistent with the recording criteria applied by the Group and the information included in the consolidated annual accounts relating to this area.</p>

#### Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2021 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

- a) Verify only that the consolidated statement of non-financial information has been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.



Gonvarri Corporación Financiera, S.L. and subsidiaries

- b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2021 financial year, and its content and presentation are in accordance with applicable regulations.

#### **Responsibility of the Parent company's directors for the consolidated annual accounts**

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with International Financial Reporting Standards as adopted by the European Union and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors determine 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 company'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 aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### **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 legislation governing the audit practice 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 legislation governing the audit practice in Spain, we exercise professional judgment 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.



Gonvarri Corporación Financiera, S.L. and subsidiaries

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.
- Conclude on the appropriateness of the Parent company'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 fair presentation.
- Obtain sufficient and 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 Parent company's directors 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.

From the significant risks communicated with the directors of the Parent company, we determine those risks that were of most significance in the audit of the consolidated annual accounts of the current period and are, therefore, considered to be the most significant risks.

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

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by  
Esteban Cobo Vallés (22852)

April 6, 2022



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## Consolidated financial statements 2021

### GONVARRI CORPORACIÓN FINANCIERA, S.L. AND SUBSIDIARIES (GI GROUP)

#### Consolidated Balance Sheet at 31 December

In thousand euros	Note	2021	2020
<b>A) NON-CURRENT ASSETS</b>		<b>926,832</b>	<b>897,722</b>
Intangible assets		100,153	95,191
Goodwill	Note 7	69,226	64,845
Other intangible assets	Note 8	30,927	30,346
Property, plant and equipment	Note 5	558,901	573,645
Land and Buildings		356,551	370,858
Plants and other property, plant and equipment		178,184	188,793
Assets under construction and prepayments		24,166	13,994
Investment property	Note 6	50,083	54,705
Right of use assets	Note 9	30,768	33,972
Investments by equity method	Note 34	134,356	94,869
Financial receivables		942	7,690
Loans granted to related parties	Note 10	-	6,429
Loans granted to third parties	Note 10	942	1,261
Other financial assets	Note 10	2,484	2,710
Deferred tax assets	Note 18	49,145	34,940
<b>B) CURRENT ASSETS</b>		<b>2,077,350</b>	<b>1,474,481</b>
Inventories	Note 13	1,106,519	498,152
Assets from contracts with customers	Note 24	54,724	45,286
Trade and other receivables		825,417	786,808
Trade receivables	Note 11	777,342	712,067
Trade receivables for sales and services rendered		450,673	345,532
Trade receivables from related parties	Note 35	318,769	359,225
Receivables from related parties	Note 35	7,900	7,310
Other receivables		48,075	74,741
Public entities	Note 23	40,822	66,114
Other receivables	Note 11	7,253	8,627
Current tax assets	Note 23	3,894	3,819
Current financial receivables	Note 12	18,819	16,205
Financial receivables from related parties		14,910	10,785
Loans granted to third parties		439	374
Derivative financial instruments	Note 17	2,882	5
Bank deposits and other financial accounts		588	5,041
Cash and cash equivalents	Note 14	67,977	124,211
<b>TOTAL ASSETS (A+B)</b>		<b>3,004,182</b>	<b>2,372,203</b>

The accompanying notes 1 to 40 form an integral part of these Consolidated Annual Accounts.



## Consolidated financial statements 2021

In thousand euros	Note	2021	2020
<b>A) EQUITY</b>		<b>1,556,665</b>	<b>1,332,498</b>
<b>Equity attributable to the Parent Company</b>	<b>Note 15</b>	<b>1,432,532</b>	<b>1,221,588</b>
Share Capital		201,538	201,538
Share Premium		15,699	15,699
Legal Reserve		40,308	40,308
Retained earnings		1,082,138	1,002,350
Profit/(Loss) for the year		171,521	74,356
Exchange differences		-74,531	-103,479
Adjustments for changes in value of cons. Companies		-4,141	-9,184
<b>Non-controlling shareholdings</b>	<b>Note 16</b>	<b>124,133</b>	<b>110,910</b>
<b>B) NON-CURRENT LIABILITIES</b>		<b>416,957</b>	<b>284,593</b>
Non-current deferred income	Note 19	7,450	8,949
Non-current provisions	Note 20	19,311	14,051
Non-current tax liabilities	Note 21	28,912	15,157
Financial debt	Note 17	266,868	141,585
Bank borrowings		260,355	132,190
Financial lease payables		6,094	9,043
Other financial liabilities		419	352
Lease liabilities	Note 17	22,958	27,491
Deferred tax liabilities	Note 18	64,364	64,989
Derivative financial instruments	Note 17	7,094	12,371
<b>C) CURRENT LIABILITIES</b>		<b>1,030,560</b>	<b>755,112</b>
Financial debt	Note 17	315,188	159,762
Bank borrowings		249,693	114,832
Loans from related parties		61,985	42,142
Derivative financial instruments		1,238	528
Financial lease payables		2,272	2,260
Lease liabilities	Note 17	8,983	7,619
Liabilities from contracts with customers	Note 22	48,307	35,368
Trade and other payables	Note 22	635,195	531,933
Third party suppliers		329,812	271,531
Related party suppliers	Note 35	166,981	158,213
Public entities	Note 23	40,448	35,405
Other payables		97,954	66,784
Current tax liabilities	Note 23	14,677	17,163
Other current liabilities	Note 17	8,210	3,267
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>3,004,182</b>	<b>2,372,203</b>

The accompanying notes 1 to 40 form an integral part of these Consolidated Annual Accounts.



## GONVARRI CORPORACIÓN FINANCIERA, S.L. AND SUBSIDIARIES (GI GROUP)

### Consolidated Income Statement at 31 December

In thousand euros	Note	2021	2020
Ordinary revenue from contracts with customers	Note 24	4.244.590	3.147.624
Revenue from other operating contracts	Note 25	23.578	24.142
Changes in inventories of finished products and work in progr.	Note 13	60.939	3.800
Raw materials and other consumables	Note 13	-3.563.015	-2.648.464
Personnel expenses	Note 28	-218.683	-192.935
Amortization/depreciation	Note 5,6,8	-68.170	-68.269
Other operating expenses	Note 29	-211.796	-176.934
Other income/expenses	Note 27	-10.228	24.998
<b>OPERATING PROFIT</b>		<b>257.215</b>	<b>113.962</b>
Financial income	Note 30	3.171	22.455
Financial expense	Note 30	-17.939	-13.612
Impairment and profit/loss from financial instruments	Note 30	-303	-4
Exchange differences	Note 30	-12.186	-7.381
Variations of fair value financial instruments	Note 30	3.164	-
Share of profit from investments - Equity method	Note 34	26.763	13.940
<b>PROFIT BEFORE TAXES FROM CONT. OPERATIONS</b>		<b>259.885</b>	<b>129.360</b>
Income tax	Note 31	-61.173	-32.065
<b>CONSOLIDATED PROFIT/LOSS</b>	Note 15	<b>198.712</b>	<b>97.295</b>
Non-controlling shareholdings	Note 16	-27.191	-22.939
<b>PROFIT ATTRIBUTABLE TO COMPANY SHAREHOLDERS</b>		<b>171.521</b>	<b>74.356</b>

The accompanying notes 1 to 40 form an integral part of these Consolidated Annual Accounts.



### GONVARRI CORPORACIÓN FINANCIERA, S.L. AND SUBSIDIARIES (GI GROUP)

#### Consolidated Comprehensive Income Statement at 31 December

In thousand euros	2021	2020
<b>Profit/loss for the year</b>	<b>198,712</b>	<b>97,295</b>
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to the income statement</b>	<b>35,422</b>	<b>-57,090</b>
Exchange differences (Note 15, 16 and 34)	30,379	-56,850
Net change in cash flow hedges (Note 17)	5,043	-240
<b>Total consolidate profit/(loss) for the year</b>		
<b>Attributable to:</b>	<b>234,134</b>	<b>40,205</b>
a) Shareholders of the parent company	205,513	31,067
b) Non-controlling shareholders	28,621	9,138

The accompanying notes 1 to 40 form an integral part of these Consolidated Annual Accounts.



Consolidated financial statements 2021

**GONVARRI CORPORACIÓN FINANCIERA, S.L. AND SUBSIDIARIES (GI GROUP)**

Consolidated Statement of Net Changes in Equity in 2021

In thousand euros	Attributable to the Parent Company's Shareholders								Non-controlling shareholdings	Equity
	Share Capital	Share Premium	Legal Reserve	Retained earnings	Interim dividend	Exchange differences	Profit/loss for the year	Measurement Adjustments		
<b>Balance at 31 December 2019</b>	201,538	15,699	40,308	969,572	-33,000	-60,430	96,615	-8,944	58,204	1,279,562
Distribution of 2019 profit	-	-	-	63,615	33,000	-	-96,615	-	-	-
Dividends (Note 2.21 and 15)	-	-	-	-29,000	-	-	-	-	-3,374	-32,374
Entries to consolidation scope (Note 16)	-	-	-	4,698	-	-	-	-	46,935	51,633
Exclusions from scope (Note 16)	-	-	-	-	-	-	-	-	7	7
Other movements (Notes 15 and 16)	-	-	-	-6,535	-	-	-	-	-	-6,535
Other comprehensive income for 2020	-	-	-	-	-	-43,049	74,356	-240	9,138	40,205
<b>Balance at 31 December 2020</b>	201,538	15,699	40,308	1,002,350	-	-103,479	74,356	-9,184	110,910	1,332,498
Distribution of 2020 profit	-	-	-	74,356	-	-	-74,356	-	-	-
Dividends (Note 2.21 and 15)	-	-	-	-	-	-	-	-	-10,468	-10,468
Entries to consolidation scope (Note 16)	-	-	-	5,432	-	-	-	-	2,339	7,771
Exclusions from scope (Note 16)	-	-	-	-	-	-	-	-	-7,270	-7,270
Other comprehensive income for 2021	-	-	-	-	-	28,949	171,521	5,043	28,621	234,134
<b>Balance at 31 December 2020</b>	201,538	15,699	40,308	1,082,138	-	-74,530	171,521	-4,141	124,132	1,556,665

The accompanying notes 1 to 40 form an integral part of these Consolidated Annual Accounts.



### GONVARRI CORPORACIÓN FINANCIERA, S.L. AND SUBSIDIARIES (GI GROUP)

#### Consolidated Cash flow statement at 31 December

In thousand euros	Note	2021	2020
<b>A) Cash flows from operating activities</b>		<b>-268.050</b>	<b>189.043</b>
<b>Profit for the year before taxes</b>		<b>259.885</b>	<b>129.360</b>
<b>Adjustments to profit/loss</b>		<b>71.693</b>	<b>35.156</b>
Asset depreciation/amortization	Note 5, 6 and	68.170	60.055
Impairment adjustments	Note 11 and	26.269	-3.315
Changes in provisions	Note 29	-19.016	1.889
Grants released to income	Note 19	-2.429	-1.777
Results from write-offs, disposals and impairment of assets	Note 27	1.368	-6.298
Financial income	Note 30	-3.171	-22.455
Financial expense	Note 30	17.939	13.612
Exchange differences	Note 30	12.187	7.381
Profit/loss from equity-consolidated companies	Note 34	-26.763	-13.940
Change in fair value of financial instruments	Note 30	-2.861	4
<b>Changes in working capital</b>		<b>-547.213</b>	<b>54.452</b>
Inventories	Note 13	-615.367	61.946
Trade and other receivables		-38.610	-180.250
Other current assets		-9.438	-
Trade and other payables		103.263	171.382
Other current liabilities		12.939	1.374
<b>Other cash flows from operating activities</b>		<b>-52.415</b>	<b>-29.925</b>
Interest paid		-20.237	-21.007
Interest received		3.280	5.055
Corporate income tax payments (made)		-35.458	-13.973
<b>B) Cash flows from investment activities</b>		<b>-68.100</b>	<b>-30.638</b>
<b>Payments for investments</b>		<b>-80.234</b>	<b>-50.612</b>
Changes in scope	Note 1	-21.919	-17.071
Group companies and associates	Note 33	-4.126	-
Intangible assets	Note 8	-4.622	-5.883
Property, plant and equipment	Note 5	-49.502	-27.092
Other financial assets		-65	-566
<b>Amounts received from divestments</b>		<b>12.134</b>	<b>19.974</b>
Changes in scope	Note 33	1.350	-
Group companies and associates		6.429	7.858
Intangible assets	Note 8	37	21
Property, plant and equipment	Note 5	1.718	2.517
Investment property	Note 6	1.469	8.813
Other financial assets		1.131	765
<b>C) Cash flows from financing activities</b>		<b>275.257</b>	<b>-167.374</b>
<b>Payments and proceeds from equity instruments</b>		<b>929</b>	<b>1.508</b>
Subsidies, donations and bequests received		929	1.508
<b>Payments received/made for fin. liability instr.</b>		<b>284.796</b>	<b>-139.882</b>
Issue			
- Bank borrowings	Note 17	312.583	92.715
- Borrowings from group companies and associates	Note 17	19.843	-
- Other borrowings	Note 17	5.161	-
Repayment and amortization of			
- Bank borrowings	Note 17	-49.185	-223.171
- Borrowings from group companies and associates	Note 17	-	-9.418
- Other borrowings	Note 17	-3.606	-8
<b>Payment of dividends and yields from other equity instr.</b>		<b>-10.468</b>	<b>-29.000</b>
Dividends		-10.468	-29.000
<b>D) Impact from exchange rate variations</b>		<b>3.640</b>	<b>-6.476</b>
<b>E) Cash inflow from changes in the consolidation scope</b>	Note 33	<b>1.019</b>	<b>7.579</b>
<b>NET DECREASE/INCREASE OF CASH + EQUIV. (A+B+C)</b>		<b>-56.234</b>	<b>-7.866</b>
Cash equivalents at beginning of the year		124.211	132.077
Cash equivalents at end of the year		67.977	124.211



### 1. General information

Gonvarri Corporación Financiera, S.L. (the Company), at the end of 2021, is the parent of a group (hereinafter the Group or GI Group), formed by the Company and the entities included in Appendix I. The Group has manufacturing plants in several locations in Spain and in other countries in Europe, America, Asia and Africa.

For the purposes of preparing the Consolidated Annual Accounts, a group is understood to exist when the parent company has one or more subsidiaries, those entities being which the parent company controls directly or indirectly. The principles applied to the preparation of the Group's consolidated annual accounts are described in Note 2, and the scope of consolidation is defined in Appendix I.

Gonvarri Corporación Financiera, S.L. was incorporated on 3 September 1958, and changed its name on 22 July 2008. Its current registered office is located in Madrid, at calle de Embajadores, s/n.

The Group's primary business is the manufacture, transformation and marketing of flat steel products and metals relating to steel.

The Group forms part of Grupo Holding Gonvarri, S.L., whose parent company is Holding Gonvarri, S.L., domiciled for mercantile and tax purposes at C/ San Vicente, 8, Edificio Albia, No. 3 in Bilbao. The company Acek Desarrollo y Gestión Industrial, S.L. (formerly Corporación Gestamp, S.L.) is the ultimate controlling holding company with a direct and indirect 65% interest. The indirect holding is owned through Cartera Gonvarri, S.L., which holds 51.93% of Holding Gonvarri, S.L.

These consolidated annual accounts were authorised for issue by the Board of Directors on 4 March 2022 and are pending approval by the General Meeting of Shareholders, with no changes expected.

#### Changes in the consolidation scope in 2021:

- Inclusions to the consolidation scope:
  - a) On 14 August 2021, the subsidiary company GMS Corporate S.L. acquired Gonvarri MS Deutschland GmbH, with a share capital of €28,140 thousand, of which it now holds 100% of the shares. This company is active in the design and development of telecommunication towers, and the import of telecommunication devices for landline and mobile networks.
  - b) On 25 June 2021 the company Riera Tutó SL was acquired for an agreed amount of € 10,483 thousand, in which the company holds 51% of the shares. This company manufactures tools and finished metal products, as well as the manipulation, welding, folding, and cutting of steel, sheet metal, tubes, and mechanical work in general.
  - c) On 25 June 2021 20% of the shares of the company Rejillas Calibradas SL were acquired for an amount of € 6,000 thousand. This company manufactures tools and finished metal products, as well as the manipulation, welding, folding, and cutting of steel, sheet metal, tubes, and mechanical work in general.
- Changes in equity %:
  - a) On 27 July 2021, Gonvarri Corporación Financiera, S.L. acquired the remaining 40% of the shares of the company Dongguan Gonvarri Summit Automotive Steel Processing Center Co., Ltd. for an amount of €2,147 thousand. Through this operation, Gonvarri Corporación Financiera, SL increased its stake in the company from 60% to 100%.
  - b) On 1 June 2021, the subsidiary Gonvarri Material Handling A.S. acquired 20% of the shares of the company Kaufmann, for a total amount of €3,261 thousand Swiss francs. Through these operations Gonvarri Material Handling increased its stake in the company from 60% to 80%.



- Exclusions from the consolidation scope:
  - a) On 1 January 2021 the company Bikostar International S.A. was dissolved and liquidated. The company Gonvarri Corporación Financiera owned 100% of the shares of this company.
  - b) On 2 August 2021 the company Hiasa Montajes Guatemala SL. was dissolved and liquidated. The subsidiary Hierros y Aplanaciones SA owned 100% of the shares of this company.
  - c) On 6 April 2021 the company Hierros Villaverde, SA was sold for an amount of €1.350 thousand. The company Gonvarri Corporación Financiera owned 55% of the shares of this company.

### Changes in the consolidation scope in 2020:

The changes in the consolidation scope in 2020 are as follows:

- Inclusions to the consolidation scope:
  - a) On 24 January 2020, the company GSS Brasil was incorporated, with a share capital of 633,825 Brazilian real, of which Gonvarri Solar Steel S.L. owns 100% of the shares. Subsequently, Gonvarri Solar Steel carried out a capital increase in the amount of 195,095 Brazilian real. This company is dedicated to the design, development, supply and installation of solar panels.
  - b) On March 1, 2020, the subsidiary Gonvarri Material Handling AS acquired 100% of the shares of Lampe Lagertechnik GmbH, which provides services to system integrators offering warehouse automation, for an amount of €3,537 thousand.
  - c) On June 1, 2020, the subsidiary Gonvarri Material Handling AS acquired 100% of the shares of the company Complete Storage & Interiors (CSI), which provides storage, handling, sales and installation of racking solutions, for the amount of 1,884 thousand pounds sterling (€2,091 thousand).
  - d) On July 1 2020, the subsidiary Gonvarri Material Handling AS signed a purchase agreement with Kaufmann, whereby it undertook to purchase 60% of the shares in 2020 for a value of 8,495 thousand Swiss francs, 20% in 2021 for a value of 2,453 thousand Swiss francs, and the remaining 20% in 2022 for a value of 5,043 thousand Swiss francs. 100% of the shares will have a total value payable of 15,991 thousand Swiss francs (14,804 thousand euros). This company was included in the scope of consolidation for fiscal year 2020 by the full consolidation method. This company is focused on the development and implementation of specific plants and systems for the customer's internal logistics.
  - e) On May 8, 2020, the company Laserboost, SL was founded, which specializes in laser-cutting, with a total of 311,110 shares. Gonvarri Corporación Financiera, S.L. contributed €220 thousand to its constitution, and obtained 220,000 shares in the company, the partner obtained 91,110 shares through non-monetary contributions (in the form of fixed assets and other intangible assets). Subsequently, Gonvarri Corporación Financiera, S.L. bought 59,999 shares from the partner for an amount of €60 thousand, and by doing so it obtained 90% of the shares of Laserboost SL.
  - f) On October 2, 2020, the subsidiary company Gonvarri Solar Steel acquired, for an amount of €1,900 thousand, 100% of the shares of the company Obratel Energy, S.L., a company which focuses on civil works for telecommunications.



- g) On 29 December, 2020, the subsidiary company GMS Corporate, S.L., made a capital increase of €900 thousand in the company Agromega, which focuses on the planning and construction of agricultural projects mainly in greenhouses. With this disbursement, 56% of the shares of this company were obtained. It was also agreed that in 2021 an additional 2% of the shares will be purchased from the local partners for an amount of between 30 and 150 thousand euros depending on the sales of 2021 and that in 2022 an additional 2% of the shares will be purchased from the local partners for an amount of between 30 and 150 thousand euros depending on the sales and net result of the year, thus reaching 60% of the shares of the aforementioned company in 2022. This company was incorporated in the consolidation scope of 2020 through the full consolidation method.
- Company mergers:
- a) On 31 December 2020, the merger of Gonvarri Automotive, GMBH (acquired company) and Gonvauto Thüringen (acquiring company) was approved.
- Changes in equity %:
- a) On 30 November 2020, there was a capital increase of €850 thousand, through the issue of 179,241 new shares in the company Sogei, S.A. The newly created nominal shares, which are of the same class and series as the ones that already existed, have been awarded to Gonvarri Corporación Financiera, S.L, increasing its equity in this company from 49% to 70%. The necessary homogenization adjustments have been made to align the company's financial statement with those of the Group. This company is now included through the full consolidation method as of that date, since there has been a change of control in the company.
- b) On 3 December, 2020, Gonvarri Corporación Financiera, S.L. acquired 18.73% of the shares of the company Addimen Biskaia, SL, from the three non-controlling partners, for a total amount of €59 thousand, through a compensation and cancellation of existing loans with these partners. Subsequently a capital increase was agreed, to which only Gonvarri Corporación Financiera, S.L. will contribute, for a total amount of €350 thousand. Through these operations, Gonvarri Corporación Financiera has a total interest of 93.3% in this company at the end of 2020.

## 2. Summary of the main accounting policies applied

The main accounting policies adopted when preparing these consolidated annual accounts are described below.

### 2.1 Comparability

As is indicated in Note 1, in 2021 there were changes in the scope of consolidation, which must be considered when comparing the figures for 2021 and 2020.

There were no changes in the policies applied when preparing these consolidated annual accounts.

### 2.2 Basis of presentation

The group's consolidated annual accounts at 31 December 2021 and 2020 have been drawn up in accordance with the International Financial Reporting Standards adopted for use in the European Union and approved under European Commission Regulations (IFRS-EU) in force at 31 December 2021.

The financial information has been prepared on a cost basis, modified in the cases established by the IFRS-EU in which certain assets and liabilities are stated at their fair value.

The preparation of consolidated annual accounts under IFRS-EU requires the use of certain critical accounting estimates. The application of IFRS also requires that management exercise judgment in the process of applying the Group's accounting policies. Note 4 discloses the areas that require a higher level



of judgment or entail greater complexity, and the areas where assumptions and estimates are significant for the consolidated annual accounts.

At the date of preparation of these Consolidated Annual Accounts, the European Union had approved and published the following interpretations and standards effective in the year starting 1 January 2021 at the latest:

a) New standards and amendments entering into force in 2021.

- IFRS 9 (Amendment), IAS 39 (Amendment), IFRS 7 (Amendment) IFRS 4 (Amendment) and IFRS 16 (Amendment) "Reform of reference interest rates: Phase 2": The IASB has undertaken a two-phase project to consider what exemptions, if any, to provide for the effects of interest rate reference rate reform ("IBOR"). The Phase 1 amendments, issued in September 2019, provided temporary exemptions from the application of specific hedge accounting requirements to relationships affected by uncertainties arising because of IBOR reform ("the Phase 1 exemptions"). The Phase 2 amendments address issues arising from the implementation of the reforms, including the replacement of one reference rate with an alternative reference rate.

This standard applies to years commencing on or after 1 January 2021, although early application is permitted.

These amendments did not have an effect on the Group's Consolidated Annual Accounts.

- IFRS 4 (Amendment) "Extension of the temporary exemption from the application of IFRS 9": In line with the deferral of the effective date of IFRS 17 "Insurance Contracts", the amendment changes the expiry date for the temporary exemption in IFRS 4 "Insurance Contracts" from the application of IFRS 9 "Financial Instruments", requiring entities to apply IFRS 9 for annual periods beginning on or after 1 January 2023, rather than 1 January 2021.

These amendments did not have an effect on the Group's Consolidated Annual Accounts.

- IFRS 16 (Amendment) "COVID-19 related rent reductions beyond 30 June 2021": The IASB has extended the application period of the practical expedient of IFRS 16 "Leases" by one year to assist lessees in accounting for COVID-19 related rental concessions.

Consequently, this practical option applies to rental concessions that occur as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

For the purposes of EU-IFRSs, companies must apply these amendments from 1 April 2021 for financial years beginning on or after 1 January 2021.

These amendments did not have an effect on the Group's Consolidated Annual Accounts.

b) Standards and interpretations not yet adopted

- IAS 16 (Amendment) 'Property, plant and equipment: amounts received before intended use': Prohibits deducting from the cost of an item of property, plant and equipment any revenue arising from the sale of items produced while the entity is preparing the asset for its intended use. Revenue from the sale of such samples, together with production costs, is now recognised in profit or loss. The amendment also clarifies that an entity is testing whether the asset is functioning properly



when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Therefore, an asset might be capable of operating as intended by management and be subject to depreciation before it has reached the level of operating performance expected by management. The effective date of these amendments is 1 January 2022.

- IAS 37 (Amendment) 'Onerous contracts: costs of fulfilling a contract': The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to the fulfilment of contracts. It also clarifies that before making a separate provision for an onerous contract, an entity shall recognise any impairment loss that has occurred on the assets used to fulfil the contract, rather than on the assets dedicated to that contract. The effective date of these amendments is 1 January 2022.
- IFRS 3 (Amendment) "Reference to the Conceptual Framework": IFRS 3 has been updated to refer to the 2018 Conceptual Framework for determining what constitutes an asset or liability in a business combination (previously it referred to the 2001 Framework). In addition, a new exception has been added in IFRS 3 for liabilities and contingent liabilities. The effective date of these amendments is 1 January 2022.
- Annual Improvements to IFRS Standards 2018-2020 Cycle: These modifications amend IFRS 1, IFRS 9, IFRS 16 and IAS 41 and will be of application to the years starting from 1 January 2022. The main amendments are:
  - IFRS 1 "First-time adoption of IFRS": IFRS 1 allows an exemption if a subsidiary adopts IFRS at a later date than its parent. This amendment allows entities that have taken this exemption to also measure cumulative translation differences using the parent's carrying amounts, based on the date of the parent's transition to IFRS.
  - IFRS 9 "Financial instruments": The amendment addresses which costs should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to third parties or to the lender. According to the amendment, costs or fees paid to third parties shall not be included in the 10% test.
  - IAS 41 "Agriculture": This amendment removes the requirement to exclude cash flows for taxation when measuring fair value under IAS 41.
- IFRS 17 "Insurance contracts": IFRS 17 replaces IFRS 4 "Insurance contracts", which allowed for a wide variety of accounting practices. The new standard fundamentally changes accounting for all entities issuing insurance contracts and investment contracts with discretionary participation features. In June 2020, the IASB amended the standard, developing specific amendments and clarifications aimed at facilitating the implementation of the new standard, although the fundamental principles of the standard remained unchanged.

The standard applies for annual periods beginning on or after 1 January 2023 and earlier application is permitted if IFRS 9 Financial Instruments is applied on or before the date of initial application of IFRS 17.

- IAS 1 (Amendment) "Disclosure of accounting policies": IAS 1 has been amended to improve disclosures about accounting policies to provide more useful information to investors and other primary users of financial statements. The effective date of these amendments is 1 January 2023.
- IAS 8 (Amendment) "Definition of accounting estimates": IAS 8 has been amended to help distinguish between changes in accounting estimates and changes in accounting policies. The effective date of these amendments is 1 January 2023.

These amendments are effective for periods beginning on or after 1 January 2023. The Group is currently analysing the impact of this standard.



### 2.3 Basis of Consolidation

#### a) Subsidiaries

The companies included in the scope of consolidation over which the parent company maintains control are consolidated using the full consolidation method. Control is deemed to exist when all the following conditions are met:

- I. It has power over the investee, i.e. it has rights in force that give it the capacity to direct the relevant activities, i.e. those that significantly affect the subsidiary's performance.
- II. It is exposed to, or entitled to, variable returns from its involvement in the subsidiary.
- III. It has the right to use its power over the subsidiary to influence the amount of its own income.

The acquisition method of accounting is used to account for the acquisition of the business combinations by the Group. The consideration paid for the acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred with the former owners of the acquired company and shares in equity issued by the Group. The consideration transferred includes the fair value of any asset or liability that originates from a contingent consideration agreement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling stake in each business combination at the fair value or proportional part of the recognized non-controlling interest in the identifiable net assets of the acquired company.

Costs related to the acquisition are recognized as expenses for the year in which they are incurred.

If the business combination takes place in phases, the fair value at the date the stake in the equity of the target company is acquired and recognized by the buyer is again measured at fair value at the acquisition date based on profits for the year.

Any contingent consideration to be transferred by the Group is recognized at fair value on the acquisition date. Subsequent changes in the fair value of the contingent consideration that are considered to be an asset or liability are recognized in accordance with IAS 39 under profit or loss or as a change in other comprehensive income. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is recognized under equity.

The following transactions and balances have been eliminated in the consolidation process:

- The reciprocal receivables and payables and the expenses and income from internal operations within the Group.
- Profits or losses on purchases and sales of property, plant and equipment and intangible assets and unrealised gains on inventories, if significant.
- The internal dividends and the receivable balance corresponding to the interim dividends recorded in the company that distributed them.

Appendix I hereto sets out the identification details of the subsidiaries included in the consolidation scope.

#### b) Transactions with non-controlling shareholders in subsidiaries without any change in control

The value of the interest of minority shareholders in the equity and results of the consolidated subsidiaries is presented under "non-controlling shareholdings" in "Equity" in the consolidated balance sheet and under "Minority Interests" in the consolidated income statement and consolidated statement of comprehensive income, respectively.

#### c) Divestment of subsidiaries

When the Group ceases to have control, any shareholding retained in the company is restated at fair value on the date on which control is lost, recognizing the change in the carrying amount in the income



statement. Fair value is the initial carrying amount for the purposes of the subsequent recognition of the shareholding maintained as an associate, joint venture or financial asset. In addition, any amount previously recognized under other comprehensive income with respect to that company is recorded as if the Group had directly sold the related assets and liabilities. This could mean that the amounts previously recorded under other comprehensive income may be reclassified to the income statement.

#### d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The investments in associates are recorded using the equity method. By this method, the investment made in a joint venture or associate is initially registered at cost. As from the date of acquisition, the investment's carrying amount is adjusted based on the changes in the Group's interest in the net assets of the associate or joint venture.

The Group's interest in its associates after acquisition is recognised in the income statement, and its share of the post-acquisition changes is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

At each financial reporting date, the Group determines if there is any objective evidence of impairment affecting the investment in the associate. If this is the case, the Group calculates the amount of the impairment loss as the difference between the recoverable amount for the associate and its carrying amount and recognizes the "gain/(loss) in an associate" in the income statement. Gains and losses on dilution arising from investments in associates are recognized in the income statement.

#### e) Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Investments in joint arrangements under IFRS 11 are classified as joint ventures or joint operations, depending on the contractual rights and obligations of each investor. GI Group has evaluated the nature of its joint arrangements and has determined that they are joint ventures. Joint ventures are measured using the equity method.

Under the equity method the interests in joint ventures are initially recognized at cost and adjustments are then applied to recognize the Group's stake in profits and losses subsequent to the acquisition and movements in other comprehensive income. When the Group's interest in the losses of a joint venture is equal to, or exceeds, its interests in joint ventures (including any non-current interest which, in substance, forms part of the Group's net investment in the joint ventures), the Group does not recognize any additional losses unless obligations have been incurred or payments have been made on behalf of the joint ventures.

Unrealized gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in those joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the value of the transferred asset. The accounting policies followed by joint ventures have been modified where necessary to ensure consistency with policies adopted by the Group.

### 2.4 Transactions denominated in foreign currency

#### a) Functional and presentation currency

Items included in the annual accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated annual accounts are presented in thousand euro, and the euro (€) is the Group's functional and presentation currency.



### b) Transactions and balances

Transactions in foreign currency are converted to the functional currency using the exchange rates in force at the transaction dates. Foreign currency gains and losses resulting from the settlement of transactions and conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the income statement under the heading "Exchange differences", except when deferred in other comprehensive income as qualifying cash flow hedges or qualifying net investment hedges. These differences are recognized under other comprehensive income until the net investment is disposed of, at which time they are reclassified to the income statement.

Exchange differences in respect of non-monetary items such as equity instruments at fair value through profit or loss are recognized as part of the gain or loss in fair value. Exchange differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are included under other comprehensive income.

### c) Group companies

The earnings and financial situation of all Group companies (except for hyperinflationary economies), whose functional currency differs from the presentation currency, are translated to the presentation currency as follows:

- The assets and liabilities on each balance sheet presented are translated at the closing exchange rate at the balance sheet date.
- The financial statements are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates existing at the transaction dates, in which case the results are translated at the rates on the transaction dates).
- All resulting exchange differences are recognized under other comprehensive income. When a foreign investment is sold, the component recognized for that investment under other comprehensive income is recorded in the consolidated income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate. All resulting exchange differences are recognized under other comprehensive income.

### d) Adjustments for Hyperinflation

Due to the fact that in the last years all price indices for Argentina have accumulated inflation in excess of 100%, and that there are no qualitative matters to mitigate the situation, this country should be considered a hyperinflationary economy as of July 1, 2018, therefore IAS 29 "Financial Reporting in Hyperinflationary Economies" is applicable, which requires that the Consolidated Annual Accounts must be expressed in terms of the unit of measure current on the date of the reporting year. This restatement of carrying amounts has been carried out as follows:

- Separation and identification of all balance sheet items in the categories monetary and non-monetary.
  - Monetary items are cash and balances receivable or payable in Argentine pesos, including assets from contracts with customers.
  - Non-monetary items: intangible assets, property, plant and equipment, tooling and other similar assets. The income statement and equity items are also considered non-monetary items for purposes of calculating hyperinflation. No significant items measured at current cost have been identified.
- Non-monetary assets and liabilities: These assets were recognised at cost at the date of acquisition. These items are restated from the date of acquisition by multiplying the net carrying amount at historical cost by the index obtained dividing the index at the end of the year by the index at the date of acquisition.
- Income and expenses: These items have been restated by the evolution in the price index from the date on which they were recorded to the closing date of the period.



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- The conversion to euros of the Profit and Loss Account of the Argentine companies in the Consolidated Financial Statements was made at the closing exchange rate.
- Calculation and recognition of deferred taxes arising from changes in the carrying amounts with respect to taxable amounts.

In order to calculate the indices, the following procedure established in INDEC publications was carried out, related to index splicing:

- From January 1993 to October 2015: the IPIM index of the INDEC was included considering the splicing factor with the CPI (December 2016 - Base 100).
- From November 2015 to December 2016: the IPIM calculated by FACPCE was included according to Resolution JG 517/16, considering the splicing factor (December 2016 - Base 100).
- From January 2017 onwards: the national CPI published by INDEC will be used.

A historical coefficient up to 01.01.2018 has been applied to all non-current assets/liabilities and this restatement has been charged against equity. The effect of hyperinflation as from 1 January 2019 can be found in the Profit and Loss Statement.

On the consolidated cash flow all the items of the financial statements of Gonvarri Argentina (assets, liabilities, expenses, revenues, cash flows), as the economy is hyperinflationary, have been converted at the closing exchange rate.

The effect on the Consolidated Financial Statements at 31 December 2021 of the adjustment for inflation applied in the manner described in the preceding paragraphs was as follows:

In thousand euros

Heading	2021	2020
Plants, machinery and other property, plant and equipment	1,079	679
Deferred tax assets	-234	1,130
Inventories	1,077	277
<b>TOTAL ASSETS</b>	<b>1,922</b>	<b>2,086</b>
Reserves and Retained earnings	7,064	4,491
Profit/Loss for the year	-5,142	-2,405
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,922</b>	<b>2,086</b>
Net turnover	7,208	2,345
Other operating income	-8,666	-3,525
Raw materials and other consumables	-335	-187
Personnel expenses	-216	-156
Amortization fixed assets	-444	-323
Other operating expense	-4,338	-2,512
<b>OPERATING PROFIT/LOSS</b>	<b>-6,791</b>	<b>-4,358</b>
Financial income	394	-
Financial expense	-394	-1
Exchange differences	2,130	1,131
<b>FINANCIAL PROFIT/LOSS</b>	<b>2,130</b>	<b>1,130</b>
<b>PROFIT/LOSS BEFORE TAXES</b>	<b>-4,661</b>	<b>-3,228</b>
Income tax	-481	823
<b>CONSOLIDATED PROFIT/LOSS FOR THE YEAR</b>	<b>-5,142</b>	<b>-2,405</b>

## 2.5 Property, plant and equipment

Property, plant and equipment is recognized at cost (or attributed cost) less depreciation and cumulative impairment losses, except for land, which is presented net of impairment losses. Historic cost includes expenses directly attributable to purchases of property, plant and equipment. The cost value of land and buildings was measured at fair value at the date of first application as permitted by IFRS 1.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset may be reliably determined. The carrying amount of the component replaced is



derecognized for accounting purposes. All other repair and maintenance expenses are charged to the income statement in the year in which they are incurred.

Increases in the carrying amount that arise from the restatement of land and buildings are charged against other comprehensive income and presented in other reserves under equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in other comprehensive income. All other decreases are charged to the income statement. Each year the difference between depreciation based on the restated carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from "other reserves" to "retained earnings".

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other operating income (expense)" in the income statement.

Land is not depreciated. The annual depreciation charge is calculated on a straight-line basis over the estimated useful lives of the assets concerned, except for those production assets that are considered to become obsolete faster and, therefore, are depreciated on a declining balance basis or by shift, although the estimated useful lives are respected.

The years of useful life of depreciated assets based on effective depreciation and on work shifts are:

	Assets depreciated on a straight-line basis	Assets declining balance method
Office buildings	50	-
Industrial buildings	33 to 34	-
Machinery	7 to 13	7 to 13
Plants and machinery		
- Plants	6 to 13	-
- Bridge cranes	8 to 9	8 to 9
- Scales	10	-
Tooling and tools	3 to 7	-
Data-processing equipment	4 to 5	-
External vehicles	4 to 7	-
Furnishings and office equipment	9 to 10	-

The heading "Accounting estimates and judgements" (Note 4) includes additional information regarding the useful lives of buildings and machinery.

The asset's residual values and useful life are reviewed, and adjusted if appropriate, at each balance sheet date.

The ratios used for assets that are depreciated using the digressive method consist of applying 30% to the carrying amount in the previous year, respecting the maximum useful life that has been established.

### 2.6 Investment Property

Investment properties, which mainly consist of land and industrial premises, are maintained to obtain profits through long-term rent and are not occupied by the Group. Investment properties are measured using the same criteria as those for property, plant and equipment (Note 2.5). The value of land and buildings is also measured at fair value on the date of first application, in accordance with IFRS 1. The depreciation period for these assets follows the same criteria as those for property, plant and equipment.



### 2.7 Intangible assets

#### a) Goodwill

The acquisition of a subsidiary by a parent company gives rise to a business combination which is recognized by applying the acquisition method that determines the date of acquisition and the calculation of cost of the combination, and the identifiable acquired assets and liabilities assumed are recognized at their fair value at that date.

Goodwill or the negative difference arising on the combination is determined as the difference between the fair values of the acquired assets and liabilities assumed and recognized, and the cost of the combination, based on the acquisition date.

The cost of the combination is calculated as the sum of:

- The fair values at the acquisition date for the assigned assets, the liabilities incurred or assumed, and the equity instruments used.
- The fair value of any contingent consideration that depends on future events or compliance with pre-determined conditions.

The cost of the combination does not include expenses relating to the issue of the equity instruments or the financial liabilities delivered in exchange for the acquired items. Neither are the honorary fees paid to legal assessors or other professionals that intervened in the combination, nor the costs generated internally by these concepts. These amounts are taken directly to the income statement.

If the business combination is conducted in stages, so that before the acquisition date (the date on which control is obtained), there was a prior investment, the goodwill or negative difference is obtained by the following method:

- The cost of the business combination, plus the fair value at the acquisition date of any prior stake in the target company held by the acquiring company, and,
- The value of the identifiable assets acquired, less the value of the liabilities assumed, calculated in accordance with the matters described above.

Any profit or loss arising as a result of the fair value measurement on the date on which the buyer obtains control over the existing shareholding held by the acquired company will be recognized as a change in the amount of recognized goodwill. If the investment in this investee company has previously been stated at fair value, measurement adjustments that have yet to be taken to profit and loss for the year will be transferred to the consolidated income statement. In addition, the cost of the business combination is presumed to be the best reference to estimate the fair value at the acquisition date of any prior shareholding.

Goodwill arising on the acquisition of companies with a functional currency other than the euro are measured in the functional currency used by the acquired company, and the amount is translated to euro at the exchange rate in force at the balance sheet date. Goodwill is not amortized and is subsequently measured at cost, less any impairment losses. The value adjustments for impairment recognized in Goodwill are not reversed in subsequent years.

If on the closing date in the year in which the combination takes place the measurement processes that are necessary to apply the aforementioned acquisition method cannot be concluded, the recognition is considered to be provisional and those provisional values may be adjusted within the period necessary to obtain the required information, which will never be more than one year. The effects of the adjustments made in this period are recognized retroactively by changing the comparative information if necessary.

Subsequent changes in the fair value of the contingent consideration are adjusted against results, unless that consideration has been classified as equity, in which case any subsequent changes in fair value are not recognized.



If, after obtaining control, shares in a subsidiary are sold or acquired without control being lost, the impact of these transactions without any change in control are recognized under equity and the amount of goodwill on consolidation is not changed.

Goodwill is assigned to Cash Generating Units (CGU) for the purpose of testing impairment losses. It is allocated to those CGUs that are expected to benefit from the business combination that generated the goodwill (Note 7).

The reviews of the impairment of goodwill take place annually, or more frequently if events or changes in circumstances indicate potential impairment losses. The carrying amount of goodwill is compared with the recoverable amount, which is the higher of value-in-use or fair value less selling costs. Any impairment loss is immediately recognized as an expense and is not subsequently reversed.

### b) Computer software

Costs associated with maintaining computer software programs are recognized as an expense when incurred. The costs of direct development attributable to the design and implementation of identifiable original computer programs that may be controlled by the Group are recognized as intangible assets when the following conditions are met:

- It is technically possible to complete production of the intangible asset such that it will be available for use or for sale.
- Management has the intention of completing the intangible asset in question, for use or for sale;
- The company has the capacity to use or sell the intangible asset;
- The manner in which the intangible assets will generate probable financial benefits in the future can be demonstrated;
- Adequate technical, financial or other resources are available to complete the development and to use or sell the intangible asset; and
- The payment attributable to the intangible asset may be reliably measured.

Attributable direct costs that are capitalized as part of the software programs include software development employee costs and an appropriate portion of relevant overheads.

If these criteria are not met, the asset will be recognized as an expense at the moment it is incurred. Payments for an intangible asset initially recognized as an expense for the year will not be subsequently recognized as intangible assets.

Software development costs recognized as assets are amortized over the software's estimated useful life (which does not exceed 5 years).

### a) Research and development expenses

Research expenditure is recognized as an expense as incurred. Costs incurred in development projects (related to the design and testing of new or improved products) are recognized as intangible assets when the following requirements are met:

- It is technically possible to complete production of the intangible asset such that it will be available for use or for sale.
- Management has the intention of completing the intangible asset in question, for use or for sale;
- There is the capacity to use or sell the intangible assets;
- It is possible to demonstrate the manner in which the intangible asset will generate probable profits in the future;
- Adequate technical, financial or other resources are available to complete the development and to use or sell the intangible asset; and
- It is possible to reliably measure the payments attributable to the intangible asset during development.



Other development expenditure is recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Capitalized development costs with a finite useful life are amortized from the start-up of the commercial production on a straight-line basis over the period in which profits are expected to be generated (not more than 5 years). The Group did not capitalize any development expenses in 2021 nor 2020.

#### d) Licenses and patents

Licenses and patents acquired separately are stated at historic cost. Licenses, patents and customer contracts acquired through a business combination are recognized at fair value at the acquisition date. They have a finite useful life and after initial recognition they are stated at cost less any accumulated amortization and impairment losses.

#### e) Trademarks

The trademarks included in the financial statements of the Group come from the business combination, after the acquisition and obtaining control of the group Gonvarri Material Handling. The trademarks are initially valued at fair value. (Note 33).

Trademarks are not amortised; they are considered assets with indefinite useful lives as there is no foreseeable period over which the expected net cash flow will be generated. Each year an analysis is made to determine whether there are events and/or circumstances that would allow the trademark to continue to have an indefinite useful life or not. The trademarks are subject to annual impairment analyses (Note 2.9).

### 2.8 Interest expense

Interest expense incurred on the acquisition, construction or production of qualifying assets (which are assets that necessarily require a substantial period of time to be prepared for use or sale) are capitalized over the period of time necessary to complete and prepare the asset for its intended use. Other interest costs are taken to expenses.

### 2.9 Losses due to impairment of non-financial assets

Assets with indefinite useful lives e.g. goodwill and intangible assets that are not in a state for use, are not subject to amortization and are tested annually for impairment. Land and assets subject to depreciation are subject to impairment tests provided that some event or change in circumstances indicates that their carrying amount may not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the fair value of an asset, less costs to sell, or the value-in-use, whichever is the higher. For the purposes of assessing impairment losses, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that are impaired are reviewed at each balance sheet date for reversal or any increase of the loss.

The Group deems there to be evidence of impairment when there is a significant decrease in the value of the asset, significant changes in the legal, economic or technological sphere that may affect the valuation of assets, obsolescence or physical deterioration, idle assets, low returns on assets, discontinuation or restructuring plans, continuing losses at the entity or substantial deviation from the estimates made. In other words, both external sources of information (technological changes, significant changes in market interest rates, market values of assets, etc.) and internal sources (evidence of obsolescence) are considered when determining whether there is evidence of impairment.



### 2.10 Financial Assets

In accordance with the IFRS 9 standard, financial assets are classified as they are recognized at fair value with changes reported in profit and loss (FVLP), at amortised cost, or at fair value with changes to other comprehensive income (FVOCI).

Heading	IFRS 9	IAS 39
Trade and other receivables	Amortised cost	Loans and receivables/payables

The classification of financial assets depends on the purpose for which they were acquired and is determined at the time of initial recognition.

The Group's financial assets include:

a) Assets at amortised cost:

Loans and trade and non-trade receivables are non-derivative financial assets with fixed or ascertainable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, in which case they are classified as non-current assets. Loans and receivable are included in the headings "Trade and other receivables" and "Financial Accounts receivable" (see Notes 11 and 12, respectively).

Loans and receivables are initially recognized at their fair value and subsequently at amortized cost in accordance with the effective interest rate method.

The Group assesses at the date of each balance sheet whether there is objective evidence of a loan or receivable having suffered losses due to impairment, recognizing any related loss in the income statement.

In addition, the Group calculates the expected loss from credit risk, through the factors "Exposure of default", "Probability of default" and "Loss given default". With regard to estimating the probability of default, the Group applies the simplified method, based on credit ratings from external credit rating agencies. Customers are grouped in the following business lines: auto, industry, road safety, solar structures and other structures.

The Company follows the policy of eliminating all receivable balances sold as a result of factoring agreements without recourse from the balance sheet, with the understanding that it has substantially transferred the risks and benefits deriving from these debt claims. Similarly, the Company records a provision for interest on the basis of the best estimate possible for the financial cost that accrues on these contracts between the time of assignment of the debt claim and effective collection of the debt by the bank.

At the end of the year the Group recorded discounted bills totalling €12,867 thousand (2020: €15,302 thousand) (Note 17).

Deposits at banks maturing in more than 90 days are included under this category.

b) Financial assets with changes in other comprehensive income:

Hedging derivatives contracted by the Group. (Note 2.11)

A financial asset is eliminated when:

- The right to receive the asset's cash flows has expired.
- The group has transferred the rights to receive the cash flows from the asset or it has assumed the obligation to fully pay cash flows without delay to a third party under a transfer agreement, and the Group (I) has substantially transferred all of the risks and benefits relating to the asset,



or (ii) it has not substantially transferred or retained all of the risks and benefits relating to the asset, but it has transferred control over that asset.

- When the Group has transferred the rights to receive the cash flows from an asset or it has assumed the obligation to transfer those rights, it evaluates whether or not it has retained the risks and benefits of ownership and, if so, to what degree. When it has not transferred or retained substantially all risks and benefits relating to the asset and it has not transferred control over that asset, it is recognized based on the Group's continued involvement with the asset concerned. In this case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured in accordance with criteria that reflect the rights and obligations that the Group has retained.
- When continued involvement consists of a warranty covering the transferred asset, it is measured at the lower of the original carrying amount for the asset and the maximum compensation that may be demanded from the Group.

### Impairment

IFRS 9 requires the Group to record the expected credit losses on all its debt securities, loans and receivables, either on a 12-month basis or for life. The Group has applied the simplified retroactive model and recognizes expected losses of all receivables over their expected life. The total expected amount for the Group at 31 December 2021 is of €1,113 thousand (€2,013 thousand in 2020) (Note 3 and 11).

### **2.11 Derivative financial instruments**

The Group recognizes derivatives (Note 17) that are initially stated at their fair value at the date on which the relevant derivative contract is concluded. Subsequent to initial recognition, they are again measured at fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged.

At 31 December 2020 and 2021 most of the derivative financial instruments contracted by the Group qualify for hedge accounting (Note 17).

The Group designates certain derivatives as either:

- a. Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
- b. Hedges of a specific risk associated with a recognized liability or asset or a highly likely expected transaction (cash flow hedges); or
- c. Hedges of a net investment in a foreign operation (net investment hedging).

At the start of the transaction the Group documents the relationship existing between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its evaluation from the start, and continuously thereafter, as to whether the derivatives being used in the hedging transactions are highly effective to offset changes in fair value or in cash flows from hedged items.

The fair values of certain derivative instruments used for hedging purposes are set out under Note 17. Movements in the hedging reserve recorded under equity are shown in the Statement of changes in equity. The total fair value of a hedging derivative is classified as non-current assets or liabilities if the time remaining to maturity of the hedged item is more than 12 months and as current assets or liabilities if the time remaining to maturity of the hedged item is less than 12 months. Derivatives held for trading are classified as current assets or liabilities.

#### a) Fair value hedge

Any change in the fair value of a hedge derivative is recognized in the income statement under "Financial expense". The change in the fair value of the hedged item attributable to the hedged risk is recognized as part of the carrying amount of the hedged item and it is also recognized in the income statement for the year under the heading "Financial expense".



For fair value hedges relating to items recognized at amortized cost, any adjustment to the carrying amount is recorded in the income statement over the time remaining in the hedge, using the effective interest rate method. The accrual of interest in accordance with the effective interest rate method may start when there is any adjustment and no later than the time at which the hedged item ceases to be adjusted for changes in its fair value attributable to the hedged risk.

If the hedge ceases to comply with the criteria for carrying the hedge, the book adjustment for a hedged item which is carried using the effective interest rate method is recognized through profit and loss during the period until maturity. If a hedged item is eliminated, the unamortized fair value is immediately recognized in the income statement.

When an unrecognized firm commitment is designated to be a hedged item, accumulated subsequent changes in its fair value attributable to the hedged risk are recognized as an asset or liability and the relevant gain or loss is recorded in the income statement.

### b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized under other comprehensive income. Profits or losses from the ineffective portion are recognized in the income statement of the Group.

The accumulated amounts in equity are reclassified to the income statement in the years in which the hedged item affects the gain or loss (e.g., when the forecast sale which is hedged takes place). The relative loss or profit on the effective portion of interest rate swaps covering variable rate loans is recognized in the income statement as «impairment and profit/loss from financial instruments». However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are definitively recorded as a cost of the assets sold, in the case of inventories, or as depreciation in the case of property, plant and equipment.

When a hedge instrument expires, is sold, or when it no longer meets the requirements for carrying the hedge, any accumulated gain or loss in equity up until that moment remains in equity and is recognized when the planned transaction is finally recognized in the income statement. When the forecast transaction is ultimately not expected to occur, the accumulated gain or loss in equity is immediately transferred to the income statement under "Impairment and profit/loss of Financial Instruments".

### c) Net investment hedges

Net investment hedges of foreign operations are recorded in a manner similar to cash flow hedges.

Any gain or loss on the hedge instrument related to the effective part of the hedge is recognized under Other comprehensive income. The gain or loss relating to the inefficient part is recognized in the income statement.

The profit or loss accumulated in equity is included in the income statement when the foreign operation is partially sold.

The breakdown of the derivatives the Group has on the balance sheet at 31 December 2021 is as follows:

Categories	Fair Value (thousand euro)			
	Asset		Liability	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Fair value hedge	-	-	-	-
Cash flow hedge	2.882	5	8.332	12.899
Net investment hedges	-	-	-	-
<b>Total</b>	<b>2.882</b>	<b>5</b>	<b>8.332</b>	<b>12.899</b>



### 2.12 Inventories

Inventories of raw materials, goods purchased for resale, finished products and work in progress are measured at the lower of acquisition cost (determined using the weighted average cost method) or production cost, respectively, and net realizable value.

- The acquisition cost includes the net purchase price of materials, plus all additional items necessary for the assets to be located at the Company's warehouses, together with insurance, transport and other costs.
- The cost of finished products and work in progress comprises design costs, raw materials, direct labour, other direct costs and general production overheads (based on normal operating capacity).
- The net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses and, in the case of raw materials and work in progress, the estimated costs necessary to complete production.

When the net realizable value of inventories is less than their acquisition price or production cost, all appropriate measurement adjustments are applied and recognized as an expense under the heading "Raw materials and other consumables" in the accompanying consolidated income statement.

In the case of raw materials and other consumables used during the production process, no measurement adjustments are made, provided that the finished products they are used to create are sold at a price above cost. When it is appropriate to apply a measurement adjustment the replacement value of raw materials may be the best indicator available of their net realizable value.

If the circumstances that cause the measurement adjustment to cease to exist, the amount of the adjustment is reversed and recognized as a reduction of supply expenses in the consolidated income statement.

During the financial year 2021, due to the profound changes that have been taking place in the steel market, it has become necessary to make a new accounting estimate regarding the calculation that the Group makes for the provision for obsolescence. The purpose of this new accounting estimate is to ensure that all these new market events are reflected in the Group's inventories and give a true and fair view of the current circumstances.

The Group has obtained an insurance policy to cover all potential risks that could affect inventories, both those that it owns and those that are in the possession of third parties.

### 2.13 Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits at credit institutions and other short-term highly liquid investments with an original maturity of three months or less.

### 2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### 2.15 Government grants

Government grants are recognized at fair value when there is reasonable assurance that the grant will be collected and the Group will comply with all established terms and conditions.

Government grants related to costs are deferred and recognized in the heading "Other operating income" in the consolidated income statement over the period necessary to match them to the costs intended to be offset.

Government grants for the acquisition of property, plant and equipment are included under non-current liabilities as deferred income and credited to the income statement on a straight-line basis over the expected lives of the corresponding assets.

### 2.16 Trade payables

Trade payables are payment obligations arising from the purchase of goods or services from suppliers in the ordinary course of business. Payables are classified as current liabilities if the payments fall due in one year or less (or fall due in the normal course of operations if longer). Otherwise, they are presented as non-current liabilities.

Trade payables are initially recognized at their fair value and subsequently they are valued at their amortized cost using the effective interest rate method.

### 2.17 Financial debt

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. They are subsequently measured at amortized cost. Any differences between the funds obtained (net of necessary transaction costs) and their repayment value are recognized in the income statement over the term of the debt applying the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Fees paid on the establishment of lines of credit are recognized as transaction costs for the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. Insofar as there is no evidence that it is probable that the credit line will be used, the commission is capitalized as an advance payment for liquidity services and amortized over the period during which the credit line is available.

A financial liability is eliminated from the consolidated balance sheet when the obligations that it generates are extinguished or when re-acquired, even if it will be re-sold in the future.

The Group's debt has not been materially restructured since its original issue.

Heading	IFRS 9	IAS 39
<b>Financial liabilities</b>		
Trade and other payables	Amortised cost	Loans and other receivables/payables
Bank borrowings	Amortised cost	Loans and other receivables/payables
Other financial liabilities	Amortised cost	Loans and other receivables/payables
Financial derivatives	FVOCI(*)	FVOCI(*)

(\*) Fair Value through Other Comprehensive Income

### 2.18 Current and deferred taxes

The tax expense for the period comprises current and deferred tax. The tax is recognized in the income statement, except to the extent that it relates to items that are directly recognized under equity. In this case, the tax is also recognized under equity.

Current tax expense is calculated based on the tax legislation that has been approved or is about to be approved at the balance sheet date in the countries in which subsidiaries and associates operate and generate profits subject to taxation. Management regularly evaluates the positions held with respect to tax returns vis-à-vis situations under which tax legislation is subject to interpretation and creates, if appropriate, all necessary provisions based on the amounts expected to be paid to the tax authorities.

Deferred income tax is calculated, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated annual accounts. However, if the deferred taxes arise from the initial recognition of a liability or an asset on a transaction other than a business combination that at the time of the transaction has no effect on the tax gain or



loss, they are not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized insofar as future taxable profits will probably arise against which to offset the temporary differences.

Deferred income tax is recognized on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if, and only if, there is a legal recognized right to offset the deferred tax assets against current tax liabilities and when the deferred tax assets and liabilities derive from income tax levied by the same tax authority, involve the same company or taxpayer, or different companies to taxpayers, that intend to settle current tax assets and liabilities for their net amount.

### 2.19 Provisions

The Group recognizes a provision liability when:

- There is a present legal or constructive obligation as a result of past events;
- An outflow of funds may be necessary to settle the obligation; and
- The amount has been reliably estimated.

The Group makes provision for those circumstances involving litigation under which it is likely that an outflow of resources will be necessary to settle the obligation.

In the case of provisions for taxes as a result of inspection reports, the Group calculates the effect of uncertainty as the expected value weighted by its probability in the range of possible outcomes.

Provisions are carried at the present value of the payments that are expected to be necessary to settle the obligation, using a rate before taxes that reflects the evaluation of the current market for the temporary value of money and the specific risks relating to the obligation. Any increase in the provision due to the passing of time is recognized as an interest expense.

### 2.20 Leases

a) When a Group company is the lessee - Finance leases:

Leases covering property, plant and equipment under which the Group has substantially all the rights and benefits of ownership are classified as a finance lease. Finance leases are capitalized at the start of the lease at the lower of the fair value of the leased property or the present value of the minimum rental payments to be made.

Each lease payment is distributed between liabilities and financial charges to obtain a constant interest rate for the outstanding amount. Lease obligations, net of financial charges, are recognized in borrowings. The interest component of the financial cost is charged to the income statement over the lease period such that a constant interest rate is obtained with respect to the outstanding liability balance in each year. If there is no reasonable assurance at the end of the lease period that ownership of the asset will be acquired, fixed assets under finance leases are depreciated over the lower of their useful lives and the contract term. When there is reasonable assurance that at the end of the lease contract, ownership of the asset will be acquired, the fixed asset acquired is depreciated over its useful life.



b) When a Group company is the lessee:

The accounting policy has changed when the Group is the lessee, as mentioned in Note 2.2. Until 2018, property, plant and equipment leases were classified as finance or operating leases. From 1 January 2019, upon the effective date of IFRS 16, leases are recognised as a right-of-use asset and the corresponding liability on the date on which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any leasing incentives to be received
- Variable lease payments depending on an index or a rate, initially measured using the index or rate at the commencement date
- Amounts expected to be payable under residual value guarantees
- The exercise price of a purchase option if the group is reasonably certain that it will exercise that option, and
- Penalty payments for termination of the lease, if the term of the lease reflects the group's use of that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined directly, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment with similar terms, guarantees and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted for changes in the financing terms since the third-party financing was received
- Uses an approach that starts with a risk-free rate adjusted for credit risk for leases held by the Group, which have no recent third-party financing, and
- Makes specific adjustments for the lease (e.g., term, country, currency, and warranty).

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to the index or rate-based lease payments take effect, the lease liability is reassessed and adjusted against the asset for right of use.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income over the lease period so as to produce a constant periodic interest rate on the remaining liability balance for each period.

The right of use assets are measured at cost which comprises:

- The initial valuation of the lease liability
- Any lease payments made on or before the start date, less any lease incentives received
- Any direct initial costs, and
- Restoration costs.

Assets with a right to use are generally amortised on a straight-line basis over the shorter of the asset's useful life or the lease term. If the group is reasonably certain to exercise a purchase option, the right-to-use asset is amortised over the life of the underlying asset.



While the Group revalues its land and buildings that are presented as fixed assets, it has chosen not to do so for the buildings with rights of use that the Group maintains.

Payments associated with short-term leases of machinery and vehicles and all leases of low value assets are recognized on a straight-line basis as an expense in income. Short-term leases are leases with a term of 12 months or less. Low value assets include computer equipment and small items of office furniture.

c) When a Group company is the lessor - Operating leases:

When assets are leased to third parties under an operating lease they are recognized under "Investment properties" and the revenue from the lease is recognized on a straight-line basis over the term of the lease.

### 2.21 Dividend payment

The payment of dividends to the Company's shareholders is recognized as a liability in the Group's consolidated annual accounts in the year in which the dividends are approved by the Company's shareholders.

In 2021 the Group's parent company did not distribute dividends to its shareholders (€29,000 thousand in 2020) (Note 15.1).

### 2.22 Revenue through contracts with customers and other operating contracts

These revenues include the fair value of the considerations received or to be received for the sale of goods and services, net of value added tax, non-recoverable excise taxes levied on sales, returns and discounts, and after elimination of sales within the Group.

The revenue recognition policy of the Group is determined by the five-stage model proposed in IFRS 15.

The Group recognizes revenues to the extent that it considers the performance obligations to be satisfied, through the transfer of control of the goods or products it sells.

Discounts for early payment, for volume and other discounts are recognised when it is probable that the conditions for granting them will be met and are recognised as a reduction in sales revenue.

a) Goods sold:

The Group manufactures and sells flat steel products and steel related metals.

The revenues included in this category come from five differentiated business lines: "Auto", "Industry", "Road Safety", "Solar Structures", and "Other Structures".

The Group applies the 5-stage model proposed by IFRS 15 "Revenue from Contracts with Customers".

- i. **Identification of contract with customer:** The contracts of the Group may either be standardized and signed in time and manner with specific characteristics and for specific projects; or they may be implicit contracts documented through orders.
- ii. **Identification of performance obligations:** The Group has identified the following performance obligations in each differentiated business line:

Performance obligation	Business line				
	Auto	Industry	Road Safety	Solar Structures	Other structures
Manufacturing and Transport	✓	✓	✓	✓	✓
Installation or Assembly	-	-	✓	✓	✓



For the business lines "Auto" and "Industry", the Group understands their performance obligation with the customer to be the delivery of the produced good at the agreed time and place.

For the "Road Safety" business line, the performance obligation consists of installing the manufactured product. In case this is not installed, the performance obligation is not satisfied. Therefore, the "Manufacturing and Transport" and the "Installation and Assembly" are one only performance obligation in this business line.

In the business lines "Solar" and "Other structures", there are contracts with customers in which the "Manufacturing and Transport" is the only identified performance obligation, while in other contracts the "Installation or assembly" is also included. In this sector, these obligations are satisfied independently.

- iii. **Determination of the transaction price:** The price agreed in the formalized contract or order represents the individual transaction price of the sale or service. The Group did not identify any variable considerations.
- iv. **Price Allocation:** Each contract or order establishes a unit price per service or product sale. For "Auto" and "Industry" business lines the entire price established by the contract or order is allocated to the only identified performance obligation that is the "Manufacturing and transport" of the finished product. In the "Road Safety" business line, the price is allocated to the only identified performance obligation which is "manufacturing and installation". In the case of "Solar" and "Other Structures" the price is allocated specifically for each of the two performance obligations identified: Separately, the "manufacturing and transport" of the "installation or assembly", with different times for revenue recognition.
- v. **Revenue recognition:** This may be "over time" or "at a point in time". For business lines with products that do not have an alternative use (the "Solar" business line and specific products of the "Auto" business line), the revenue is recognized as production milestones are reached, and the sale is recognized as "over time". Products that have alternative uses, which are not specifically produced for a customer in particular, and which have a standardized production, the performance obligation is satisfied whenever the good is delivered, depending on agreed incoterm in each case.

Additionally, there are revenues that stem from "Maquila" service contracts, primarily in the "Auto" business line, in which the Group only identifies as a performance obligation the "cutting or treatment" of goods owned by the customer. The transaction price is assigned to each unit of product treated as an individual contract and revenue recognition is at the "point in time" when the service is rendered.

There are no direct incremental costs for obtaining contracts. There are no performance obligations that represent a warranty.

### b) Revenue through rendering of services

These mainly come from "Maquila" service contracts, primarily in the "Auto" business line, in which the Group only identifies as a performance obligation the "cutting or treatment" of goods owned by the customer. The transaction price is assigned to each unit of product treated as an individual contract and revenue recognition is at the "point in time" when the service is rendered.

### c) Interest Income:

Interest income not deriving from contracts with customers is recognized using the effective interest method.

### d) Dividend income:

Dividend income is recognized when the right to receive payment is established.



### 2.23 Environment

Assets acquired by Group Companies to be used on a long-lasting basis in its business, the main aim of which is to minimize environmental impact and protect and improve the environment are reflected in the relevant property, plant and equipment headings and capitalized at acquisition or production cost. They are depreciated over their estimated useful lives on the basis of the rates laid down for similar property, plant and equipment.

Expenses deriving from such environmental activities are recognized as operating expenses in the year incurred.

A provision for environmental matters is recorded when expenses arise in the current year or when the expenses relate to prior years and when at the year-end such expenses are probable or certain but the amount or date involved has not been specified. A provision is also recorded for environmental actions as a result of the Group's legal or contractual obligations and for the commitments acquired for the prevention and repair of environmental damages.

### 2.24 Employee benefits

#### Termination benefits:

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without any possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits which are not going to be paid within 12 months of the balance sheet date are discounted to present value. In the short-term the Group has no plans to make significant dismissals.

### 2.25 Discontinued operations

In accordance with IFRS 5, a discontinued operation is a component of the entity that has been sold or disposed of through other means or that has been classified as held for sale and:

- a) It represents a line of business or geographical area which is significant and may be considered separate from the rest;
- b) It forms part of an individual and coordinated plan to sell or otherwise dispose of a significant line of business or a geographic area of operations that may be considered to be independent from the rest, or
- c) It is a subsidiary acquired solely for the purpose of resale. The results from discontinued operations are presented as a single balance in the income statement, including the profit after taxes from discontinued operations.

### 2.26 Non-current assets held for sale

Non-current assets (or disposal groups of items) are classified as assets held for sale when their value will be recovered mainly through their sale, provided that their sale is considered to be highly likely. These assets are measured at the lower of the carrying amount and fair value less selling costs.

Property, plant and equipment and intangible assets are not depreciated/amortized once classified as held-for-sale.



### 3. Financial risk management

#### 3.1 Market variables and Group policy

The Group's activities are exposed to different undefinable factors related to the current environment that are conditioning the ordinary performance of the financial markets.

Factors such as the exchange rate, the interest rate, the price, the availability of credit and the yields on assets are being affected not only by normal market circumstances but also by political circumstances and decisions worldwide whose consequences in each region and in each country are not always desirable.

GI Group's policy, channelled through its Finance Department, focuses on maintaining the highest liquidity level possible, facilitating negotiations with financial institutions and minimizing the risks arising from its ordinary activities and its investment plans. This policy also allows it to remain within the market to take advantage of the opportunities and the favourable moments that arise, while avoiding difficult and unfavourable situations.

Within the aforementioned policy, the occasional use of hedging instruments is a resource that is favourably considered within a policy of prudence that governs its actions.

- a) Market risk
  - (i) Price Risk

The Group is exposed to two types of price fluctuations:

#### Fluctuation in the price for the equity securities that it holds:

The effect on the Group due to fluctuations in the price of equity securities due to investments held by the Group and classified in the consolidated balance sheet at fair value through profit or loss is not significant because of the limited significance of these investments with respect to the Group's total assets and equity.

#### Fluctuations in commodity prices:

The Group operates with certain commodities, primarily steel. The Group is affected by fluctuations in the prices for these commodities since, logically, it must be able to transfer the changes in commodity prices to selling prices in order to maintain its market competitiveness.

To satisfy this need, the Group's policy has been to develop a retail network that allows final customers to be continuously supplied and through which it has attained significant market share with respect to final customers, which allows sales to be stabilized and, therefore, reduce this risk. This policy includes medium-term agreements with customers called "program agreements" that allow stability to be provided with respect to market variations and, therefore, significantly reduce price fluctuation risk.

The policy of maintaining sufficient inventory levels at our warehouses, thereby increasing our competitiveness, gives rise to the possibility of the mismatch of those inventories in terms of upward or downward movements in market prices. Deep knowledge of the market through accumulated experience, allows us to anticipate market price fluctuations to a certain extent, thereby minimizing the effects of price fluctuations and increasing the positive effects that any increase in those prices could have on the inventories in our warehouses at any given moment. This allows us to purchase at advantageous moments and reduce our warehouse stock at other times.

At 31 December 2021 and 2020, if the price of steel denominated in euro had been 5% higher/lower, in relative terms, with all other variables remaining constant, profits after taxes for 2021 would have been €70,829 thousand higher/lower, and €47,879 thousand was the figure for 2020, mainly due to higher/lower expenses on the purchase of goods for resale and commodities.



### (ii) Cash flow interest rate risk and fair value risk

Exposure to variations in the Group's interest rate results mainly from borrowings. The Group's borrowings are mainly denominated in euro and are at variable rates, which exposes the Group to the cash flow interest rate risk.

The Group manages its interest rate exposure in a dynamic manner. It simulates several scenarios bearing in account refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios the Group calculates the effect on earnings of a certain variation in the interest rate. The same change in interest rate for all currencies is used in each simulation. Scenarios are only simulated for liabilities representing the most significant interest-bearing positions.

At the end of 2021 and 2020 the Group recognized interest rate hedges totalling €170,000 thousand and €240,000 thousand, respectively (Note 17).

Based on the various scenarios, the Group manages the cash flow interest rate risk through fixed to variable interest rate swaps. The economic effect of these interest rate swaps is the conversion of variable interest borrowings to fixed interest borrowings. Generally, the Group obtains long-term borrowings at variable interest rates and swaps them for borrowings at fixed interest rates which are lower than those which would be available if the Group obtained borrowings directly at fixed interest rates. Under interest rate swaps, the Group undertakes with other parties to exchange on a regular basis (generally quarterly) the difference between fixed and variable interest, calculated on the basis of the notional principals contracted.

At 31 December 2021 and 2020, if the interest rate on borrowings denominated in euro had been 10% higher/lower, in relative terms, with all other variables remaining constant, profits after taxes for 2021 would have been €1,477 thousand higher/lower, and €884 thousand was the figure for 2020, mainly due to a higher/lower variable rate on borrowings.

### (iii) Exchange Rate Risk

The Group operates internationally and is therefore exposed to exchange rate risk arising from transactions in the currencies of the countries in which it operates. Exchange rate risk derives from commercial transactions, recognized assets and liabilities and from the conversion of financial statements for companies whose functional currency is not the presentation currency of the Consolidated Group, mainly the Brazilian real, the Mexican peso, the Polish zloty, the Indian rupee, the Turkish lira, the US dollar, the Argentine peso, the Russian Ruble, the Moroccan dirham, pounds sterling, the Romanian leu, the Czech koruna, the Chilean peso, the Colombian peso, the Guatemalan quetzal and the Chinese renminbi.

In order to neutralize the impact on its business and its income statement that could arise from upward and downward changes in exchange rates the Group applies an exchange rate management policy.

To articulate this policy, the Group prepares regular reports that provide details of all receivables and payables in currencies other than the euro that will materialize within a certain period. Once these flows have been defined and the potential impacts analysed, the Group may temporarily apply a series of financial instruments that allow flexibility when taking the best decisions possible. The instrument used in most cases is the purchase of forward currencies, in which a known rate is set for a certain maturity date and which may adapt to the cash flows that are expected to be obtained from the commercial transactions.

The primary exposure to the exchange rate is fundamentally due to the conversion of the individual financial statements whose functional currency is different from the Group's presentation currency. The sensitivity of results and the Group's consolidated equity to changes in exchange rates affecting the respective currencies is as follows:



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	Changes in exchange rate	2021		2020	
		Effect on profit before taxes	Effect on capital and Reserves	Effect on profit before taxes	Effect on capital and Reserves
BRL / EUR	5%	747	1,863	1,141	1,626
	-5%	-747	-1,863	-1,141	-1,626
RUB / EUR	5%	504	1,881	74	943
	-5%	-504	-1,881	-74	-943
PLN / EUR	5%	489	3,009	282	2,389
	-5%	-489	-3,009	-282	-2,389
GBP / EUR	5%	370	3,861	65	2,814
	-5%	-370	-3,861	-65	-2,814
USD / EUR	5%	122	7,416	-41	7,073
	-5%	-122	-7,416	41	-7,073
CNY / EUR	5%	99	537	33	270
	-5%	-99	-537	-33	-270
COP / EUR	5%	-15	378	-50	390
	-5%	15	-378	50	-390
ARS / EUR	5%	-79	970	-137	749
	-5%	79	-970	137	-749
MAD / EUR	5%	-215	234	-15	447
	-5%	215	-234	15	-447
TRY / EUR	5%	-594	354	35	382
	-5%	594	-354	-35	-382

At the end of 2021 and 2020 the Group recognized exchange hedges yet to mature totalling €112,297 thousand and €20,646 thousand, respectively (Note 17).

### b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Given the dynamic nature of the underlying businesses, the Group's Treasury Department has the objective of maintaining flexible financing through available committed credit facilities.

Management monitors liquidity reserve projections for the Group, which includes credit availability (Note 17) and cash and cash equivalents (Note 14) based on expected cash flows.

At the end of 2021 and 2020, the Group had credit lines and discounting facilities that had not been utilized in the amount of €351,143 thousand in 2021, and €543,509 thousand in 2020 (Note 17).

Notes 17 and 20 of the consolidated notes to the annual accounts contain details regarding the maturity date for borrowings and other Group non-current liabilities, respectively, in accordance with the remaining terms at the balance sheet date up until the maturity date stipulated in the relevant agreement. The amounts reflected in that note relate to the cash flows stipulated in the contract without any discounting and excluding interest. All other current liabilities, such as trade and other payables (Note 22) or other current liabilities fall due within 6 months.

### c) Credit Risk

The credit quality of financial assets that have not yet been sold and which have also not become impaired may be evaluated through the financial analysis performed by the Group based on independent credit ratings or past default information.

The exposure to variations in the quality of debtors is managed by groups. The credit risk results from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, including accounts receivable outstanding.



If customers have been rated independently these ratings are used. Conversely, if there are no independent ratings, credit control assesses the customer's credit worthiness, considering its financial position, past experience and other factors.

Individual credit limits are established based on internal and external ratings in accordance with the limits established by the Group's risk committee. The use of credit limits is regularly monitored by sales and general management.

As part of its risk policy, the Group has obtained insurance from several credit institutions in order to cover possible insolvencies of customers that the Risk Department deems necessary.

During the years for which information is reported no credit limits have been exceeded and Management does not expect there to be losses due to the infringement of any of the counterparties indicated above.

At the end of 2021 and 2020 none of the Group's customers had shown any failure to make payment in the past. In accordance with the Group's risk management policy, all financial institutions at which deposits are made must have a minimum rating of BBB+, therefore Group Management has not considered it necessary to apply any impairment to these assets.

### Losses due to impairment of financial assets

The Group holds financial assets that are subject to the expected credit loss model:

- Trade receivables for inventory sales
- Debt investments recognised at amortised cost
- Other

Although cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the impairment identified was immaterial.

### 3.2. Capital risk management

To date, the Group's objective with respect to capital management is to ensure that the Group maintains the capacity to finance its growth through an adequate financing structure and taking into consideration its cash needs. This growth policy is framed within the final objective of pursuing sustainable long-term profits for the Group's shareholders. Dividends payable, redemptions of capital, the issue of new shares or sales of assets to reduce debt are analysed by the Board of Directors to comply with growth and yield targets.

The Group monitors capital based on the leveraging ratio. This index is calculated next:

		2021	2020
Non-current financial accounts	(Note 10)	942	7,690
Other financial assets	(Note 10)	2,484	2,710
Current Financial Accounts	(Note 12)	18,819	16,205
Cash and other cash equivalents	(Note 14)	67,977	124,211
	<b>Total (I)</b>	<b>90,222</b>	<b>150,816</b>
Non-current financial debt	(Note 17)	289,826	169,076
Non-current derivative financial instr.	(Note 17)	7,094	12,371
Current financial debt	(Note 17)	332,380	170,648
	<b>Total (II)</b>	<b>629,300</b>	<b>352,095</b>
Net Financial Debt	(II-I)	539,078	201,279
Equity	Note 15 and 16)	1,556,665	1,332,498
	<b>Leveraging</b>	<b>35%</b>	<b>15%</b>



The leveraging ratio is within the range of reasonable values established by management, which is to have a DFN/EBITDA ratio of less than 2, the Group's figure at year-end 2021 is 1.66. The performance of this ratio is analysed on on-going basis and future estimates are made of it as a key limiting factor of the Group's investment strategy and dividend policy.

The leveraging ratio of net financial debt increased in 2018 with the adoption of IFRS 16 "Leases". The adjustment for IFRS 16, which only affects on 2021, amounts to €31,941 thousand (€35,110 thousand in 2020).

### 3.3 Fair value estimation

The fair value of current and non-current financial assets and liabilities does not differ significantly from their carrying amount. For financial instruments measured at fair value, the Group uses the following hierarchical levels on the basis of the materiality of the variables used to carry out such valuations:

- Tier 1: Listed prices (not adjusted) on active markets for identical assets or liabilities;
- Tier 2: variables other than the listed prices included in Tier 1 that are observable for the asset or liability directly (prices) or indirectly (deriving from prices).
- Tier 3: variables which are not based on observable market data (non-observable variables).

Market valuations of derivatives, investment properties and non-current assets held-for-sale obtained by the Group are classified under Tier 2 in general.

The estimated fair value of variable rate loans does not significantly differ from their carrying amount.

## 4. Accounting estimates and judgements

Estimates and judgments are assessed on an on-going basis and are based on historic experience and other factors, including expectations of future events which may be considered reasonable in the circumstances.

The Group makes estimates and judgments concerning the future. These estimates have been made based on the best estimate possible based on the information available regarding the events analysed at the date the accompanying consolidated annual accounts were prepared, although it is possible that future events will require them to be modified in coming years which would be done on a prospective basis, recognizing the effects of the change in estimates but the consideration is that they would not have a significant effect on future consolidated annual accounts.

The main estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### 4.1 Fair value of assets and liabilities acquired in business combinations

Business combinations in which the Group obtains control over one or more businesses are recognized using the acquisition method, which generally involves recognising at the acquisition date the assets acquired, the liabilities assumed, the equity instruments issued, and any contingent consideration that depends on future events or the fulfilment of certain conditions, at their fair value at that date, provided that this value can be measured reliably.

### 4.2 Impairment of goodwill and intangible assets with an indefinite useful life

The Group verifies annually whether there is an impairment loss in respect of goodwill and trademarks, in accordance with the accounting policy described in Note 2.9. The recoverable amounts of the cash generating units have been determined on the basis of the calculation of value in use. These calculations require the use of estimates (Note 7). A sensitivity analysis of such calculations in the event of variations in the parameters taken into account is set out in Note 7.



In 2021, as a result of said verification, the Group has proceeded to amortize goodwill (see Note 7). In 2020 the Group did not amortize any goodwill nor trademarks.

### 4.3 Useful lives of buildings and machinery

The Group's management determines estimated useful lives and related depreciation charges for its plant and equipment. This estimate is based on the projected life cycles of buildings and machinery. The useful lives have not changed as a result of the restatement of the cost attributed to the buildings included under the headings Property, plant and equipment and Investment properties, and the previously established figures have been maintained.

### 4.4 Income tax

The Group is subject to income taxes in numerous jurisdictions. A significant level of judgment is required to determine the corporate income tax provision worldwide. There are many transactions and calculations with respect to which the ultimate calculation of the tax is uncertain in the ordinary course of business.

The Group recognizes liabilities for potential tax claims based on an estimate of whether additional tax will have to be paid. When the final tax result differs from the amounts which were initially recognized, such differences will have an effect on income tax and the provisions for deferred taxes in the year in which they are deemed to arise.

The Group capitalizes tax-loss carry forwards insofar as future tax profits will probably arise against which to offset the carry forwards.

### 4.5 Impairment losses on non-financial assets

There is impairment when the carrying amount of an asset or a cash generating unit exceeds its recoverable amount, which is the higher of its fair value, less selling costs, and its value-in-use.

The calculation of fair value less selling costs is based on the information available for sales transactions associated with similar assets carried out under identical conditions or at observable market prices less the cost necessary to eliminate the asset. The calculation of value-in-use is based on a cash flow discounting model.

Cash flows are obtained from the budget for the coming five years and do not include any restructuring activities to which the Group has not yet committed nor any significant future investments that will increase the yield of the asset pertaining to the cash generating unit that is being analysed.

The recoverable amount is very sensitive to the discount rate used in the cash flow discounting model, the future expected entries of flows and the growth rate used in the extrapolation. The key assumptions used to determine the recoverable amount of the various cash generating units, including the relevant sensitivity analysis, are broken down and explained in further detail in Note 7.

### 4.6 Fair value of derivatives or other financial instruments

The fair value of financial instruments that are not listed on an active market (for example, derivatives not listed on an official market) is calculated using measurement techniques. The Group uses judgments to select a variety of methods and to develop assumptions that are primarily based on the market conditions existing at each balance sheet date. The Group has used discounted cash flow analyses for several exchange rate contracts that are not traded on active markets.

### 4.7 Determination of control and evaluation of joint agreements

Under IFRS 10 and 11, the Group performs an evaluation whether there is control or not over the management of investments in which the shareholding is 50%.



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The Group controls a company when it is exposed to, or has the right to, certain variable yields due to the interest held and it has the capacity to use its authority over the company to influence those yields. Therefore, the evaluation is not only based on the account of the legal aspects of the operation, but also on other determining aspects such as the financial aspect of the business, assessment of risk assumption, the company's management and decision-making, the relevance of its transactions and the use of its own manufacture procedures or brands.

As result of said evaluation, those subsidiaries over which the Group has control are consolidated by the full consolidation method. On the other hand, those companies in which the Group has evaluated the nature of the joint agreements and has determined them to be joint ventures, are recognized using the equity method.

At 31 December 2021, shares defined as joint ventures, and therefore recognized using the equity method, amount to €134,356 thousand (€94,869 thousand in 2020). (Note 34.1).

The volume of assets and turnover contributed by those shareholdings in which the Group has determined to have control, which are considered to be significant, Group subsidiaries and are thus consolidated by the full consolidation method, total €434,889 thousand and €787,724 thousand, respectively (€320,549 thousand and €449,119 thousand respectively in 2020). (Note 34.2).



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5 Property, plant and equipment

The breakdown and movements in the various categories of plant, property and equipment are shown in the following table:

	Balance at 31.12.2020	Changes in scope	Additions	Disposals	Transfers	Exchange differences	Balance at 31.12.2021
<b>Gross values</b>							
Land and buildings	604.213	-	5.920	-2.930	-6.306	4.271	605.168
Plant and other property, plant and equipment	779.630	4.086	14.079	-12.264	7.527	10.530	803.588
Assets under constructions and in progress	13.992	-	20.622	-282	-10.117	-51	24.164
<b>Total Gross Values</b>	<b>1.397.835</b>	<b>4.086</b>	<b>40.621</b>	<b>-15.476</b>	<b>-8.896</b>	<b>14.750</b>	<b>1.432.920</b>
<b>Amortisations and provisions</b>							
Buildings	220.918	-	15.343	-931	-9	1.322	236.643
Plant and other property, plant and equipment	590.134	2.294	36.195	-11.246	-253	8.019	625.143
Impairment losses	13.138	-	-	-839	-	-66	12.233
<b>Total Amortisations and Provisions</b>	<b>824.190</b>	<b>2.294</b>	<b>51.538</b>	<b>-13.016</b>	<b>-262</b>	<b>9.275</b>	<b>874.019</b>
<b>Total net fixed assets</b>	<b>573.645</b>						<b>558.901</b>
<b>Gross Values</b>							
Land and buildings	549.032	48.784	284	-480	21.889	-15.296	604.213
Plant and other property, plant and equipment	747.118	34.259	6.351	-6.864	29.605	-30.839	779.630
Assets under constructions and in progress	8.120	38.185	20.457	-360	-52.243	-167	13.992
<b>Total Gross Values</b>	<b>1.304.270</b>	<b>121.228</b>	<b>27.092</b>	<b>-7.704</b>	<b>-749</b>	<b>-46.302</b>	<b>1.397.835</b>
<b>Amortisations and provisions</b>							
Buildings	200.131	10.356	15.689	-216	-97	-4.945	220.918
Plant and other property, plant and equipment	561.882	19.787	38.246	-6.169	-584	-23.028	590.134
Impairment losses	8.043	5.273	-	-59	-	-118	13.138
<b>Total Amortisations and Provisions</b>	<b>770.056</b>	<b>35.416</b>	<b>53.935</b>	<b>-6.444</b>	<b>-681</b>	<b>-28.091</b>	<b>824.190</b>
<b>Total net fixed assets</b>	<b>534.214</b>						<b>573.645</b>



### a) Changes in scope

The column "changes in the consolidation scope" details the tangible fixed assets of the company Riera Tutó S.L., which has been included to the Group's consolidation scope in 2021. (see Note 1)

In 2020, the column "change in scope" includes the property, plant and equipment of the companies Kaufmann, CSI, Lampe Lagertechnik GmbH, Laserboost Agromega and Obratel, which were included in the Group's consolidation scope in 2020. It also includes the assets of the companies Sogei, S.A., ArcelorMittal Gonvarri Nitra S.R.O. and ArcelorMittal Gonvarri SSC Slovakia, S.R.O. which are integrated in the Group's financial statements by the full consolidation method as of December 31, 2020. (see Note 1 and 4.7)

### b) Additions

The main changes in 2021 relate mainly to the investments of the following companies:

- AMG Brazil (€11,502 thousand): primarily due to investments in the greenfield (land, cranes and constructions) in Rio Grande do Sul (Glorinha) (€4,500 thousand) and new blanking line in Campinas involving the extension of the warehouse (€4,900 thousand).
- Gonvauto South Carolina (€5,849 thousand): Investment in a new Blanking Line for Chattanooga.
- Laser Blanking Germany, GmbH (€4,837 thousand): primarily for the acquisition of a new Laser Line and Straker Robot in Thüringen.
- GMH (€3,565 thousand): for separately insignificant investments (most relevant €450 thousand in miniload punch).

The main changes in 2020 relate mainly to the investments of the following companies:

- Laser Automotive Branderburgo (€4,853 thousand): Acquisition of a new Laserblanking Schuler press, which will be completed in 2021.
- ArcelorMittal Gonvarri SSC Slovakia, S.R.O (€2,974 thousand): For expansion of the plant the new blanking line.
- GMH (€2,444 thousand): Primarily for the new beam welding process in Laubach (€962 thousand), the next generation of vertical elevation in Finland (€404 thousand) and press feeder for the B section in Rumania (€374 thousand)
- AMG Brazil (€1,742 thousand): Maily a new slitting and transversal line for Rio Grande (€986 thousand), Laser cutting line II in Parana (€379 thousand) and pickling improvements in Campinas (€390 thousand).
- ArcelorMittal Gonvarri Nitra S.R.O. (€1,679 thousand): completion of greenfield investment with acquisition of blanking line and automated warehouse.
- Gonvarri I Service Center (€1,605 thousand): improvement of facilities and machinery
- Gonvauto Tarragona (€1,479 thousand): thermal insulation of roofs and new transversal cutting line.

Assets under construction at 31 December 2021 primarily relate to investments and the updating of machinery by the subsidiaries Laser Automotive Germany GmbH (€9,677 thousand), AMG Brasil (€6,572 thousand) and ArcelorMittal Gonvarri Nitra, S.R.O (€2.180 thousand).

Assets under construction at 31 December 2020 primarily relate to investments and the updating of machinery by the subsidiaries Laser Automotive Brandemburgo (€4.851 thousand), ArcelorMittal Gonvarri SSC Slovakia, S.R.O (€2.062 thousand) y AMG Brasil (€986 thousand).



### c) Disposals

The main disposals in 2021 relate mainly to the investments of the following companies:

- Gonvauto S.A. (€3,447 thousand): for the sale of the fully amortised Skin Pass.
- Steel & Alloy Processing LTD (€2,480 thousand): for the write-off of fully amortised machinery.
- Sogei, S.A. (€1,978 thousand): for the sale of a warehouse and a plot of land in Cuenca.
- GMH (€1,468 thousand): in Germany and Russia, fully amortised machinery was retired. In Sweden, divestments in vehicles and transport equipment mainly due to derecognition at the end of leasing agreements.
- Gonvarri Valencia, S.A. (€1,156 thousand): divestment of IT equipment.

The main disposals in 2020 relate mainly to the investments of the following companies:

- Gonvarri I Service Center (€3,567 thousand): pickling and annealing regeneration lines in Burgos
- GMH (€1,111 thousand): individually insignificant divestitures within the group
- Gonvarri Solar Steel, US (€827 thousand): TT Racks and machinery/tooling of little significance within the group
- Gonvarri Corporación Financiera (€478 thousand): non-operating divestitures

In 2021 the Group sold property, plant and equipment and incurred a net profit on that sale totalling €120 thousand, which was recognized under the heading "Other income/expense" in the accompanying consolidated income statement for 2021 (€839 thousand in profit at the end of 2020).

### d) Transfers

In 2021, there were significant transfers of property, plant and equipment and fixed assets resulting from the lease of a plot of land in Algete and the lease of a plot of land and a warehouse in Segovia by Sogei, S.A. for the amount of €7,912 thousand.

### e) Asset revaluation

As is indicated in Note 2.5, the Group chose to revalue the fair value of land and premises recognized under property, plant and equipment and investment properties upon the first application of IFRS-EU in accordance with their market values at the transition date. Based on legal provisions (fundamentally Royal Decree-Law 7/1996 of 7 June) on 31 December 2021 the total revaluation in the consolidated result of the Group is as follows:

	Revaluation amount	2021 Provision	Pending amortization
	261.341	5.397	54.042

### f) Impairments

As mentioned in Note 2.9, the Group identifies CGUs with losses or other indications of impairment and these assets are tested for impairment. The Group companies for these impairment tests are deemed necessary are Gonvarri MS Colombia and Çepas Galvaniz.

These calculations are based on cash flow projections for the CGUs in question, which are obtained from current operating results and existing business plans that cover a period of five years. The calculation of value-in-use is sensitive to the following assumptions:

- Ebitda margins on estimated average sales: Ebitda sales margins are based on estimated projections made by Group Management based on the estimated development of the various strategic business plans. These margins are based on the average values obtained from the 5-year projections.
- Perpetual growth rate: Group management estimates 0.5% and 1% growth based on the progressive improvement of the efficiency of sales to perpetuity.



- Discount rates: The discount rates reflect the evolution of the market with respect to the specific risks affecting each cash generating unit, considering the time value of money. The discount rate is based on the specific circumstances affecting the Group and its operating segments and is the result of its weighted average cost of capital ("WACC"). The WACC considers both debt and equity. The cost of equity is based on the expected yield from investments made by Group investors. The cost of debt is based on the interest rates on loans that the Group must repay. The specific segment risk is included by applying individual beta factors that are evaluated on an annual basis in accordance with market data.

The key assumptions used in the calculations of value-in-use in 2021 are as follows:

	Ebitda/Sales		
	Margin (1)	Growth rate	Discount rate
Gonvarri MS Colombia	8.57%	1.00%	11.95%
Çepas Galvaniz	7.86%	1.00%	21.17%

(1) Ebitda margin on estimated average sales over the next 5 years.

The key assumptions used in the calculations of value-in-use in 2020 are as follows:

	Ebitda/Sales		
	Margin (2)	Growth rate	Discount rate
Gonvarri MS Colombia	5.65%	1.00%	12.25%
Gonvauto South Carolina	2.60%	1.00%	7.57%
Çepas Galvaniz	12.59%	1.00%	24.33%
Gonvauto Thüringen	2.54%	0.50%	6.96%

(2) Ebitda margin on estimated average sales over the next 5 years.

Company management analyses the sensitivity to changes in the discount, growth and gross margin rates that have been used, in order to ensure that such changes will not influence the recoverability of the previously calculated values.

- A 1% increase in the discount rate applied in the calculations, as shown in the table, would result in a decrease in the value-in-use, but in no case would it give rise to that value-in-use being less than its carrying amount.
- A 5% decrease in the Ebitda margin on Sales applied in the calculations, as shown in the table, would result in a decrease in the value-in-use, but in no case would it give rise to that value-in-use being less than its carrying amount.
- A 0.5% decline in the perpetual growth rate as from the first period, as shown in the table, would result in a decrease in the value-in-use, but in no case would it give rise to that value-in-use being less than its carrying amount.
- A joint variation of the aforementioned variables would in no case give rise to that value-in-use being less than its carrying amount.

#### g) Insurance

It is Company policy to contract all insurance policies deemed necessary to cover property, plant and equipment against all potential risks.

#### h) Additional information

In 2021 and 2020, the Group did not capitalize interest costs deriving from the outside financing obtained to build the facilities.

#### i) Fully amortized assets

At 31 December 2021 and 2020 there are fully depreciated assets recognized under property, plant and equipment in the consolidated balance sheet totalling €304,060 thousand (€292,035 thousand in 2020).



### 6 Investment Property

Details and movements in investment properties are as follows:

	Balance at 31.12.2020	Additions	Disposals	Transfers	Exchange Differences	Balance at 31.12.2021
<b>Gross values</b>						
Land and natural assets	13.209	-	-	6.636	23	19.868
Buildings	74.869	-	-7.717	1.288	343	68.783
<b>Total Gross Values</b>	<b>88.078</b>	-	<b>-7.717</b>	<b>7.924</b>	<b>366</b>	<b>88.651</b>
<b>Amortisations/provisions</b>						
Buildings	26.363	3.021	-3.248	-	188	26.324
Impairment losses	7.010	5.600	-	-	-366	12.244
<b>Total Amortisations/provisions</b>	<b>33.373</b>	<b>8.621</b>	<b>-3.248</b>	-	<b>-178</b>	<b>38.568</b>
<b>Total net investment properties</b>	<b>54.705</b>					<b>50.083</b>

	Balance at 31.12.2019	Additions	Disposals	Transfers	Exchange Differences	Balance at 31.12.2020
<b>Gross Values</b>						
Land and natural assets	14.555	-	-1.224	-	-122	13.209
Buildings	85.617	-	-7.589	-401	-2.758	74.869
<b>Total Gross Values</b>	<b>100.172</b>	-	<b>-8.813</b>	<b>-401</b>	<b>-2.880</b>	<b>88.078</b>
<b>Amortisations/provisions</b>						
Buildings	23.345	3.316	-	-51	-247	26.363
Impairment losses	3.549	3.461	-	-	-	7.010
<b>Total amortisations/provisions</b>	<b>26.894</b>	<b>6.777</b>	-	<b>-51</b>	<b>-247</b>	<b>33.373</b>
<b>Total net investment properties</b>	<b>73.278</b>					<b>54.705</b>

The entirety of the disposals in 2021 relate to the sale of real estate assets in Gonvarri Czech, amounting to €7,717 thousand. In 2020, disposals relate entirely to the sale of warehouses and land at Gonvarri Solar Steel, US, which has generated a cash inflow of €8,974 thousand.

The existing transfers in 2021 mainly relate to land and buildings of Sogel, S.A. amounting to €7,912 thousand resulting from the leasing of the facilities.

During the financial year 2021, the Group has disposed of items of property, plant and equipment, having incurred a net profit as a result of such sale of €300 thousand, recorded under "Other income and expenses" in the consolidated income statement for the year. The main transaction that generated net profit in the income statement was in Gonvarri Czech for the sale of fixed assets for €300 thousand with a carrying amount of €7,717 thousand.

As is indicated in Note 2.5, the Group chose to revalue the fair value of land and premises of investment properties upon the first application of IFRS-EU in accordance with their market values at the transition date.

Based on legal provisions (fundamentally Royal Decree-Law 7/1996 of 7 June) on 31 December 2021 the total revaluation in the consolidated result of the Group is as follows:

Revaluation amount	2021 Provision	Pending amortization
21.312	341	1.925

The Group periodically requests independent experts to provide reports as to the fair value of investment property at the end of the year. At 31 December 2021 and 2020, these studies have been performed based on uniform comparable values. This method consists of obtaining a series of comparables, to which a uniformity process has been applied, from which a reference value to be applied to the property is obtained.



The uniformity process consists of applying a corrective factor to each of the samples obtained depending on the particularities of the property subject to valuation; the general uniformity factors we have considered are: built surface areas, qualities and finishes, age, location and typologies and uses. On this basis, an impairment of € 1,338 thousand was considered for the land in Italy (Parma) during the 2021 financial year. In addition, Gonvarri Industrial Maroc, S.A. has been impaired for €3,669 thousand in land and €593 thousand in buildings as a result of the receipt of an administrative resolution from the public body "Dominios del Estado" whereby failure to comply with the agreements of the C-V of the land in 1997 could result in the expropriation of the land.

During the financial year 2020 an impairment was recognised on land in Morocco and Italy (Parma) amounting to € 1,965 thousand and € 1,496 thousand respectively.

At 31 December 2021 the fair value of the Group's investment properties is equal or higher than their carrying amount, and therefore there is no individual impairment index.

At 31 December 2021, just as in 2020, there were no land nor buildings acquired under finance leases.

The income statement recognizes the following amounts deriving from the leased properties recorded under this heading:

	2021	2020
Lease income (1)	5,218	3,985
Operating expenses for leased properties (2)	3,651	3,534
<b>Total</b>	<b>1,567</b>	<b>451</b>

(1) Included under the heading 'Revenue from other Operating Contracts'  
 (2) Included under the heading 'Amortization' and 'Other operating expense'

In addition, there are non-leased properties within the Group that generate operating expenses in the income statement. These expenses amount to €531 thousand (€523 thousand in 2020).

At the end of the year of there are no restrictions on investment properties, on the collection of income derived from these properties or the resources obtained from their sale or disposal by other means.

It is Company policy to contract all insurance policies deemed necessary to cover intangible assets against all potential risks.

## 7 Goodwill

Set out below is the assignment of goodwill at CGU group level:

	31.12.2020	Additions	Disposals	Exchange differences	31.12.2021
Agromega	313	-	-313	-	-
Obratel	1,155	-	-1,155	-	-
Lampe	3,215	-	-	-	3,215
Kaufmann	13,575	-	-	619	14,194
C SI	1,644	-	-	115	1,759
Kredit SRO Czech Republic	4,381	-	-	-	4,381
Gonvarri Material Handling	24,545	-	-	188	24,733
GMS Colombia	5,258	-	-	-382	4,876
Çepas	2,368	-	-1,996	-372	-
Addimen	296	-	-296	-	-
Suports España	76	-	-76	-	-
FLINSA	8,019	-	-	-	8,019
Riera Tutó	-	8,049	-	-	8,049
<b>Total Goodwill</b>	<b>64,845</b>	<b>8,049</b>	<b>-3,836</b>	<b>168</b>	<b>69,226</b>



	31.12.2019	Additions	Exchange differences	31.12.2020
Agromega	-	313	-	313
Obratel	-	1,155	-	1,155
Lampe	-	3,215	-	3,215
Kaufmann	-	13,575	-	13,575
CSI	-	1,644	-	1,644
Kredit SRO Czech Republic	4,381	-	-	4,381
Gonvarri Material Handling	24,696	-	-151	24,545
GMS Colombia	6,003	-	-745	5,258
Çepas	3,228	-	-860	2,368
Addimen	296	-	-	296
Suports España	76	-	-	76
FLINSA	8,019	-	-	8,019
<b>Total Goodwill</b>	<b>46,699</b>	<b>19,902</b>	<b>-1,756</b>	<b>64,845</b>

### a) Changes for the year

The most significant change in 2021 was the acquisition of Riera Tutó (see notes 1 and 33), which increased the Group's goodwill. In 2021, the goodwill of Agromega, Çepas, Addimen, Obratel and Suports España was impaired as a result of the annual review in accordance with the accounting policy detailed in Note 2.9. This impairment is mainly due to the poor market expectations and the insufficient results of these companies to recover this goodwill (Note 15.7). On the other hand, also during the current year, goodwill generated in currencies other than the euro, such as that of GMS Colombia, Kaufmann, CSI and Gonvarri Material Handling (goodwill generated locally due to the acquisition of the company Constructor Group UK), shows variations due to the translation differences generated.

The most notable change in 2020 was the purchase of Lampe Lagertechnik GmbH, Kaufmann, CSI, Agromega and Obratel (see Note 1 and 33), which increased the Group's goodwill. On the other hand, also during the present year, the goodwill generated in currencies other than the euro, as is the case of the companies GMS Colombia, Çepas Galvaniz and Gonvarri Material Handling (goodwill generated in local currency due to the acquisition of the company Constructor Group UK), show variations due to the generated exchange differences.

As required by the accounting standard for changes of control in subsidiaries (see Note 1), the Group valued at market price the assets and liabilities of AMG Senica and AMG Nitra for their full integration, resulting in an initial goodwill of €8,562 thousand and subsequently, after performing a Purchase Price Allocation (PPA), this goodwill was allocated in its entirety to the property, plant and equipment of the companies (see Note 5).

### b) Impairment tests

For all CGUs these calculations are based on cash flow projections for those CGUs obtained from current operating results and existing business plans that cover a period of five years. The calculation of value-in-use is sensitive to the following assumptions:

- Ebitda margins on estimated average sales: Ebitda sales margins are based on estimated projections made by Group Management based on the estimated development of the various strategic business plans. These margins are based on the average values obtained from the 5-year projections.
- Discount rates: The discount rates reflect the evolution of the market with respect to the specific risks affecting each cash generating unit, considering the time value of money. The discount rate is based on the specific circumstances affecting the Group and its operating segments and is the result of its weighted average cost of capital ("WACC"). The WACC considers both debt and equity. The cost of equity is based on the expected yield from investments made by Group investors. The cost of debt is based on the interest rates on loans that the Group must repay. The specific segment risk



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is included by applying individual beta factors that are evaluated on an annual basis in accordance with market data.

- Perpetual growth rate: Group management estimates between 0.5% and 1% growth based on the progressive improvement of the efficiency of sales to perpetuity.

The key assumptions used in the calculations of value-in-use in 2021 are as follows:

	Ebitda/Sales		Discount
	margin (1)	Growth rate	rate
Gonvarri MS Colombia	8,57%	1,00%	11,95%
Gonvarri Material Handling Group	6,79%	1,72%	7,92%
CSI	2,80%	1,50%	7,70%
Lampe - GMH Group	8,90%	1,50%	8,60%
Kredit SRO - GMH Group	7,30%	2,00%	7,90%
Kaufmann - GMH Group	14,40%	2,00%	8,00%
Flejes Industriales SA (FLINSA)	11,91%	0,50%	6,25%

(1) Ebitda margin on estimated average sales over the next 5 years.

The key assumptions used in the calculations of value-in-use in 2020 are as follows:

	Ebitda/Sales		Discount
	Margin (1)	Growth rate	rate
Gonvarri MS Colombia	5,65%	1,00%	12,25%
Çepas Galvaniz	12,59%	1,00%	24,33%
Gonvarri Material Handling Group	7,80%	0,90%	7,40%
Lampe - GMH Group	9,80%	1,50%	8,60%
Kredit SRO - GMH Group	8,80%	1,00%	7,80%
Kaufmann - GMH Group	10,00%	1,00%	7,40%
Flejes Industriales SA (FLINSA)	15,52%	0,50%	8,40%

(1) Ebitda margin on estimated average sales over the next 5 years.

### Sensitivity analysis of changes in the calculation premises:

Company management analyses the sensitivity to changes in the discount, growth and gross margin rates that have been used, in order to ensure that such changes will not have an influence on the recoverability of the previously calculated values:

- An increase in the discount rate of 1%, as detailed in the table above, used in the calculations would result in a decrease in the value in use, but in no case would this value in use be less than the value of the goodwill of Gonvarri MS Colombia, Flejes Industriales SA, Gonvarri Material Handling Group, CSI, Lampe and Kaufmann.
- A decrease in the Ebitda/Sales margin of 5%, as detailed in the table above, used in the calculations would result in a decrease in the value in use, but in no case would this value in use be less than the value of the goodwill of Gonvarri MS Colombia, Flejes Industriales SA, Gonvarri Material Handling Group, Lampe and Kaufmann.
- A decrease in the discount rate of 0.5%, as detailed in the table above, used in the calculations would result in a decrease in the value in use, but in no case would this value in use be less than the value of the goodwill of Flejes Industriales SA, Gonvarri Material Handling Group, CSI, Lampe, Kredit and Kaufmann.
- A joint variation of the above variables would not result in a variation of the value in use, and therefore would not generate impairment in the goodwill of Flejes Industriales SA, Gonvarri Material Handling Group, Lampe and Kaufmann.



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### 8 Other intangible assets

Set out in the table below is a breakdown of the intangible asset categories showing movements:

	Balance at 31.12.2020	Changes in scope	Additions	Disposals	Transfers	Exchange differences	Balance at 31.12.2021
<b>Gross Values</b>							
Licenses and patents	352	-	75	-	275	-122	580
Trademarks	17,671	-	4	-	-12	58	17,721
Computer software	31,224	128	277	-230	4,457	-84	35,772
Assets under construction and work in progr.	-	-	2,889	-	-646	-	2,243
Other intangible assets	5,962	-	1,376	-75	-4,325	-224	2,714
<b>Total Gross Values</b>	<b>55,209</b>	<b>128</b>	<b>4,621</b>	<b>-305</b>	<b>-251</b>	<b>-372</b>	<b>59,030</b>
<b>Amortisations and provisions</b>							
Licenses and patents	100	-	40	-	-	-48	92
Trademarks	16	-	31	-	-12	-1	34
Computer software	24,262	104	3,982	-262	-840	79	27,325
Other intangible assets	485	-	311	-6	-109	-29	652
<b>Total Amortisations / Provisions</b>	<b>24,863</b>	<b>104</b>	<b>4,364</b>	<b>-268</b>	<b>-961</b>	<b>1</b>	<b>28,103</b>
<b>Total net fixed assets</b>	<b>30,346</b>						<b>30,927</b>
<b>Gross Values</b>							
Licenses and patents	505	40	-	-	-60	-133	352
Trademarks	17,694	-	41	-	-	-64	17,671
Computer software	26,733	464	918	-431	4,546	-1,006	31,224
Other intangible assets	2,945	342	4,874	-111	-2,198	110	5,962
<b>Total Gross Values</b>	<b>43,457</b>	<b>846</b>	<b>5,833</b>	<b>-542</b>	<b>2,288</b>	<b>-1,093</b>	<b>55,209</b>
<b>Amortisations and Provisions</b>							
Licenses and patents	143	-	25	-	-25	-43	100
Trademarks	-1	-	13	-	-	4	16
Computer software	20,744	159	2,584	-521	1,894	-598	24,262
Other intangible assets	346	-	181	-	-	-42	485
<b>Total Amortisations/Provisions</b>	<b>20,903</b>	<b>159</b>	<b>2,803</b>	<b>-521</b>	<b>1,869</b>	<b>-679</b>	<b>24,863</b>
<b>Total net fixed assets</b>	<b>22,554</b>						<b>30,346</b>



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### a) Additions

The additions mainly correspond to the development of new IT solutions to optimize processes and analysis through external consulting. Of particular relevance during 2021 is the strategic decision taken by the Group to implement SAP HANA through an IaaS agreement (Infrastructure as a Service). This process will continue for several years and will be implemented in all the Group's companies, enabling them to optimize their management and control.

### b) Changes in scope

The changes in scope correspond to the intangible assets of the companies that were incorporated to the scope of the Group in 2021. (Note 33).

### c) Fully amortized assets

At 31 December 2021 there are fully amortized assets under the heading Computer Software totalling €24,081 thousand (€22,521 thousand at 31 December 2020).

### d) Insurance

It is Company policy to contract all insurance policies deemed necessary to cover intangible assets against all potential risks.

### e) Additional information

There is no intangible asset with ownership restrictions or that has been pledged to secure Liabilities. There are no internally developed intangible assets.

At the year-end the Group does not recognize any intangible asset with an indefinite useful life other than goodwill and trademarks (Note 2.7).

The Group has not detected any indication of impairment of the trademarks and considers that there are no concerns as to their recoverability.

## 9 Right of use assets

The Group adopted IFRS 16 effective January 1, 2019. The movement in right-of-use assets as of December 31, 2021 has been as follows:

	31.12.2020	Additions	Disposals	Contract Revisions	Exchange differences	Changes in scope	31.12.2021
<b>Cost</b>							
Port Concessions	6.660	-	-	6.310	-	-	12.970
Land and Buildings	20.854	1.335	-6.112	939	476	798	18.290
Plants and other assets	22.289	7.059	-414	1.098	76	10	30.118
<b>Total cost</b>	<b>49.803</b>	<b>8.394</b>	<b>- 6.526</b>	<b>8.347</b>	<b>552</b>	<b>808</b>	<b>61.378</b>
<b>Amortisation and Impair.</b>							
Port Concessions	842	471	-	5.817	-	-	7.130
Land and Buildings	5.968	3.222	-721	-1.853	6	-	6.622
Plants and other assets	9.021	5.555	-548	2.796	34	-	16.858
<b>Accumulated Amortisation</b>	<b>15.831</b>	<b>9.248</b>	<b>-1.270</b>	<b>6.761</b>	<b>40</b>	<b>-</b>	<b>30.610</b>
<b>Net Value</b>	<b>33.972</b>	<b>-854</b>	<b>-5.256</b>	<b>1.586</b>	<b>511</b>	<b>808</b>	<b>30.768</b>



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	31.12.2019	Additions	Exchange differences	Other movements	31.12.2020
<b>Cost</b>					
Port Concessions	6.658	-	-	2	6.660
Land and Buildings	20.971	431	-678	130	20.854
Plant and other assets	19.367	4.061	-1.527	388	22.289
<b>Total cost</b>	<b>46.996</b>	<b>4.492</b>	<b>-2.205</b>	<b>520</b>	<b>49.803</b>
<b>Amortisation and Impair.</b>					
Port Concessions	421	421	-	-	842
Land and Buildings	3.019	3.168	-227	8	5.968
Plant and other assets	4.232	4.624	-523	688	9.021
<b>Accumulated Amortisation</b>	<b>7.672</b>	<b>8.213</b>	<b>-750</b>	<b>696</b>	<b>15.831</b>
<b>Net Value</b>	<b>39.324</b>	<b>-3.721</b>	<b>-1.455</b>	<b>-176</b>	<b>33.972</b>

### a) Interest rates

The lease payments have been discounted using the lessee's incremental interest, understood as the interest on the financing that GI would have had to pay to acquire the funds necessary to purchase a similar asset in an equivalent economic environment. To determine the incremental interest rate the Group employs the following method:

For contracts of less than 7 years, a recent interest rate applied in a financial transaction of similar short-term conditions with a third party is used as the basis for the calculation. For contracts maturing in more than 7 years, the quotation for the 7-year Gestamp bond (3.20%) has been used as the basis. It also considers the risk of maturity including a spread of the Interest Rate Swap curve of the currency in which the lease has been contracted.

### b) Amortisation period

Rights of use are amortized on a straight-line basis over the useful life of the lease in question.

### c) Other payments for leases

Payments associated with short-term leases or with inherent low-value assets are recognised on a straight-line basis as an expense in the income statement. Low value assets mainly comprise computer equipment and office supplies.

There are no variable lease payments that can be considered significant.

### d) Determination of the useful life of a contract

In determining the useful life of the contract, Management has considered all the factors and circumstances that may generate economic incentive to exercise or not exercise the renovation options of each contract.

The Group has made an analysis by country and by type of lease contract. The conditions for renewal were assessed and the additional duration covered by the renewal option was included.



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### 10 Non-current financial assets

The accounting policies relating to financial instruments have been applied to the following headings:

	At amortised cost	Other	Total
Loans granted to third parties	942	-	942
Other financial assets	-	2,484	2,484
<b>Total at 31.12.2021</b>	<b>942</b>	<b>2,484</b>	<b>3,426</b>
Loans granted to related parties	6,429	-	6,429
Loans granted to third parties	-	1,261	1,261
Other financial assets	-	2,710	2,710
<b>Total at 31.12.2020</b>	<b>6,429</b>	<b>3,971</b>	<b>10,400</b>

With respect to loans granted to related parties in 2020, Gonvarri Corporación Financiera has a loan granted to the Gonvama subgroup for €6,429 thousand, the interest rate of which is tied to Euribor plus a market spread. This loan was settled in 2021.

The loans granted to third parties primarily consist of the loans granted by the company Gonvauto Thüringen for the purchase of tooling and the GMH guarantee funds provided for the purchase of Kredit.

The heading "Other" mainly records the Group's deposits and guarantees that will be in place for the long-term.

### 11 Trade and other receivables

The balance of this heading is analysed below:

	31.12.2021	31.12.2020
Trade receivables sales and services rendered (*)	468.512	362.032
Provisions for impairment of trade receivables	-17.839	-16.500
<b>Trade receivables - net</b>	<b>450.673</b>	<b>345.532</b>
<b>Trade receivables related parties (Note 35) (*)</b>	<b>318.769</b>	<b>359.225</b>
<b>Other receivables related parties (Note 35) (*)</b>	<b>7.900</b>	<b>7.310</b>
Sundry receivables (*)	3.805	4.477
Accrual accounts	3.448	4.150
<b>Other receivables</b>	<b>7.253</b>	<b>8.627</b>
<b>Total trade and other receivables</b>	<b>784.595</b>	<b>720.694</b>

(\*) Customers and trade receivables

The ageing analysis of these accounts is as follows (thousand euro):

Current loans and receivables at 31 December 2021	Not due	Debt due since				Total
		0-3 months	3-6 months	+6 months		
(1) Customers and trade receivables	621,089	146,941	8,574	22,383	798,987	
(2) Impairment provisions	(785)	(678)	(201)	(16,175)	(17,839)	
<b>Total</b>	<b>620,304</b>	<b>146,263</b>	<b>8,373</b>	<b>6,208</b>	<b>781,148</b>	

Current loans and receivables at 31 December 2020	Not due	Debt due since			Total
		0-3 months	months	+6 months	
(1) Customers and trade receivables	616,675	78,294	12,753	25,322	733,044
(2) Impairment provisions	(7,411)	(225)	(255)	(8,609)	(16,500)
<b>Total</b>	<b>609,264</b>	<b>78,069</b>	<b>12,498</b>	<b>16,713</b>	<b>716,544</b>



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The carrying amount of trade receivables and current receivables approximates their fair value as they fall due in the short-term.

Movements in the provision for impairment losses affecting receivables are as follows:

		Impairment provisions for trade and other receivables
<b>Balance at 31.12.2019</b>		<b>15,817</b>
Allocations	(Note 29)	2,525
Excess	(Note 29)	-2,957
Applications		2,433
Changes in scope		255
Exchange difference		-1,573
<b>Balance at 31.12.2020</b>		<b>16,500</b>
Allocations	(Note 29)	5,174
Excess	(Note 29)	-3,521
Applications		-1,503
Changes in scope		773
Exchange difference		415
<b>Balance at 31.12.2021</b>		<b>17,839</b>

In 2018 the Group adopted IFRS 9, financial instruments, recognising a new model for expected credit losses that results in the recognition of losses in advance. The amount of the impairment provision, which includes expected and incurred losses at 31 December 2021, is €17,839 thousand. (€16,500 thousand at 31 December 2020). (Notes 2.10 and 3)

At 31 December 2021, receivables totalling €177,898 thousand were past due and not impaired in addition to the impairment already recognized (€116,368 thousand in 2020).

All companies of the Group have credit and bonding insurance, which covers the risk of default of customers, especially in the general industry sector. In addition, receivables not provisioned at more than 180 days are mainly balances of Hiasa to be recovered from long-term customers.

63% percent of trade and other receivables are denominated in euro (65% at 31 December 2020).

The Group classifies the credit quality of trade receivables using internal and external analyses. If customers have been rated independently these ratings are used. Conversely, if there are no independent ratings, credit control assesses the customer's credit worthiness, considering its financial position, past experience and other factors.

Individual credit limits are established based on internal and external ratings in accordance with the limits established by the Board of Directors. Credit limits are followed up regularly.

During the year for which information is reported, credit limits were not exceeded, and management does not expect any losses to arise owing to default by any of the counterparties indicated. None of the financial assets pending maturity have been renegotiated during the year.

The Group has calculated the customer risk concentration based on the following grouping, in accordance with type of activity concerned:



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Market	31.12.2021	31.12.2020
Gestamp	289,183	328,553
OEM	74,721	63,623
Automobile Aux. Industry	55,709	68,550
Industry	213,093	122,746
Solar	22,357	35,657
Road Steel	19,376	22,180
Other	124,548	91,735
<b>Total</b>	<b>798,987</b>	<b>733,044</b>

- Gestamp: the credit rating maintained by Gestamp Group is BB and Ba3, in accordance with S&P and Moody's, respectively.
- OEM Customer: The Group has determined that the risk concentration relating to these trade receivables is low given that it conducts its activities with large companies in the sector (Volkswagen, Renault, BMW, Porsche, etc.), which are companies with recognized financial solvency.
- Industry, Automobile Auxiliary Industry, Solar and Road Steel: As is explained in Note 3.1.b, the Group's policy is to obtain credit insurance that covers practically all of these trade receivable balances.

## 12 Current financial receivables

### 12.1 Classification by category

Amortised cost		31.12.2021	31.12.2020
Loans granted to related parties	(Note 12.2)	14,910	10,785
Loans granted to third parties		439	374
Bank deposits and other financial assets	(Note 12.3)	588	5,041
Derivative financial instruments	(Note 17)	2,882	5
<b>Total</b>		<b>18,819</b>	<b>16,205</b>

### 12.2 Loans granted and other receivables from related parties (current portion)

The composition of the balance under this consolidated balance sheet heading consists mainly of the line of credit granted to the associate Gestamp Puebla in the amount of €13,442 thousand (€8,901 thousand in 2020), Gestamp Aguascalientes in the amount of €925 thousand (€640 thousand in 2020) and Gestamp San Luis de Potosí for €7 thousand (€610 thousand in 2020), fallen due and not collected at 31 December 2021, which are considered a loan and accrue a market interest rate. The dividends to be collected from Rejillas Calibradas, SL, totalling €400 thousand are also recognized under this heading.

All of the loans accrue interest at Euribor plus a market spread. These balances have not suffered any impairment losses and were initially measured at nominal value given that the effect of updating the cash flows is not expected to be significant. The value indicated in the accounts may therefore be similar to their fair value.

### 12.3 Bank deposits and other financial assets

The breakdown of this heading in 2021 and 2020 is as follows:

	31.12.2021	31.12.2020
Bank deposits and other financial assets	560	4,983
Current accounts with shareholders and Directors	28	29
<b>Total bank deposits and other financial accounts</b>	<b>588</b>	<b>5,012</b>



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The main current item relates to various deposits held by Group companies, maturing in between three and six months. These bank accounts accrue a financial market interest rate. In 2020, the main component of bank deposits was that contributed by Gonvarri Industrial Maroc, S.A. amounting to €4,170 thousand. This balance has been transferred to "Cash and cash equivalents" during 2021.

### 13 Inventories

The breakdown of this heading in 2021 and 2020 is as follows:

	31.12.2021	31.12.2020
Goods purchased for resale	721,532	302,315
Raw materials and other consumables	250,330	99,888
Finished goods and work in progress	171,025	110,086
Prepayments	4,418	1,949
Impairment losses	-40,786	-16,086
<b>Total inventories</b>	<b>1,106,519</b>	<b>498,152</b>

The movements in provisions for impairment during 2021 and 2020 were as follows:

	Inventory Impairment Provision
<b>Balance at 31.12.2019</b>	<b>18,408</b>
Allocations	2,345
Exchange differences	-14
Excess	-5,228
Changes in scope	575
<b>Balance at 31.12.2020</b>	<b>16,086</b>
Allocations	26,193
Exchange differences	84
Excess	-1,577
<b>Balance at 31.12.2021</b>	<b>40,786</b>

The provisions for impairment relate primarily to damages and defects affecting materials and obsolescence. The allocations and excess amounts recognized by the Group in 2021 are recognized under the headings "Raw materials and other consumables" in the accompanying consolidated income statement totalling €26,193 thousand and €1,577 thousand, respectively (€2,345 thousand and €5,228 thousand, respectively, in 2020).

The significant impact of the provisions presented by the Group in 2021 is closely related to the change in the accounting estimate for the provision for obsolescence of stock explained in Note 2.12, the purpose of which is to adapt the calculation to the new conditions currently affecting the steel market.

The change in inventories of goods purchased for resale, raw materials and other supplies included under the heading "Raw materials and other consumables" during the year totalled €569,659 thousand (€-68,383 thousand in 2020), and the purchases of those goods recognized as an expense totalled €4,157,290 thousand (€2,580,081 thousand in 2020).

The heading "other consumables" includes spare parts amounting to €17,886 thousand (€15,998 thousand in 2020) which are expected to be used in the short term.

At the year-end the Group does not record any inventories pledged to secure compliance with debt commitments.



### 14 Cash and cash equivalents

This heading contains the following items:

	31.12.2021	31.12.2020
Cash and bank deposits	61,946	105,056
Current bank deposits	6,031	19,155
<b>Total cash and cash equivalents</b>	<b>67,977</b>	<b>124,211</b>

Current deposits to credit institutions are considered to be those cash deposits maturing within three months. These bank accounts accrue a financial market interest rate. Cash balances are mostly held in yield-bearing current accounts.

Sight bank accounts bear a small yield and they are fully available to the Group and are not subject to any type of restriction.

### 15 Total equity attributable to the parent company

#### 15.1 Share capital

At 31 December 2021 share capital is represented by 6,706,759 fully subscribed and paid shares with a par value of €30.05 each (6,706,759 shares with a par value of €30.05 each at 31 December 2020), and there are no restrictions on their transfer.

Gonvarri Corporación Financiera, S.L. reported that it had ceased to be a single shareholder company on 13 May 2016 after the sale of a share by Holding Gonvarri, S.L. to Gonvarri I. Centro de Servicios, S.L., which was executed in a public document in Madrid on 15 April 2016.

	31.12.2021	31.12.2020
Holding Gonvarri, S.,L.	99,99%	99,99%
Gonvarri I. Centro de Servicios, S.L.	0,01%	0,01%
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>

#### 15.2 Share premium

At December 31, 2021, the share premium amounted to €15,699 thousand, just as at December 31, 2020. This reserve is freely distributable.

#### 15.3 Legal reserve

Appropriations to the legal reserve are made in compliance with Article 274 of the Spanish Companies Act, which stipulates that 10% of the profits for each year must be transferred to this reserve until it represents at least 20% of share capital. The legal reserve is not available for distribution. Should it be used to offset losses in the event of no other reserves being available, it must be replenished out of future profits. This reserve totals €40,308 thousand at 31 December 2021 (€40,308 thousand at 31 December 2020) and is in compliance with the aforementioned stipulation.

#### 15.4 Capitalization reserve

Corresponding to the reserve created for the deduction of the taxable base of 10% of the amount for equity increase of the existent Tax Group in the period, on the terms established by Article 25 of 27/2014 Corporate Income Tax Act. This reserve will be unavailable for 5 years beginning at the closing of the tax period to which the reduction corresponds. The total amount of the Capitalization reserve at 31 December 2021 and 2020 is of €20,443 and €19,441 thousand, respectively.



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### 15.5 Retained earnings

This heading consists of:

	31.12.2021	31.12.2020
Reserves of the Parent Comp. (Distributable and non-distr.)	725,471	647,745
Reserves in fully consolidated companies	309,571	321,185
Reserves in equity consolidated companies	47,096	33,420
<b>Total retained earnings</b>	<b>1,082,138</b>	<b>1,002,350</b>

### 15.6 Distribution of results

The distribution of 2021 parent company profits that will be proposed by the Board of Directors to shareholders at the Annual General Meeting for approval is set out below:

	2021	2020
<b>Available for distribution</b>		
Profit and Loss	55,595	77,727
	<b>55,595</b>	<b>77,727</b>
<b>Distribution</b>		
To Capitalization Reserve	1,693	-
To Voluntary Reserve	52,902	77,727
	<b>54,595</b>	<b>77,727</b>

The Parent company did not distribute interim dividends against profits in 2021 (€29,000 thousand in interim dividend were distributed in 2020).



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### 15.7 Consolidated profit/(loss)

The contribution, in thousand euros, of each company to the consolidated profit/loss in 2021 and 2020 is given next:

	2021	2020
Gonvarri I.Centro de Servicios, S.L.	62.011	19.387
Subconsolidado Gonvvarna	21.040	9.561
Gonvarri Material Handling AS (Constructor Group)	13.786	5.187
ArcelorMittal Gonvarri Brasil, Pdtos. Siderúrg. S.A..	13.625	15.232
Gonvauto, S.A.	11.933	5.088
Gonvarri Ptos. Siderúrgicos,S.A.	9.289	6.594
ArcelorMittal Gonvarri SSC Slovakia, S.R.O	8.802	5.143
Gonvarri Polska, SP, ZO O.	7.609	4.596
Hierros y Aplanaciones, S.A.	6.547	-2.223
Flejes Industriales, SA	6.255	1.729
Steel & Alloy Procesing LTD	5.315	1.040
Gestamp Automotive India Private Ltd	5.174	6.301
Gonvarri Valencia, S.A	5.161	2.108
Gonvauto Galicia, S.A.	5.023	1.983
Gonvauto Navarra, S.A.	5.000	1.958
Gonvauto Thüringen, GMBH	4.751	-302
Severstal Gonvarri Kaluga Ilc	2.942	756
Gonvauto Puebla, S.A. de C.V.	2.814	3.035
Gonvauto Asturias, SL	2.541	805
Gonvarri Vizcaya, S.L	2.471	2.119
Gonvarri Tarragona, S.L.	1.788	110
Gonvarri Czech, S.R.O.	1.749	456
Dongguan Gonvarri Summit Automotive Steel Processing Center CO. LTI	1.492	490
ArcelorMittal Gonvarri Nitra S.R.O	1.023	650
Gonvauto South Carolina LLC.	794	-3.904
Solar Steel Engineering, S.L	718	616
Riera Tutto, SL	646	-
Suports Energia Sustentable México S.A.P.I. de C.V	418	67
Gonvarri MS Colombia, S.A.S, S.L.	328	-964
Rejillas Calibradas, SL	272	-
Sogel S.A	258	-1.358
Gonvarri Aluminium, GMBH.	250	336
Láser Automotive Zaragoza, S.L.	199	152
Suports Desarrollo y Soluciones, SL	190	146
Gonvasolar, S.L.	123	26
Láser Automotive Valencia, S.L.	114	-14
Steel & Alloy Holding LTD	-65	-
Laserboost	-127	-49
Agromega Projects, LTD	-372	-
Addimen Bizkaia, SL	-407	-153
Gonvarri MS Corporate, S.L.	-533	502
Gonvarri Chile Estructuras Metálicas, Ltda.	-596	-13
Gonvarri Italia, S.p.A.	-2.503	-1.703
ObrateI	-2.594	-2.444
Gonvarri Argentina S.A.	-3.300	-1.921
Gonvarri MS Baja California S.A	-3.862	66
Gonvarri Industrial Maroc, S.A.	-4.304	-1.658
Çepas Galvaniz, Sanayi Anomin Sirketi	-9.417	586
Gonvarri Corporación Financiera, S.L.	-12.853	-6.237
Other	2	474
<b>Total Consolidated Profit/Loss</b>	<b>171.521</b>	<b>74.355</b>



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### 15.8 Measurement adjustments

This consolidated balance sheet heading records the net amount attributable to changes in the fair value of certain derivative instruments (Notes 2.10, 2.11 and 17), due to the application of IAS 32 and IFRS 9.

### 16 Non-controlling shareholdings

Movements in, and the composition of, this heading in 2021 and 2020, respectively, are as follows:

	Balance at 31.12.2020	Profit/Loss 2021	Dividends distributed	Other	Exchange differences	Balance at 31.12.2021
Arcelormittal Gonvarri Brasil	40,098	13,458	-9,461	-	560	44,655
Dongguan Gonvarri Sumitomo	3,606	-	-	-3,606	-	-
Subgrupo Severstal	12,065	2,940	-	-	817	15,822
Laser Automotive Barcelona	1,035	-29	-	-	-	1,006
Laser Automotive Valencia	89	109	-	-	-	198
Laser Automotive Zaragoza	342	191	-	-	-	533
Addimen Bizkaia	17	-8	-	-	-	9
Agromega	460	-46	-	-	54	468
Grupo GMH - Kaufmann	7,329	34	-272	-3,664	-	3,427
AMG Slovakia	36,355	8,802	-	-	-	45,157
AMG Nitra	7,710	1,023	-	-	-	8,733
Sogei S.A	1,779	111	-	-	-	1,890
Laserboost	25	-14	-	-	-	11
Riera Tutó	-	620	-735	2,339	-	2,224
<b>Total</b>	<b>110,910</b>	<b>27,191</b>	<b>-10,468</b>	<b>-4,931</b>	<b>1,431</b>	<b>124,133</b>

	Balance at 31.12.2019	Profit/Loss 2020	Dividends distributed	Other	Exchange differences	Balance at 31.12.2020
Arcelormittal Gonvarri Brasil	37,839	15,399	-2,957	-	-10,183	40,098
Dongguan Gonvarri Sumitomo	3,802	327	-417	-	-106	3,606
Subgrupo Severstal	15,314	754	-	-	-4,003	12,065
Laser Automotive Barcelona	930	105	-	-	-	1,035
Laser Automotive Valencia	102	-13	-	-	-	89
Laser Automotive Zaragoza	196	146	-	-	-	342
Addimen Bizkaia	21	-11	-	7	-	17
Agromega	-	-	-	460	-	460
Grupo GMH - Kaufmann	-	389	-	6,449	491	7,329
AMG Slovakia	-	5,143	-	31,212	-	36,355
AMG Nitra	-	650	-	7,060	-	7,710
Sogei S.A	-	56	-	1,723	-	1,779
Laserboost	-	-6	-	31	-	25
<b>Total</b>	<b>58,204</b>	<b>22,939</b>	<b>-3,374</b>	<b>46,942</b>	<b>-13,801</b>	<b>110,910</b>

This Note takes into consideration the non-controlling shareholdings in each of the companies, adding together direct and indirect stakes.

The main changes in non-controlling interests in 2021 include the acquisition of Riera Tutó. Meanwhile, the Group's stake in Dongguan was increased to 100%, this transaction generated a transfer of minority shareholders to Group reserves and did not generate a change of control of the company (as shown in the "other" column). Similarly, the Group's stake in Kaufmann was increased from 60% to 80%; this transaction generated a transfer of minority shareholders to the Group's consolidated reserves (as shown in detail in the "other" column). Also noteworthy is the dividend distribution in 2021 of Arcelormittal Gonvarri Brazil, Kaufmann and the recently acquired Riera Tutó. In addition, AMG Brazil and Kaufmann distributed dividends against reserves amounting to €8,069 thousand and €272 thousand, respectively. AMG Brasil also distributed an interim dividend for the year amounting to €1,392 thousand as well as Riera Tutó which distributed €735 thousand in interim dividend for the year.



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Among the main changes in non-controlling interests during 2020, the Group has started to apply the full consolidation method to the companies AMG Slovakia, AMG Nitra and Sogei S.A. (see Note 1, 4.7 and 33). On the other hand, during the year 2020, shares in the companies Agromega, Kaufmann and Addimen were acquired. In the case of the latter, the existing shareholding was increased to 93.3% (see Note 1). In addition, the companies AMG Brasil and Dongguan Gonvarri Sumitomo distributed dividends against reserves amounting to €2,053 thousand and €417 thousand, respectively. In the case of AMG Brasil, it also distributed an interim dividend for the year in the amount of €904 thousand.

### 17 Financial debt

The breakdown movement of the debt liability, into current and non-current, is as follows:

	31.12.2021	31.12.2020
Bank borrowings	106,741	88,005
Credit facilities	153,614	44,185
Financial lease payables	6,094	9,043
Lease liabilities (IFRS 16)	22,958	27,491
Derivative financial instruments	7,094	12,371
Other financial liabilities	419	352
<b>Total non-current borrowings (I)</b>	<b>296,920</b>	<b>181,447</b>
Bank borrowings	54,150	67,332
Credit facilities	182,118	31,580
Discounting facilities	12,867	15,302
Loan interest	557	618
Other financial liabilities	8,210	3,267
Loans from Group comp. and related parties	61,985	42,142
Financial lease payables	2,272	2,260
Lease liabilities (IFRS 16)	8,983	7,619
Derivative financial instruments	1,238	528
<b>Total current borrowings (II)</b>	<b>332,380</b>	<b>170,648</b>
<b>Total Borrowings (I + II)</b>	<b>629,300</b>	<b>352,095</b>

	31.12.2020	Additions	Disposals	Changes in Scope	Exchange Differences	31.12.2021
Bank borrowings	155.337	43.732	-37.351	1.032	-1.858	160.892
Credit facilities	75.765	263.796	-4.206	-	378	335.733
Discounting facilities	15.302	4.631	-7.156	90	-	12.867
Loan interest	618	425	-472	-	-14	557
Other financial liabilities	3.619	5.161	-669	490	27	8.628
Loans from Group comp. and related parties	42.142	19.843	-	-	-	61.985
Financial lease payables	11.303	-	-2.937	-	-	8.366
Lease liabilities (IFRS 16)	35.110	3.469	-7.839	659	541	31.940
Derivative financial instruments	12.899	1.051	-5.617	-	-1	8.332
<b>Total borrowings</b>	<b>352.095</b>	<b>342.108</b>	<b>-66.247</b>	<b>2.271</b>	<b>-927</b>	<b>629.300</b>

#### a) Bank borrowings

Loans and credit facilities are at variable rates. These accrue interest at a reference rate plus a spread agreed with the pertinent financial institutions under normal market conditions. In most cases the reference index for the loans arranged is the Euribor, as these have been negotiated in Euros. The Group's loans and credits are mostly negotiated on a 5-year term, and we therefore consider there not to be any difference between their carrying amount and their fair value.



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The Group's borrowings are exposed to variations in the spreads at which they have been negotiated since borrowings aimed at financing short-term working capital are renewed annually although they mature in more than one year. The rates at which interest is settled are generally calculated quarterly in order to consider variations in the reference index (Euribor).

Most the borrowings from credit institutions are denominated in the functional currency of the subsidiary that obtained the loans. The estimated fair value of variable rate loans does not significantly differ from their carrying amount.

At the year-end unpaid accrued interest totalling €557 thousand is recognized (€618 thousand in 2020).

Currently the financial requirements established by the financing agreements concluded between the parties are met, and none of the causes for early repayment included in both agreements have arisen.

The maturity schedule for the principal of loans from credit institutions is as follows:

2021	Less than 1 year	1-5 years	More than 5 years	Total
AMG Brasil	6	5,042	-	5,048
Gonvarri MS Colombia	6,267	-	-	6,267
Gonvarri Czech	-	352	-	352
Gonvarri Thuringen	-	35,000	-	35,000
Gonvarri I. Centro de Servicios, S.L.	318	912	630	1,860
Gonvarri Valencia	147	284	284	715
Gonvauto, S.A.	126	-	-	126
Gonvauto Navarra	43	124	45	211
Hierros y Aplanaciones, S.A.	377	536	190	1,103
Gonvarri Tarragona	1	-	-	1
Gonvarri Galicia	48	903	-	951
Gonvarri Corporación Financiera, S.L.	16,333	26,572	-	42,905
Láser Automotive Barcelona, S.L.	249	210	-	459
Láser Automotive Valencia, S.L.	467	-	-	467
Láser Automotive Zaragoza	733	367	-	1,100
Addimen	-	88	-	88
Flejes Industriales, SA	269	694	148	1,112
Laserboost	1	-	-	1
Sogei S.A	372	2,623	1,884	4,879
Obratel	1,426	-	-	1,426
Rierra Tutto	836	196	-	1,032
Grupo Material Handling	2,481	2,018	-	4,498
Gonvauto Puebla, S.A. de C.V.	18,176	-	-	18,176
Gonvarri Sevetral Kaluga	-	1,232	-	1,232
AMG Slovakia	-	5,902	5,041	10,943
AMG Nitra	1,500	6,000	5,250	12,750
Steel & Alloy Processing	-	4,215	-	4,215
Gonvauto South Carolina	3,973	-	-	3,973
<b>Total</b>	<b>54,150</b>	<b>93,269</b>	<b>13,472</b>	<b>160,891</b>

As a general comment, Gonvarri Industries has different business lines and activities in different sectors, mainly related to metal processing. Due to its customers' requests, Gonvarri needs to maintain a significant safety stock (between 60 to 90 days of sales) to guarantee customer demand and avoid occasional supply breaks. At December 2021, Gonvarri's stock amounts to €1,106,519 thousand (approx. 920 thousand tonnes), while Net Financial Debt totalled €539,078 thousand. In December 2020, Gonvarri's stock amounted to €498,152 thousand (approx. 646 thousand tonnes), while Net Financial Debt amounted to €201,278 thousand. There has been a significant increase in debt during 2021 accompanied by a growth in inventory and stock as a consequence of the Covid-19 crisis during 2020 and its subsequent increase in production during 2021, accompanied by a general increase in metal prices.



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2020	Less than 1 year	1-5 years	More than 5 years	Total
Dongguan	1,497	1,060	-	2,556
Gonvarri MS Colombia	9,241	-	-	9,241
Gonvarri I. Centro de Servicios, S.L.	145	583	853	1,581
Gonvarri Valencia	112	279	192	583
Gonvauto, S.A.	55	55	-	109
Gonvauto Navarra	-	124	86	210
Hierros y Aplanaciones, S.A.	548	793	168	1,510
Gonvarri Galicia	-	283	409	692
Gonvarri Corporación Financiera, S.L.	13,333	36,770	-	50,103
Láser Automotive Barcelona, S.L.	138	438	-	576
Láser Automotive Valencia, S.L.	933	467	-	1,400
Láser Automotive Zaragoza	733	1,100	-	1,833
Addimen	-	33	63	97
Flejes Industriales, SA	609	588	192	1,390
Laserboost	148	-	-	148
Obratel	515	-	-	515
Grupo Material Handling	3,923	6,913	-	10,836
Gonvauto Puebla, S.A. de C.V.	16,316	-	-	16,316
AMG Slovakia	2,958	4,426	6,516	13,901
AMG Nitra	1,500	4,500	8,250	14,250
Sogei S.A	1,449	1,423	2,203	5,076
Çepas Galvaniz, Sanayi Anonim	9,512	52	-	9,565
Steel & Alloy Processing	-	5,515	-	5,515
Gonvauto South Carolina	3,667	3,667	-	7,334
<b>Total</b>	<b>67,332</b>	<b>69,071</b>	<b>18,934</b>	<b>155,337</b>

### (b) Credit facilities

The Credit Facilities, similarly to the loans, are at variable rate. These accrue interest at a reference rate plus a spread agreed with the pertinent financial institutions under normal market conditions. In most cases the reference index for the loans arranged is the Euribor.

The Group has obtained Lines of Credit from several domestic and foreign financial institutions with a total limit of €629,193 thousand (€566,826 thousand in 2020), of which at the year-end it had drawn down €335,733 thousand (€75,765 thousand in 2020).

The carrying amount of Group credit facilities is denominated in the following currencies:

	31.12.2021	31.12.2020
US Dollar	71,291	19,052
Euro	194,788	51,207
Pound Sterling	35,480	-
Argentine Peso	8,223	-
Turkish Lira	7,663	-
Colombian Peso	7,994	1,380
Polish Zloty	10,294	4,126
<b>Total</b>	<b>335,733</b>	<b>75,765</b>

The maturity schedule for the lines of credit is as follows:

Year	Upto a year	1-5 years	Over 5 years	Total
2021	182,119	153,614	-	335,733
2020	31,580	23,366	20,819	75,765



### (c) Discounting facilities

The discount rate applied to bills discounted at banks is in line with the applicable rate in financial markets. At 31 December 2021, the Group had been provided discounting facilities for paper totalling €70,550 thousand (€67,750 thousand in 2020), of which it has drawn down €12,867 thousand at the year-end (€15,302 thousand in 2020).

### (d) Finance lease liabilities

Finance lease liabilities are effectively secured given that the rights to the leased asset revert to the lessor in the event of non-compliance. The Group uses this facility to obtain assets such as industrial premises, primarily (Note 5).

	31.12.2021	31.12.2020
Less than 1 year	2,241	2,219
Between 1 and 5 years	5,093	7,440
Over 5 years	751	1,120
	<b>8,085</b>	<b>10,779</b>
Future financial liabilities from finance leases	281	524
<b>Present value of liabilities</b>	<b>8,366</b>	<b>11,303</b>

The present value of finance lease liabilities is as follows:

	31.12.2021	31.12.2020
Less than 1 year	2,272	2,260
Between 1 and 5 years	5,264	7,736
Over 5 years	830	1,307
	<b>8,366</b>	<b>11,303</b>

The amount of future interest payments is in line with normal market practices.

### (e) Operating lease liabilities (IFRS 16)

Operating lease liabilities recognized under this heading correspond to the updated values of payments committed under the financial lease agreements detailed in Note 9. The breakdown of these obligations, as well as the future financial costs at 31 December 2021 are as follows:

	31.12.2021	31.12.2020
Present value of lease obligations	31,852	35,000
Accrued costs	89	110
<b>Amount payable for lease</b>	<b>31,941</b>	<b>35,110</b>
	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>
	<b>Over 5 years</b>	
Present value of lease obligations	8,894	15,700
		7,258

### (f) Loans of Credit Lines with related companies

At 31 December 2021, this heading amounts to €61,985 thousand (€42,142 thousand at 31 December 2020), which primarily relates to:

1. The parent company, Gonvarri Corporación Financiera, recorded a liability to the company Holding Gonvarri totalling €57,847 thousand (€39,261 thousand at 31 December 2020).
2. The company Gonvarri Corporación Financiera, as the head of the consolidated tax group in the common territory, recorded a liability to the company Gonvarri Renewable Industries totalling €3,268 thousand (€2,216 thousand at 31 December 2020).



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3. The company Gonvarri Vizcaya recorded a liability to the company Holding Gonvarri totalling €778 thousand (€665 thousand at 31 December 2020).
4. The company GMS Corporate SL recorded a liability to the company Holding Gonvarri totalling €90 thousand (€0 thousand at 31 December 2020).

There are no embedded derivatives relating to these loans.

### (g) Derivative financial instruments

The Group has derivative financial instruments, both interest rate and exchange rate, with the objective of neutralizing the evolution of the variable interest rates of the Group's financing, as well as the potential effect of the exchange rate.

The following table presents an analysis of the fair values of the derivatives contracted at 31 December 2021 and 2020, as well as the maturity dates of the notional amounts to which they are associated.

Instrument type	Fair value		Notional Maturity Date					TOTAL
	31.12.2021	31.12.2020	2022	2023	2024	2025	2026 and after	
<b>ASSET BALANCES</b>	<b>2,882</b>	<b>5</b>	<b>100,495</b>	-	-	-	-	<b>100,495</b>
- Hedge:								
Exchange rate differences	2,882	5	100,495					100,495
<b>LIABILITY BALANCES</b>	<b>8,332</b>	<b>12,900</b>	<b>11,802</b>	-	-	<b>85,000</b>	<b>85,000</b>	<b>181,802</b>
- Hedge:								
Exchange rate derivatives	1,238	528	11,802					11,802
Interest rate derivatives	7,094	12,371	-	-	-	85,000	85,000	170,000
<b>NET BALANCES</b>	<b>-5,450</b>	<b>-12,895</b>	<b>112,297</b>	-	-	<b>85,000</b>	<b>85,000</b>	<b>282,297</b>

#### Exchange rate derivatives

The notional principal on currency forwards outstanding at 31 December 2021 amounted to €112,297 thousand (€20,646 thousand at 31 December 2020). These contracts principally cover the Group's exposure to changes in the US dollar rate.

Profit and losses recognized in the equity hedging reserve on foreign currency forward contracts at 31 December 2021 are recognized in the income statement in the period or periods that the transaction affects the income statement.

#### Interest rate derivatives

At 31 December 2021 the hedge derivative contracted by the subsidiary Gonvarri Corporación Financiera, S.L. is an IRS swap, which gives rise to variable amounts payable by the customer or by the financial institution over the calculation period, depending on whether or not the variable rate lies within the range agreed in the contract. The maturity date for the covered loans is between 2020 and 2021 and between 2025 and 2026, while its notional value is €170,000 thousand (€240,000 thousand at 31 December 2020).

The Company complied with the requirements described in Note 2.11 on accounting standards to classify this financial instrument as a hedge instrument. Specifically, it was formally designated as such and its effective hedging was verified.

### Inefficiency

At 31 December 2021, as in 2020, there were no inefficiencies in the derivatives contracted by the Group.



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### 18 Deferred taxes

The net amount of deferred tax assets and liabilities is as follows:

	31.12.2021	31.12.2020
Deferred tax assets to be recovered after more than 12 months	49,145	34,940
Deferred tax liabilities reversible in more than 12 months	-64,365	-64,989
<b>Net Deferred tax</b>	<b>-15,220</b>	<b>-30,049</b>

#### 18.1 Deferred tax assets

Movements during the year in deferred tax assets have been as follows (thousand euro):

	31.12.2020	Allocations	Reversals	Changes Scope	Exchange Differences	31.12.2021
<b>Assets for deductible temporary differences</b>	<b>10,446</b>	<b>14,709</b>	<b>-7,382</b>	<b>2</b>	<b>-2</b>	<b>17,773</b>
Cancellation of start-up costs	196	-	-184	-	-	12
Fair value of property, plant and equipment	34	-	-310	-	-	-276
Non-deductible provisions	4,106	4,976	-500	-	-4	8,578
Freedom to amortise	724	-	-40	-	-1	683
Difference amortisation criteria	69	74	-	-	-	143
Non-deductible unrealized exchange rate diff.	110	61	-108	-	-	63
Derivatives	3,610	2,039	-3,562	-	-3	2,084
Impact IFRS-9	415	52	-226	1	1	243
Impact IFRS-16	272	48	-60	1	6	267
Other	910	7,459	-2,392	-	-1	5,976
<b>Rights to deductions and rebates still to be applied</b>	<b>-4</b>	<b>1,594</b>	<b>-1,553</b>	<b>-</b>	<b>-</b>	<b>37</b>
<b>Credits to offset losses for the year</b>	<b>24,498</b>	<b>8,525</b>	<b>-2,205</b>	<b>-</b>	<b>517</b>	<b>31,335</b>
<b>Total deferred tax assets</b>	<b>34,940</b>	<b>24,828</b>	<b>-11,140</b>	<b>2</b>	<b>515</b>	<b>49,145</b>

Deferred tax assets in respect of tax-loss carry forwards available for offset are recognized insofar as the future business plans available to the Group call for the likely realization of the relevant tax benefit through future taxable profits. The main provision within the "other" line for deductible temporary differences is mainly the recognition of the lawsuit with a favourable outcome that allows for the exclusion of tax refunds unduly collected previously from the corporate income tax calculation, as they are not considered income, amounting to €6,397 thousand in AMG Brazil.

#### 18.2 Deferred tax liabilities

Movements during the year in deferred tax liabilities are as follows (thousand euro):

	31.12.2020	Allocations	Reversals	Changes Scope	Exchange Differences	31.12.2021
Portfolio provisions individual companies	6.420	-	-	-	-	6.420
Freedom to amortise	6.552	373	-54	-	168	7.039
Revaluation land and buildings	47.714	395	-1.703	-	-	46.406
Deferred impact IFRS-15	808	87	-415	-	8	488
Other	3.495	978	-667	163	43	4.012
<b>Total Deferred tax liabilities</b>	<b>64.989</b>	<b>1.833</b>	<b>-2.839</b>	<b>163</b>	<b>219</b>	<b>64.365</b>

Deferred tax liabilities relate primarily to those deriving from the measurement at fair value of plant and equipment at the transition date. This measurement does not have any effect on the of assets, which has given rise to this temporary difference.



### 19 Deferred income

The entire balance under this heading relates to capital grants that have yet to be taken to the income statement and which have been granted to finance assets.

Movements in this caption in 2021 and 2020 were as follows:

<b>At 31 December 2019</b>	<b>8,850</b>
Attributed to profit/loss (Note 25)	-1,409
Additions	1,508
<b>At 31 December 2020</b>	<b>8,949</b>
Attributed to profit/loss (Note 25)	-2,429
Additions	929
<b>At 31 December 2021</b>	<b>7,450</b>

In 2021, Laser Blanking Germany, Gonvarri MS R&D, Hierros y Aplanaciones, Gonvauto Asturias, Gonvarri Tarragona and Road Steel Engineering received grants. In 2020, the companies Gonvarri MS R&D, Gonvauto Asturias and Road Steel Engineering received grants.

Maintaining these grants is subject to conditions such as maintaining jobs or not disposing of the subsidized assets. As the requirements established for the grants have been met the amount is taken to the income statement for the year in proportion to the depreciation applied to the assets for which the grants were provided.

### 20 Non-current provisions

The movements of non-current provisions are as follows:

<b>At 31 December 2019</b>	<b>10,928</b>
Allocations	4,646
Applications	-1,389
Excesses	-21
Exchange differences	-113
<b>At 31 December 2020</b>	<b>10,051</b>
Allocations	5,069
Applications	-742
Excesses	-9
Transfers	384
Exchange differences	558
<b>At 31 December 2021</b>	<b>19,311</b>

Provisions in 2021 principally correspond to provisions of €3,237 thousand at Hiasa to cover customer claims arising from problems related to the completion of projects. In addition, €502 thousand have been recognised at Gonvarri Corporación Financiera and €243 thousand at Gonvarri Galicia in respect of employee severance indemnities.

The provisions for 2020 relate to €3,429 thousand for quality claims in relation to completed projects in the solar business, specifically possible claims due to wind, cartouche and drip corrosion failures. In addition, €482 thousand have been recorded in Gonvarri Corporación Financiera for long-term employee remuneration.

The applications in 2020 correspond mainly to Hiasa for the payment of €982 thousand in relation to quality claims for completed projects in the solar business.

In the opinion of the Directors of the Group, there is no significant litigation or contingency whose likelihood of occurrence justifies recognizing any provision in addition to that which has already been recorded. The Directors of the Group consider that the provisions that have been recorded are sufficient.



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to cover the final settlements that may arise at the end of the inspections and litigation in course and there is no expectation that the additional liabilities would significantly affect the Group's consolidated financial statements should the final outcome of these processes be higher than the provision.

### 21 Non-current tax liabilities

<b>At 31 December 2019</b>	<b>16,390</b>
Allocations	1,739
Excess	-2,972
<b>At 31 December 2020</b>	<b>15,157</b>
Allocations	13,755
<b>At 31 December 2021</b>	<b>28,912</b>

The main provisions and reversals made under non-current provisions for taxes in 2021 are as follows:

- Provision for tax litigation for the sale of 50% of AMG Brazil amounting to €11,784 thousand.
- Provision for tax amortisation of steel goodwill for the year 2021 amounting €1,967 thousand.

The main provisions and reversals made under non-current provisions for taxes in 2020 are as follows:

- €1,606 thousand of goodwill generated by the purchase of AMG Brazil, Italy, and Portugal for the year 2020 is recorded as a provision for non-deductibility of the tax amortization of goodwill.
- Following the Enforcement of the SAN (National Court Judgment) of June 2019 on the 2004-2008 FC, the quota and provisioned interest corresponding to the FC generated by Morocco was applied against the payment of the liquidation, amounting to €323 thousand and €205 thousand, respectively.
- As a result of the favourable resolution of the TEAC of August 2020 on FC 2011-2014, which confirmed the criterion upheld by the SAN of June 2019 on FC 2004-2008 and which definitively resolved the deductibility of the tax amortization of goodwill generated by the purchase of AMG Brazil and Portugal, the instalment and interest provisioned for these items, amounting to €992 thousand and €412 thousand, respectively, were applied.
- As a result of the payment of the State Aid settlement corresponding to the 2017 and 2018 FC generated by the purchase of Italy, €1,145 thousand and €61 thousand, respectively, were applied as a payment against this settlement as instalment and interest.

In the opinion of the Directors of the Parent Company, there is no significant litigation or contingency whose likelihood of occurrence justifies recognizing any provision in addition to that which has already been recorded. The Directors of the Parent Company consider that the provisions that have been recorded are sufficient to cover the final settlements that may arise at the end of the inspections and litigation in course and there is no expectation that the additional liabilities would significantly affect the Group's consolidated financial statements should the final outcome of these processes be higher than the provision.

### 22 Trade and other current payables

The breakdown of this heading in 2021 and 2020 is as follows:

	<b>31.12.2021</b>	<b>31.12.2020</b>
Suppliers, third parties	329,812	271,529
Related party suppliers (Note 35)	166,981	158,213
Public Entities (Note 23)	40,448	35,405
Payables for services rendered	70,646	48,543
Payables from contracts with customers (*)	48,307	35,368
Accrued wages and salaries	18,253	12,855
Suppliers of fixed assets	3,690	2,059
Other payables	5,365	3,328
<b>Total trade and other payables</b>	<b>683,502</b>	<b>567,301</b>

(\*) Liabilities from contracts with customers refer to prepayments made by customers



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Information on the average payment period to suppliers for the companies in the Spanish territory is as follows:

	2021	2020
Average payment period to suppliers (days)	39	43
Ratio of transactions paid	40%	45%
Ratio of transactions pending payment	20%	21%
Total payments made (thousand euros)	1,598,575	1,105,252
Total payments pending (thousand euros)	130,596	111,502

### 23 Current balances with public entities

The breakdown of current balances with public entities is as follows (thousand euro):

	Debit Balances		Credit Balances	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Tax auth. Debit/Credit from VAT and other conc.	35,763	58,744	32,807	27,406
Tax auth. Withholdings applied	4,473	7,154	3,134	3,553
Social Security Agencies	586	216	4,507	4,446
Current tax	3,894	3,819	14,677	17,163
	<b>44,716</b>	<b>69,933</b>	<b>55,125</b>	<b>52,568</b>

### 24 Ordinary Income from contracts with customers

The net amount of ordinary income classified by type for the years 2021 and 2020:

	31.12.2021	31.12.2020
Sale of goods	4,163,723	3,072,150
Rendering of services	80,867	75,474
	<b>4,244,590</b>	<b>3,147,624</b>

The total amount of ordinary income from contracts with customers at the companies that form the consolidation group (eliminating intragroup transactions) is detailed next:



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	2021	2020
Gonvarri I.Centro de Servicios, S.L.	802,480	589,205
ArcelorMittal Gonvarri Brasil, Pdtos. Siderúrg. S.A..	384,328	199,288
Gonvarri Material Handling AS (Constructor Group)	294,737	212,565
ArcelorMittal Gonvarri SSC Slovakia	288,610	213,064
Gonvauto, S.A.	264,755	231,013
Steel & Alloy Processing LTD	245,220	175,706
Gonvauto South Carolina LLC.	230,396	89,473
Gonvauto Puebla, S.A. de C.V.	225,315	202,202
Gonvauto Thüringen, GmbH	224,390	222,563
Gonvarri Valencia, S.A	184,781	126,995
Hierros y Aplanaciones, S.A.	162,657	113,549
Gonvarri Polska, SP, ZO O.	147,380	135,455
Gonvarri Ptos. Siderúrgicos, S.A.	143,373	118,450
Gonvauto Galicia, S.A.	129,326	119,620
Gonvauto Navarra, S.A.	94,058	84,876
ArcelorMittal Gonvarri Nitra	59,564	40,519
Severstal Gonvarri Kaluga llc	55,029	46,123
Flejes Industriales, SA	51,057	37,291
Gonvarri Argentina S.A.	47,940	19,928
Çepas Galvaniz, Sanayi Anomin Sirketi	37,711	33,359
Gonvarri Solar Steel	36,636	39,495
Gonvarri MS Colombia, S.A.S, S.L.	35,678	25,591
Dongguan Gonvarri Summit Automotive Steel Processing Center	26,366	27,133
Gonvauto Asturias, SL	22,689	24,477
Sogei, S.A.	14,170	2,585
Riera Tutó S.L.	10,188	-
Obratel S.L.	8,648	5,138
GMS Francia SAS	4,551	2,459
Láser Automotive Barcelona, S.L.	2,668	2,642
Láser Automotive Zaragoza, S.L.	2,336	2,502
Suports Energia Sustentable México S.A.P.I. de C.V	1,963	906
Suports Desarrollo y Soluciones, SL	1,818	1,164
Láser Automotive Valencia, S.L.	1,770	1,564
Gonvasolar S.L.	476	355
Other	1,526	369
<b>Total ordinary income from contracts with customers</b>	<b>4,244,590</b>	<b>3,147,624</b>

The Group has revenues from the transfer of goods and services over time and at a point in time in the following business lines:

2021						
	Auto	Industry	Road Safety	Solar Structures	Other Structures	TOTAL
At a point in time	1,608,256	1,125,142	73,902	-	400,297	3,207,596
Over time	989,855	-	-	47,139	-	1,036,993
<b>TOTAL</b>	<b>2,598,111</b>	<b>1,125,142</b>	<b>73,902</b>	<b>47,139</b>	<b>400,297</b>	<b>4,244,590</b>
2020						
	Auto	Industry	Road Safety	Solar Structures	Other Structures	TOTAL
At a point in time	1,176,209	735,563	46,718	-	258,730	2,217,220
Over time	862,595	-	-	67,809	-	930,404
<b>TOTAL</b>	<b>2,038,804</b>	<b>735,563</b>	<b>46,718</b>	<b>67,809</b>	<b>258,730</b>	<b>3,147,624</b>



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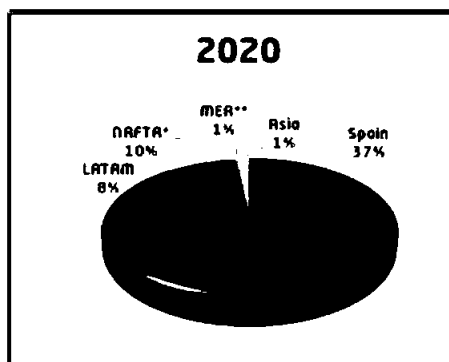
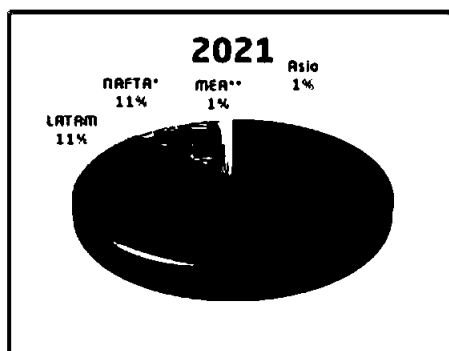
The ordinary income comes from the "manufacturing and transport", and from the "delivery and installation" of flat steel, aluminium, solar structures, and other system structures, both for their use in industry and in homes.

The breakdown of the Group's ordinary income from contracts with customers by geographic destination area is as follows:

	31.12.2021	31.12.2020
Spain	1,425,435	1,161,336
Europe	1,802,122	1,366,201
LATAM	474,299	255,799
NAFTA*	473,042	301,807
MEA**	34,878	26,709
Asia	34,813	35,772
<b>Total ordinary income from contracts with customers</b>	<b>4,244,590</b>	<b>3,147,624</b>

\*North America Free Trade Agreement

\*\*Middle East and Africa





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### Total ordinary income from contracts with customers by business line

Country	2021					TOTAL
	AUTO	INDUSTRY	ROAD SAFETY	SOLAR STRUCTURES	OTHER STRUCTURES	
Germany	217,988	6,402	-	-	48,859	273,249
Argentina	47,275	665	-	-	-	47,940
Belgium	-	-	-	-	9,224	9,224
Brazil	166,312	218,016	-	-	-	384,328
Chile	-	-	-	-	26	26
China	26,366	-	-	-	-	26,366
Colombia	-	5,708	15,090	4,323	10,557	35,678
Denmark	-	-	-	-	12,166	12,166
USA	230,396	-	-	-	-	230,396
Spain	968,860	674,058	31,535	40,590	76,777	1,791,819
Finland	-	-	-	-	21,450	21,450
France	-	-	4,551	-	-	4,551
Israel	-	-	-	-	126	126
Hungary	-	-	-	-	5,267	5,267
Mexico	225,315	-	-	51	1,963	227,328
Norway	-	-	-	-	13,305	13,305
the Netherlands	-	-	-	-	22,421	22,421
Poland	132,712	14,668	-	-	8,733	156,112
Portugal	100,273	42,937	-	-	164	143,373
Czech Rep.	-	-	-	-	23,994	23,994
Romania	-	-	-	-	14,960	14,960
Russia	51,657	452	-	1,939	16,693	70,741
Slovakia	244,320	103,655	-	-	2,284	350,259
Sweden	-	-	-	-	36,309	36,309
Switzerland	-	-	-	-	16,705	16,705
Turkey	-	-	22,726	235	14,750	37,711
UK	186,639	58,581	-	-	43,564	288,785
	<b>2,598,111</b>	<b>1,125,142</b>	<b>73,902</b>	<b>47,139</b>	<b>400,297</b>	<b>4,244,590</b>

Country	2020					TOTAL
	AUTO	INDUSTRY	ROAD SAFETY	SOLAR STRUCTURES	OTHER STRUCTURES	
Germany	219,952	2,611	-	-	42,046	264,609
Argentina	17,038	2,890	-	-	-	19,928
Belgium	-	-	-	-	4,379	4,379
Brazil	135,683	63,605	-	-	-	199,288
Czech Rep.	-	-	-	-	20,932	20,932
China	25,603	-	-	-	1,530	27,133
Colombia	-	4,200	9,039	2,984	9,368	25,591
Denmark	-	-	-	-	10,077	10,077
USA	89,468	-	-	-	-	89,468
Spain	777,545	504,257	14,617	63,136	23,422	1,382,977
Finland	-	-	-	-	17,723	17,723
France	-	-	2,459	-	-	2,459
the Netherlands	-	-	-	-	18,087	18,087
Honduras	-	-	-	24	-	24
Hungary	-	-	-	-	3,737	3,737
Mexico	202,202	-	-	834	-	203,036
Norway	-	-	-	-	7,787	7,787
Poland	127,586	7,869	-	-	6,179	141,634
Portugal	86,811	31,639	-	-	-	118,450
UK	152,352	23,353	-	-	22,308	198,013
Romania	-	-	-	-	11,009	11,009
Russia	43,634	2,489	-	-	5,565	51,688
Slovakia	160,930	92,650	-	-	1,418	254,998
Sweden	-	-	-	-	30,722	30,722
Switzerland	-	-	-	-	10,600	10,600
Turkey	-	-	20,603	831	11,842	33,276
	<b>2,038,804</b>	<b>735,563</b>	<b>46,718</b>	<b>67,809</b>	<b>258,730</b>	<b>3,147,624</b>

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The group has recognized the following assets for contracts with customers:

	2021	2020
Asset through contract with customers	54.724	45.286
<b>Total</b>	<b>54.724</b>	<b>45.286</b>

All assets from contracts with customers in the business lines "Auto" and "Solar Structures" correspond to performance obligations classified as satisfied "over time".

The Group has evaluated the expected loss on assets from contracts with customers, which was immaterial the end of 2021 and 2020.

There are no performance obligations derived from long-term contracts that have not been satisfied.

### 25 Revenue from other Operating Contracts

"Revenue from other Operating Contracts" for 2021 and 2020 relates mainly to the following items:

	2021	2020
Rent	5,653	5,901
Commission	6	13
Capital grants (Note 19)	2,429	1,409
Storage	4,459	4,332
Transport	4,062	2,779
Sundry services	6,970	9,708
<b>Total revenue from other Operating Contracts</b>	<b>23,578</b>	<b>24,142</b>

The line "Sundry Services" includes income for administration and production services and other sundry minor services.

### 26 Transactions denominated in foreign currency

Transactions carried out by Group companies in currencies other than the euro in 2021 and 2020 are as follows:

	2021	2020
Purchases	1,402,275	1,157,554
Sales	1,566,629	1,331,850
Services Received	69,890	59,505
Services Rendered	49,297	42,806

### 27 Other income/expense

The heading "Other net profit/(loss) for the year" is broken down into the following items:

	2021	2020
Excess provisions for risks, taxes and other	501	24,919
Profit/loss on trans. involving fixed assets (Notes 5, 6 and 7)	-8,604	6,298
Other ordinary profit/loss	-2,125	-6,219
<b>Total net other profit/loss</b>	<b>-10,228</b>	<b>24,998</b>

Under the line "Excess provisions, risks, taxes and other", the Group recorded in 2020 the income from PIS and COFINS legal claims received by ArcelorMittal Gonvarri Brazil amounting to €24,919 thousand.



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Impairment of real estate assets in Gonvarri Industrial Maroc, S.A. was mainly recognised under "Profit/loss on transactions involving fixed assets" during 2021, impairing the entire value of the land and warehouse given the situation of legal uncertainty in the amount of €3,851 thousand, and in Gonvarri Italia, S.p.A. impairing 20% of the value of the warehouses in Parma to adjust it to market value in the amount of €1,338 thousand (see note 5). On the other hand, in 2021 goodwill at Agromega, Çepas, Addimen, Obratel and Suports España was impaired by €3,836 thousand, as a result of the annual review in accordance with the accounting policy detailed in Note 2.9 (see Note 7).

Finally, in "Other ordinary profit/loss", in 2021, of note are the extraordinary losses due to PIS and COFINS taxes at ArcelorMittal Gonvarri Brazil (€-4,855 thousand), extraordinary income from Çepas projects (€1,007 thousand) and the collection of insurance indemnities at Hiasa (€897 thousand).

### 28 Personnel expenses

Personnel expenses break down as follows:

	2021	2020
Wages and Salaries	168,694	139,806
Termination benefits	2,846	2,678
Social Security contributions	37,899	33,380
Other employee benefits	9,244	17,071
<b>Total personnel expenses</b>	<b>218,683</b>	<b>192,935</b>

GI Group's average payroll in 2021 and 2020, broken down by category is as follows, and does not significantly differ from the number at the end of each of the years:

	2021		
	Men	Women	Total
Directors/Management	17	4	21
Administration, Finance and IT staff	873	213	1,086
Purchasing dept.	108	24	132
Technical dept.	596	109	706
Production and Maintenance dept.	3,134	408	3,542
Other	132	19	151
<b>Total average payroll</b>	<b>4,860</b>	<b>778</b>	<b>5,637</b>

	2020		
	Men	Women	Total
Directors/Management	61	12	73
Administration, Finance and IT staff	494	406	900
Purchasing dept.	255	109	364
Technical dept.	449	109	558
Production and Maintenance dept.	2,845	65	2,910
Other	60	6	66
<b>Total average payroll</b>	<b>4,164</b>	<b>707</b>	<b>4,871</b>

The average workforce of the GI Group in 2021 increased by 766 people compared to the previous year, mainly as a result of the greater activity in 2021 following the global crisis that occurred in 2020 due to Covid 19. On the other hand, the inclusion of Riera Tutó in GI's consolidation scope has also led to an increase of 71 employees in the average workforce.

At 31 December 2021, the number of employees with a disability exceeding 33% was 71 (71 in 2020).

No amount whatsoever has been paid for contributions or allocations for pensions under employee benefits.



### 29 Other operating expenses

The breakdown of this heading in 2021 and 2020 is as follows:

	2021	2020
Change in provisions for insolvencies (Note 11)	1,653	-432
Research and Development expenses	2,099	1,733
Lease and Royalty payments	2,515	1,455
Repairs and maintenance	40,539	27,856
Independent professional services	6,368	2,167
Transport expenses	64,187	60,107
Insurance premiums	7,735	5,640
Banking services	778	745
Advertising and Public Relations	2,858	2,149
Utilities	19,081	15,821
Other taxes	6,633	5,422
Other services	57,348	54,271
<b>Total Other operating expenses</b>	<b>211,796</b>	<b>176,934</b>

The most significant variations compared to 2020 reflect the increase in activity during 2021 associated with the SARS-CoV-2 crisis, which caused a generalised drop in the group's activity during 2020, with the vast majority of the group's production plants shutting down during a period of several weeks.

"Other services" include advisory, audit (see Note 37) and external consultant services, sales management expenses, legal expenses, cleaning and security services, travelling expenses etc.

The line "Lease and Royalty payments" includes those contracts whose duration is less than 12 months or whose amount is less than 5 thousand euros, as established by the new regulations in force, IFRS 16.

### 30 Financial income and expense

The breakdown of this heading in 2021 and 2020 is as follows:

	2021	2020
<b>Financial income</b>		
On receivables from related parties (Note 35)	892	1,506
Marketable securities and other financial instruments	475	1,025
Other financial income	1,804	19,924
	<b>3,171</b>	<b>22,455</b>
<b>Financial expense</b>		
On payables to related parties (Note 35)	-871	-600
Bank borrowings	-8,303	-8,234
On amounts owed to third parties	-663	-226
Interest on discounted bills	-1,088	-385
Interest on discounted bills IFRS 16	-1,234	-1,405
Other financial expense	-5,780	-2,762
	<b>-17,939</b>	<b>-13,612</b>
<b>Impairment and profit/loss from fin. Instruments</b>		
Profit/loss from shareholdings	-303	-
Other profit/loss on financial instruments	-	-4
	<b>-303</b>	<b>-4</b>
<b>Exchange differences</b>		
Gains on exchange	33,406	24,954
Losses on exchange	-45,592	-32,335
	<b>-12,186</b>	<b>-7,381</b>
<b>Changes in fair value financial instruments</b>		
Gains from valuation of financial instruments at fair value	3,164	-
	<b>3,164</b>	<b>-</b>



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The line "Marketable securities and other financial instruments" primarily records the interest on term deposits held by the Group.

The line "Other financial income" in 2020 mainly recognizes the income generated by interest on PIS and COFINS loans won in court by AMG Brasil.

Under the heading "Other Financial Expense" are included the expenses made in the formalization of loans, bank commissions and interest accrued on tax proceedings. (Note 21)

The exchange differences arising in 2021 and 2020 derive from fluctuations in the various currencies the Group uses in its operations.

The line "profit/loss from shareholdings" includes the result of the sale and liquidation of Hierros Villaverde, Bikostar and Hiasa Montajes Guatemala in 2021.

Included in the line "Gains from valuation of financial instruments at fair value" is the revaluation of the payment for the remaining 20% of the Kaufmann stake to be realised in 2022.

### 31 Income tax

#### 31.1 Tax expense

The breakdown of corporate income tax expense for 2021 and 2020 is as follows:

	2021	2020
Current Tax	78,787	33,273
Deferred tax for the year (Note 18)	-14,694	-1,234
Other adjustments to tax expense	-2,920	26
<b>Total income tax</b>	<b>61,173</b>	<b>32,065</b>

The heading "Other adjustments to tax expense" includes payments of accordingly agreed assessments and the provisions for certain tax items that are being contested.

The Group's income tax differs from the theoretical amount that would have been obtained had the average weighted tax rate applicable to the consolidated companies' profits been used, as follows:

	2021	2020
Profit before taxes	259,885	129,360
Adjustment for equity cons. Companies	-26,763	-13,940
<b>Adjusted profit</b>	<b>233,122</b>	<b>115,420</b>
Theoretical tax rate	58,281	28,855
Differences due to different taxes	-511	3,249
Exempt income or non-deductible expenses	8,691	-72
Negative tax bases and differences between acc./tax bases	-745	-638
Deductions applied	-1,987	-225
Adjustments for changes in tax bases comp. to prev. years	-20	-349
Other adjustments to tax expense	-2,536	1,245
<b>Tax expense</b>	<b>61,173</b>	<b>32,065</b>

The theoretical rate applied in 2021 is of 25%, just as in 2020. The Group uses this theoretical rate due to the fact that most of its business takes place within Spain.

The line "Differences due to different rates" includes the effect of the difference in tax rates compared with the theoretical rate applied and which mainly concerns the subsidiaries located in Brazil, Poland, Colombia, Portugal, Russia, Italy, United Kingdom, India, Argentina and the United States.



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In 2021 and 2020 exempt income and non-deductible expenses include permanent differences, such as provisions and non-deductible expenses as well as the differences deriving from the Group's consolidation process, principally deriving from the elimination of transactions carried out among Group companies.

The line "Other adjustments to tax expense" relates to the provision recorded by the Group deriving from tax assessments raised this year that have been contested (Note 21).

In 2021 and 2020 the deductions applied primarily cover the deductions deriving from double domestic and international taxation arising on investments in the Environment, on the reinvestment of extraordinary profits and on amounts relating to job creation.

### 31.2 Tax consolidation

In accordance with the content of transitional provision twenty-five of Law 27/2014, the company Gonvarri Corporación Financiera, S.L., holding tax identification number B-28088045, from 1 January 2015, is the parent company of the tax group identified by number 0292/13 which, at 31 December 2021, consists of the following companies:

- Gonvauto, S.A.
- Gonvarri I Centro de Servicios, S.L.
- Gonvarri Tarragona, S.L.
- Gonvasolar, S.L.
- Gonvarri MS R&D SL
- Gonvarri Portfolio Internacional, S.L.
- Gonvauto Galicia, S.A.
- Hierros y Aplanaciones, S.A.
- Gonvauto Asturias, S.L.
- GRI R&D Engineering SL
- Obratel Energy, SL
- Flejes Industriales S.A
- Gonvarri Valencia S.A.
- GRI Renewable Industries, S.L.
- GRI Towers Galicia, S.L.
- GRI Towers Sevilla, S.L.
- Road Steel Engineering, S.L.
- Gonvarri Solar Steel, S.L.
- Gonvarri Material Handling, S.L.
- Suport Desarrollo y Soluciones, S.L.
- Laserboost, S.L

Holding Gonvarri, SL, domiciled in Vizcaya, is the parent company and Gonvarri Corporación Financiera, S.L. is the representative company of said consolidated Group and, as a result, is responsible for the presentation and payment of the taxes of said Group before the General Directorate of Taxes.

The companies Gonvarri Vizcaya, S.L., and Gonvarri MS Corporate, S.L. are also taxed on a consolidated basis under Basque Regional Legislation.

#### (a) Years open to inspection

In general terms, all tax returns for the years that have not lapsed in accordance with the various bodies of tax legislation applicable to each group company are open to inspection.

#### (b) Contentious-administrative proceedings:

##### Corporate income tax. 2011-2014

At present and as a result of the inspection procedure brought by the Spanish Tax Agency (A.E.A.T.) against the Company, relating to the periods 2011-2014, there is a contentious-administrative procedure pending before the National High Court for an amount of €9,891 thousand, which corresponds to the taxation of the sale of 50% of AMG Brasil in 2008. This amount has been provisioned during the year (see note 21).

##### Recovery State aid 2003 to 2014, 2015-2016 and 2017-2018:

Currently, arising from the State aid recovery procedure for indirect financial goodwill from 2003 to 2014 (€ 2,724 thousand) and 2015/16 (€ 700 thousand), the Company filed an administrative appeal with the National High Court on 9 February 2021, and the Company is awaiting its final ruling. This amount has been provisioned during the year, see note 21.



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In addition, following the State aid recovery procedure for indirect financial goodwill in 2017 and 2018 (€1,140 thousand), the Company filed an administrative appeal with the National High Court on 15 November 2021, and the Company is awaiting its final ruling. This amount has been provisioned during the year (see note 21).

### (c) Inspection procedures

On 19 July 2021, Gonvarri Corporación Financiera, S.L. received notification of the initiation of a general verification procedure for the Tax Group of which it is the representative company, for the financial years 2016 to 2019 in relation to Corporate Income Tax (IS) and for the periods July 2017 to December 2019 regarding Value Added Tax (V.A.T.), Personal Income Tax (I.R.P.F.) and Non-Resident Income Tax (I.R.N.R.), and Non-Resident Income Tax (I.R.N.R.).

At the date of preparation of these consolidated financial statements, the inspection procedures were still in progress, although the Parent companies' directors consider that the aforementioned taxes have been properly settled and, therefore, even if discrepancies arose in the current legal interpretation of the tax treatment granted to the transactions, any resulting liabilities, if any, would not have a material effect on the accompanying consolidated financial statements.

### 31.3 Tax losses available for offset

At 31 December 2021 the Group's tax losses available for offset break down as follows:

Company	Originating period	Available until	Base amount	Status
Gonvarri Solar Steel USA	2012	2032	2,854	Not Capitalized
Gonvarri Solar Steel USA	2013	2033	3,256	Not Capitalized
Gonvarri Solar Steel USA	2017	2037	4,451	Not Capitalized
Gonvarri Solar Steel USA	2018	No Limit	942	Not Capitalized
Gonvarri Solar Steel USA	2019	No Limit	1,261	Not Capitalized
Gonvarri MS Baja California	2017	2027	1,844	Not Capitalized
Gonvarri MS Baja California	2018	2028	4,177	Not Capitalized
Gonvarri MS Baja California	2019	2029	3,879	Not Capitalized
Gonvarri MS Baja California	2020	2030	88	Not Capitalized
Çepas Galvaniz Demir Çelik AŞ	2018	2023	236	Capitalized
Çepas Galvaniz Demir Çelik AŞ	2019	2024	800	Capitalized
Çepas Galvaniz Demir Çelik AŞ	2021	2026	7,603	Capitalized
Severstal Gonvarri Holding SL	2020	No Limit	9	Capitalized
Laser Automotive Barcelona, S.L.	2021	No Limit	77	Capitalized
Laser Automotive Valencia, S.L.	2018	No Limit	35	Capitalized
Laser Automotive Valencia, S.L.	2020	No Limit	32	Capitalized
Addimen Bizkaia SL	2015	2045	50	Capitalized
Addimen Bizkaia SL	2016	2046	82	Capitalized
Addimen Bizkaia SL	2017	2047	4	Capitalized
Addimen Bizkaia SL	2018	2048	321	Capitalized
Addimen Bizkaia SL	2019	2049	208	Capitalized
Addimen Bizkaia SL	2020	2050	170	Capitalized
Addimen Bizkaia SL	2021	2051	202	Capitalized
SOGEI, S.A.	2014	No Limit	536	Capitalized
SOGEI, S.A.	2015	No Limit	2,824	Capitalized
SOGEI, S.A.	2016	No Limit	2,007	Capitalized
SOGEI, S.A.	2018	No Limit	1,359	Capitalized
SOGEI, S.A.	2019	No Limit	982	Capitalized
SOGEI, S.A.	2020	No Limit	574	Capitalized
Gonvauto South Carolina, LLC.	2013	2033	5,152	Capitalized
Gonvauto South Carolina, LLC.	2014	2034	1,972	Capitalized
Gonvauto South Carolina, LLC.	2015	2035	1,197	Capitalized
Gonvauto South Carolina, LLC.	2017	2037	6,393	Capitalized
Gonvauto South Carolina, LLC.	2018	No Limit	502	Capitalized
Gonvauto South Carolina, LLC.	2019	No Limit	2,373	Capitalized
Gonvauto South Carolina, LLC.	2020	No Limit	9,162	Capitalized
Gonvauto Thüringen, GMBH	2013	No Limit	338	Capitalized
Gonvauto Thüringen, GMBH	2017	No Limit	587	Capitalized



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Company	Originating period	Available until	Base amount	Status
Gonvauto Thüringen, G MBH	2019	No Limit	1,450	Capitalized
Gonvauto Thüringen, G MBH	2020	No Limit	1,056	Capitalized
Gonvauto Laser Blanking Germany GmbH	2017	No Limit	646	Not Capitalized
Gonvauto Laser Blanking Germany GmbH	2018	No Limit	585	Not Capitalized
Gonvauto Laser Blanking Germany GmbH	2020	No Limit	1,466	Not Capitalized
Gonvarri MS Colombia	2014	No Limit	123	Not Capitalized
Gonvarri MS Colombia	2015	No Limit	1,589	Not Capitalized
Gonvarri MS Colombia	2016	No Limit	2,144	Not Capitalized
Gonvarri MS Colombia	2016	until 2021	300	Not Capitalized
Gonvarri MS Colombia	2017	until 2022	227	Not Capitalized
Gonvarri MS Colombia	2017	until 2029	2,179	Not Capitalized
Gonvarri MS Colombia	2018	until 2023	118	Not Capitalized
Gonvarri MS Colombia	2018	until 2030	3,312	Capitalized
Gonvarri MS Colombia	2019	until 2031	2,171	Capitalized
Gonvarri MS Colombia	2020	until 2032	534	Capitalized
Gonvarri Argentina	2020	until 2025	2,928	Capitalized
Constructor Group UK	2013	No Limit	2,184	Not Capitalized
Constructor Group UK	2014	No Limit	193	Not Capitalized
Constructor Group UK	2016	No Limit	167	Not Capitalized
Constructor Group UK	2017	No Limit	515	Capitalized
Constructor Group UK	2018	No Limit	758	Capitalized
Constructor Group UK	2019	No Limit	691	Capitalized
Constructor Group UK	2020	No Limit	990	Capitalized
Constructor Group UK	2021	No Limit	45	Capitalized
Constructor Finland	2013	No Limit	1,372	Not Capitalized
Constructor Finland	2014	2024	1,017	Not Capitalized
Constructor Finland	2015	2025	298	Capitalized
Constructor Finland	2016	2026	3,242	Capitalized
Constructor Finland	2017	2027	30	Capitalized
Constructor Finland	2018	2028	618	Capitalized
GMH AS	2018	No Limit	1,759	Capitalized
GMH AS	2019	No Limit	1,095	Capitalized
GMH AS	2020	No Limit	278	Capitalized
Dexion GmbH	before 2013	No Limit	4,644	Not Capitalized
Canrena System Aktiebolag	2020	No Limit	551	Capitalized
Dexion Spol Sro Slovakia	2018	2028	90	Capitalized
Constructor Norge	before 2013	No Limit	1,808	Capitalized
Gonvarri Industrial Maroc SL	2019	2022	99	Not Capitalized
Gonvarri Industrial Maroc SL	2020	2023	144	Not Capitalized
Gonvarri Industrial Maroc SL	2021	2024	370	Not Capitalized
Gonvarri Industrial Maroc SL	2016	No Limit	165	Not Capitalized
Gonvarri Industrial Maroc SL	2017	No Limit	165	Not Capitalized
Gonvarri Industrial Maroc SL	2018	No Limit	165	Not Capitalized
Gonvarri Industrial Maroc SL	2019	No Limit	165	Not Capitalized
Gonvarri Industrial Maroc SL	2020	No Limit	165	Not Capitalized
Gonvarri Industrial Maroc SL	2021	No Limit	165	Not Capitalized
Gonvarri Czech, S.R.O.	2021	2026	326	Capitalized
Agromega	2021	No Limit	348	Capitalized
Gonvarri Solar Steel Brasil Ltd.	2020 and before	No Limit	33	Not Capitalized
Gonvarri Solar Steel Brasil Ltd.	2021	No Limit	11	Not Capitalized
Arcerlomittal Gonvarri Nitra S.R.O	2018	2023	40	Not Capitalized
Arcerlomittal Gonvarri Nitra S.R.O	2019	2023	1,023	Not Capitalized
Gonvarri Chile Estructuras Metálicas, Ltda.	2013	No Limit	8	Not Capitalized
Gonvarri Chile Estructuras Metálicas, Ltda.	2014	No Limit	28	Not Capitalized
Gonvarri Chile Estructuras Metálicas, Ltda.	2015	No Limit	723	Not Capitalized
Gonvarri Chile Estructuras Metálicas, Ltda.	2017	No Limit	524	Not Capitalized
Gonvarri Chile Estructuras Metálicas, Ltda.	2018	No Limit	517	Not Capitalized
Gonvarri Chile Estructuras Metálicas, Ltda.	2019	No Limit	104	Not Capitalized
Gonvarri Chile Estructuras Metálicas, Ltda.	2020	No Limit	14	Not Capitalized
Gonvarri Chile Estructuras Metálicas, Ltda.	2021	No Limit	307	Not Capitalized



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At 31 December 2020 the Group's tax losses available for offset break down as follows:

Company	Originating period	Available until	Base amount	Status
Gonvarri Solar Steel USA	2011	2031	1,129	Not Capitalized
Gonvarri Solar Steel USA	2012	2032	2,854	Not Capitalized
Gonvarri Solar Steel USA	2013	2033	3,005	Not Capitalized
Gonvarri Solar Steel USA	2017	2037	4,109	Not Capitalized
Gonvarri Solar Steel USA	2018	No Limit	869	Not Capitalized
Gonvarri Solar Steel USA	2019	No Limit	1,164	Not Capitalized
Gonvarri MS Baja California	2017	2027	1,550	Not Capitalized
Gonvarri MS Baja California	2018	2028	3,510	Not Capitalized
Çepas Galvaniz Demir Çelik AŞ	2014	No Limit	1,387	Not Capitalized
Çepas Galvaniz Demir Çelik AŞ	2015	No Limit	513	Not Capitalized
Çepas Galvaniz Demir Çelik AŞ	2018	No Limit	2,244	Not Capitalized
Çepas Galvaniz Demir Çelik AŞ	2019	No Limit	1,421	Not Capitalized
Severstal Gonvarri Holding SL	2020	No Limit	4	Capitalized
Laser Automotive Valencia, S.L.	2017	No Limit	5	Capitalized
Laser Automotive Valencia, S.L.	2018	No Limit	241	Capitalized
Laser Automotive Valencia, S.L.	2020	No Limit	32	Capitalized
Addimen Bizkaia SL	2015	2045	50	Not Capitalized
Addimen Bizkaia SL	2016	2046	82	Not Capitalized
Addimen Bizkaia SL	2017	2047	4	Not Capitalized
Addimen Bizkaia SL	2018	2048	321	Not Capitalized
Addimen Bizkaia SL	2019	2049	208	Not Capitalized
Addimen Bizkaia SL	2020	2050	164	Not Capitalized
SOGEI, S.A.	2014	No Limit	680	Capitalized
SOGEI, S.A.	2015	No Limit	2,824	Capitalized
SOGEI, S.A.	2016	No Limit	2,007	Capitalized
SOGEI, S.A.	2018	No Limit	1,359	Capitalized
SOGEI, S.A.	2019	No Limit	982	Capitalized
SOGEI, S.A.	2020	No Limit	574	Capitalized
Gonvauto South Carolina, LLC.	2013	2033	5,152	Capitalized
Gonvauto South Carolina, LLC.	2014	2034	1,972	Capitalized
Gonvauto South Carolina, LLC.	2015	2035	1,197	Capitalized
Gonvauto South Carolina, LLC.	2017	2037	6,393	Capitalized
Gonvauto South Carolina, LLC.	2018	No Limit	502	Capitalized
Gonvauto South Carolina, LLC.	2019	No Limit	2,373	Capitalized
Gonvauto South Carolina, LLC.	2020	No Limit	4,429	Capitalized
Gonvauto Thuringen, G MBH	2013	No Limit	3,539	Capitalized
Gonvauto Thuringen, G MBH	2017	No Limit	587	Capitalized
Gonvauto Thuringen, G MBH	2019	No Limit	1,450	Capitalized
Gonvauto Thuringen, G MBH	2020	No Limit	1,056	Capitalized
Gonvauto Laser Blanking Germany GmbH	2017	No Limit	657	Not Capitalized
Gonvauto Laser Blanking Germany GmbH	2018	No Limit	585	Not Capitalized
Gonvauto Laser Blanking Germany GmbH	2020	No Limit	1,466	Not Capitalized
Gonvarri MS Colombia	2014	No Limit	123	Capitalized
Gonvarri MS Colombia	2015	No Limit	1,684	Capitalized
Gonvarri MS Colombia	2015	until 2020	226	Capitalized
Gonvarri MS Colombia	2016	No Limit	2,262	Capitalized
Gonvarri MS Colombia	2016	until 2020	16	Capitalized
Gonvarri MS Colombia	2016	until 2021	284	Capitalized
Gonvarri MS Colombia	2017	until 2021	20	Capitalized
Gonvarri MS Colombia	2017	until 2022	231	Capitalized
Gonvarri MS Colombia	2017	until 2029	2,299	Capitalized
Gonvarri MS Colombia	2018	until 2022	125	Capitalized
Gonvarri MS Colombia	2018	until 2030	3,494	Capitalized
Gonvarri MS Colombia	2019	until 2031	2,291	Capitalized
Gonvarri Argentina	2020	until 2025	3,892	Not Capitalized
Constructor Group UK	before 2017	No Limit	5,626	Capitalized
Constructor Finland	2013	2023	580	Capitalized
Constructor Finland	2014	2024	1,803	Capitalized
Constructor Finland	2015	2025	298	Capitalized
Constructor Finland	2016	2026	2,037	Capitalized
Constructor Finland	2017	2027	1,853	Capitalized
Constructor Finland	2017	No Limit	911	Capitalized
GMH AS	2018	No Limit	1,995	Capitalized
GMH AS	2019	No Limit	1,095	Capitalized
GMH AS	2020	No Limit	465	Capitalized
Dexion GmbH	before 2017	No Limit	7,988	Not Capitalized
Gonvarri Staltechnik	2020	No Limit	612	Capitalized
Dexion SRO Czech	2016	2021	18	Not Capitalized
Dexion SRO Czech	2017	2022	10	Not Capitalized

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Company	Originating period	Available until	Base Amount	Status
Constructor Norge	Before 2017	No Limit	2,273	Capitalized
Gonvarri Industrial Maroc SL	2016	No Limit	159	Not Capitalized
Gonvarri Industrial Maroc SL	2016	2020	159	Not Capitalized
Gonvarri Industrial Maroc SL	2017	No Limit	159	Not Capitalized
Gonvarri Industrial Maroc SL	2017	2021	71	Not Capitalized
Gonvarri Industrial Maroc SL	2018	No Limit	159	Not Capitalized
Gonvarri Industrial Maroc SL	2018	2022	74	Not Capitalized
Gonvarri Industrial Maroc SL	2019	2023	255	Not Capitalized
Gonvarri Industrial Maroc SL	2020	2024	298	Not Capitalized

Deferred tax assets for tax-loss carry forwards are recognized to the extent that the corresponding tax benefit will probably be realized by way of future tax benefits.

At the end of 2021 and 2020 the Group has made projections of future tax base flows in order to evaluate the recovery of the tax-loss carry forwards that have been generated and these projections show a positive evolution of profits, the Directors have decided to recognize the tax credits deriving from the capitalization of the tax-loss carry forwards originating this year and in prior years.

The main Group companies with capitalised tax credits have been analysed and it has been concluded that none of them show signs of impairment.

### 32 Commitments

#### 32.1 Commitments for the purchase of assets (investment commitments)

At 31 December 2021, the Group has commitments to purchase property, plant and equipment amounting to €19,184 thousand (€5,864 thousand in 2020), mainly relating to machinery and buildings.

#### 32.2 Contingent benefits

At 31 December 2021 and 2020 there are no contingent benefits whatsoever.

### 33 Business combinations

The following acquisitions of the companies and/or groups are part of the Group's strategy of diversifying into businesses with greater added value and with the aim of providing them with commercial and management synergies, as well as operating cost efficiency based on the GI Group's experience in the steel sector, with which it is believed that it will be possible to improve the results of these companies.

#### Business combinations in 2021

- Riera Tutó, SL

On 25 June 2021, the company Riera Tutó SL was acquired for an agreed amount of € 10,483 thousand, in which the company holds 51% of the shares. This company manufactures tools and finished metal products, as well as the manipulation, welding, folding, and cutting of steel, sheet metal, tubes and mechanical work in general.



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The carrying amount of the assets and liabilities is as follows:

Thousand euro	
Intangible assets	15
Tangible assets	1.792
Non-current financial assets	28
<b>Non-current assets</b>	<b>1.835</b>
Inventories	838
Trade receivables	5.197
Cash and other cash equivalents	1.679
<b>Current assets</b>	<b>7.714</b>
<b>Total Assets</b>	<b>9.549</b>

Trade payables	324
Deferred tax liabilities	160
<b>Total non-current liability</b>	<b>484</b>
Trade payables	1.314
Trade payables	2.698
Other current liabilities	280
<b>Total current liabilities</b>	<b>4.293</b>
<b>Total Liabilities</b>	<b>4.777</b>

Considering the aforementioned premises, the impact on the consolidated annual accounts has been as follows:

Thousand euro	
Consideration	10.483
<b>Carrying amount at transaction date</b>	<b>4.773</b>
External Partners (49%)	2.339
Gonvarri Industries (51%)	2.434
<b>Difference NCV to % acquired and consideration</b>	<b>8.049</b>

This business combination generated goodwill of € 8,049 thousand (Note 7) and after analysing the value of the assets, no goodwill arising from the transaction was detected, leading to the conclusion that the company's NCV is equal to its market value.

There were no significant costs associated to this transaction.

- **Gonvarri MS Deutschland GMBH**

On 14 August 2021, the subsidiary company GMS Corporate S.L. acquired Gonvarri MS Deutschland GmbH, for €28 thousand. This company is active in the design and development of telecommunication towers, and the import of telecommunication devices for landline and mobile networks.

The effect on the consolidated profit/loss has been as follows:

Description	Thousand euro
Total Attributable Net Assets (100%)	28
Total consideration	28
<b>Final net effect</b>	<b>-</b>



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This business combination did not generate goodwill. There are no significant costs associated with this transaction.

### Business combinations in 2020

- **ArcelorMittal Gonvarri Nitra, S.R.O**

On January 1, 2020, the Group obtained control of the company ArcelorMittal Gonvarri Nitra, S.R.O., and the company is now consolidated using the full consolidation method.

In application of IFRS 3, both the assets delivered and the liabilities incurred or assumed by the acquirer, in exchange for control of the acquired entity, are valued at their fair values at the date of exchange. The result of the valuation has been a capital gain for the Group of €8,502 thousand, recorded under the heading "Other Profit/loss" in the accompanying consolidated income statement.

The fair value was calculated using the discounted cash flow method. As a result of this transaction, the Group did not have any goodwill to record.

As indicated in the table detailing the effects of the transaction, the transaction has been carried out without any economic consideration for this concept.

The net carrying amount of net assets at the date of the takeover was as follows:

	Thousand euro
Intangible assets	342
Tangible assets	26.241
Deferred tax assets	284
<b>Non-current assets</b>	<b>26.867</b>
Inventories	1.414
Trade receivables	240
Cash and other cash equivalents	84
<b>Current assets</b>	<b>1.738</b>
<b>Total Assets</b>	<b>28.605</b>
Trade payables	7.250
<b>Total non-current liability</b>	<b>7.250</b>
Trade payables	5.997
Other current liabilities	1.446
<b>Total current liabilities</b>	<b>7.443</b>
<b>Total Liabilities</b>	<b>14.693</b>

Taking into account the aforementioned premises, there has been no impact on the consolidated financial statements of the Company:

	Thousand euro
Consideration	-
Maturity at 01.01.2020	13.912
External Partners (50%)	6.956
Gonvarri Industries (50%)	6.956
Valuation	13.912
<b>Difference initial Carrying amount and market valuation</b>	<b>-</b>



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- **ArcelorMittal Gonvarri SSC Slovakia, S.R.O**

On January 1, 2020, the Group obtained control of the company ArcelorMittal Gonvarri S SC Slovakia, S.R.O., and the company is now consolidated using the full consolidation method.

In application of IFRS 3, both the assets delivered and the liabilities incurred or assumed by the acquirer, in exchange for control of the acquired entity, are valued at their fair values at the date of exchange. The result of the valuation has been a capital gain for the Group of €8,502 thousand, recorded under the heading "Other Profit/loss" in the accompanying consolidated income statement.

The fair value was calculated using the discounted cash flow method. As a result of this transaction, the Group did not have any goodwill to record.

As indicated in the table detailing the effects of the transaction, the transaction has been carried out without any economic consideration for this concept.

The net carrying amount of net assets at the date of the takeover was as follows:

	Thousand euro
Intangible assets	152
Tangible assets	41.266
<b>Non-current assets</b>	<b>41.418</b>
Inventories	33.280
Trade receivables	24.771
Cash and other cash equivalents	2.287
<b>Current assets</b>	<b>60.339</b>
<b>Total Assets</b>	<b>101.757</b>
Trade payables	13.893
Deferred tax liability	3.246
<b>Total non-current liability</b>	<b>17.140</b>
Trade payables	6.298
Provisions for current liabilities	43
Other current liabilities	14.008
<b>Total current liabilities</b>	<b>20.349</b>
<b>Total Liabilities</b>	<b>37.489</b>

Considering the aforementioned premises, the impact on the consolidated annual accounts has been as follows:

	Thousand euro
Consideration	-
Maturity at 01.01.2020	64.268
External Partners (50%)	32.134
Gonvarri Industries (50%)	32.134
Valuation (100%)	81.272
<b>Difference initial Carrying amount and market valuation</b>	<b>17.004</b>
Buildings	8.502
Other profit/loss - Income statement	8.502

The value assigned to the buildings corresponds to the difference between the net carrying amount at 1 January 2020, and the fair value of the buildings according to the valuation of an independent expert at the same date.



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- **Sogei S.A**

On September 30, 2020, a capital increase of €850 thousand was carried out as part of a business combination in stages. As a result, Gonvarri Corporación Financiera, S.L. has increased its shareholding in this company from 49% to 70% and is now consolidated using the full consolidation method.

The carrying amount of assets and liabilities at the time of the capital increase were as follows:

	Thousand euro
Intangible assets	3
Tangible assets	10.379
Deferred tax assets	2.145
<b>Non-current assets</b>	<b>12.527</b>
Inventories	3.967
Trade receivables	1.939
Cash and other cash equivalents	173
<b>Current assets</b>	<b>6.079</b>
<b>Total Assets</b>	<b>18.606</b>
Deferred tax liability	10.438
<b>Total non-current liability</b>	<b>10.438</b>
Trade payables	1.549
<b>Total current liabilities</b>	<b>2.571</b>
<b>Total Liabilities</b>	<b>4.120</b>

The effect on the consolidated profit/loss has been as follows:

Description	Thousand euro
Total Attributable Net Assets (70%)	2.833
Fair Value of the consideration	2.833
<b>Final net effect</b>	<b>-</b>

This business combination did not generate goodwill. There are no significant costs associated with this transaction.

- **Complete Storage & Interiors (CSI)**

On June 1, 2020, the subsidiary Gonvarri Material Handling AS acquired 100% of the shares of Complete Storage & Interiors (CSI) for GBP 1,884 thousand (€2,091 thousand). This company's business is focused on material storage and logistics.

The carrying amount of the assets and liabilities is as follows:



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	Thousand euro
Intangible assets	98
Tangible assets	67
<b>Non-current assets</b>	<b>165</b>
Inventories	38
Trade receivables	696
Cash and other cash equivalents	1.019
<b>Current assets</b>	<b>1.753</b>
<b>Total Assets</b>	<b>1.918</b>
Deferred tax liability	11
<b>Total non-current liability</b>	<b>11</b>
Trade payables	643
Provisions for current liabilities	255
Other current liabilities	562
<b>Total current liabilities</b>	<b>1.460</b>
<b>Total Liabilities</b>	<b>1.471</b>

The effect on the consolidated profit/loss has been as follows:

Description	Thousand euro
Total Attributable Net Assets (100%)	447
Total consideration	2.091
<b>Final net effect</b>	<b>1.644</b>

This business combination generated a Goodwill totalling €1,644 thousand. (Note 7).

It is worth mentioning that there is a provisional accounting year for calculating the fair value of these acquired assets and liabilities.

There were no significant costs associated to this transaction.

- **Lampe Lagertechnik GmbH**

On March 1, 2020, the subsidiary Gonvarri Material Handling AS acquired 100% of the shares of Lampe Lagertechnik GmbH, for an amount of €3,537 thousand. This company provides services to system integrators offering warehouse automation, ranging from the design to the project management.

The carrying amount of the assets and liabilities is as follows:

	Thousand euro
Intangible assets	4
Tangible assets	16
<b>Non-current assets</b>	<b>20</b>
Inventories	2.457
Trade receivables	274
Cash and other cash equivalents	1.471
<b>Current assets</b>	<b>4.202</b>
<b>Total Assets</b>	<b>4.222</b>
Trade payables	861
Provisions for current liabilities	110
Other current liabilities	2.929
<b>Total current liabilities</b>	<b>3.900</b>
<b>Total Liabilities</b>	<b>3.900</b>

The effect on the consolidated profit/loss has been as follows:



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Description	Thousand euro
Total Attributable Net Assets (100%)	322
Total consideration	3.537
<b>Final net effect</b>	<b>3.215</b>

This business combination generated a Goodwill totalling €3,215 thousand. (Note 7).

It is worth mentioning that there is a provisional accounting year for calculating the fair value of these acquired assets and liabilities.

There were no significant costs associated to this transaction.

- **Kaufmann**

On July 1, 2020, the subsidiary Gonvarri Material Handling AS signed a purchase agreement with Kaufmann, whereby it undertook to purchase 60% of the shares in 2020 for the amount of 8,495 thousand Swiss francs, 20% in 2021 for the amount of 2,453 thousand Swiss francs, and the remaining 20% in 2022 for the amount of 5,043 thousand Swiss francs.

100% of the shares will have a total value payable of 15,991 thousand Swiss francs (€14,804 thousand). This company's business is focused on the development and implementation of specific internal logistics, plants and systems.

The carrying amount of the assets and liabilities is as follows:

	Thousand euro
Intangible assets	-
Tangible assets	231
Non-current financial assets	42
<b>Non-current assets</b>	<b>273</b>
Inventories	163
Trade receivables	12.081
Cash and other cash equivalents	3.113
<b>Current assets</b>	<b>15.357</b>
<b>Total Assets</b>	<b>15.630</b>
Deferred tax liability	19
<b>Total non-current liability</b>	<b>19</b>
Trade payables	513
Provisions for current liabilities	23
Other current liabilities	13.846
<b>Total current liabilities</b>	<b>14.382</b>
<b>Total Liabilities</b>	<b>14.401</b>

The effect on the consolidated profit/loss has been as follows:

Description	Thousand euro
Total Attributable Net Assets (70%)	1.229
Total consideration	14.804
<b>Final net effect</b>	<b>13.575</b>

This business combination generated a Goodwill totalling €13,575 thousand. (Note 7).

It is worth mentioning that there is a provisional accounting year for calculating the fair value of these acquired assets and liabilities.

There were no significant costs associated to this transaction.



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- **Obratel Energy, S.L.**

On October 2, 2020, the subsidiary Gonvarri Solar Steel acquired 100% of the shares of Obratel Energy, S.L. for €1,900 thousand. This company was included in the consolidation scope by the full consolidation method. This company's business is focused on maintenance, industrial logistics and process engineering.

The carrying amount of the assets and liabilities is as follows:

	Thousand euro
Intangible assets	-
Tangible assets	7
Non-current financial Investments	12
<b>Non-current assets</b>	<b>19</b>
Inventories	41
Trade receivables	1.280
Accruals	16
Cash and other cash equivalents	332
<b>Current assets</b>	<b>1.669</b>
<b>Total Assets</b>	<b>1.688</b>
Deferred tax liability	-
<b>Total non-current liability</b>	<b>-</b>
Current financial debt	-
Trade payables	561
Provisions for current liabilities	-
Other current liabilities	382
<b>Total current liabilities</b>	<b>943</b>
<b>Total Liabilities</b>	<b>943</b>

The effect on the consolidated profit/loss has been as follows:

Description	Thousand euro
Total Attributable Net Assets (100%)	745
Total consideration	1.900
<b>Final net effect</b>	<b>1.155</b>

This business combination generated a Goodwill totalling €1,155 thousand. (Note 7).

It is worth mentioning that there is a provisional accounting year for calculating the fair value of these acquired assets and liabilities.

There were no significant costs associated to this transaction.

- **Agromega**

On December 29, 2020, the subsidiary GfMS Corporate, S.L. carried out a capital increase of €900 thousand in the company Agromega. With this disbursement, 56% of the shares of this company were obtained. It was also agreed that in 2021 an additional 2% of the shares will be purchased from the local partners for an amount of between 30 and 150 thousand euros depending on the sales of 2021 and that in 2022 an additional 2% of the shares will be purchased from the local partners for an amount of between 30 and 150 thousand euros depending on the sales and net result of the year, thus reaching 60% of the shares of the aforementioned company in 2022. This company's business is focused on the design and implementation of agricultural projects using greenhouses.



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The carrying amount of the assets and liabilities is as follows:

	Thousand euro
Intangible assets	-
Tangible assets	2
<b>Non-current assets</b>	<b>2</b>
Inventories	-
Trade receivables	5
Accruals	25
Cash and other cash equivalents	597
<b>Current assets</b>	<b>627</b>
<b>Total Assets</b>	<b>629</b>
Deferred tax liability	-
<b>Total non-current liability</b>	<b>-</b>
Trade payables	11
Provisions for current liabilities	31
Other current liabilities	-
<b>Total current liabilities</b>	<b>42</b>
<b>Total Liabilities</b>	<b>42</b>

The effect on the consolidated profit/loss has been as follows:

Description	Thousand euro
Total Attributable Net Assets (100%)	587
Total consideration	900
<b>Final net effect</b>	<b>313</b>

This business combination generated a Goodwill totalling €313 thousand. (Note 7).

It is worth mentioning that there is a provisional accounting year for calculating the fair value of these acquired assets and liabilities.

There were no significant costs associated to this transaction.

### 34 Investment

#### 34.1 Investments in joint ventures and associates

The interests maintained by the Group in joint ventures associates which it recognizes in the consolidated financial statements using the equity method are as follows:

Company		31.12.2021	31.12.2020
MAG Aliança Automóveis do Brasil SSC S.A. (1)		25%	25%
Vama Gonvarri Group (2)		50%	50%
Hierros Villaverde S.A.		-	54.76%
Gestamp Automotive India Private Ltd.		50%	50%
Rejillas Calibradas, S.L.		20%	-

(1) The % interest that is given here will not match the percentages used in the following tables, as these use the % used by AMG Brazil to integrate this company to their balance sheet.

(2) The Vama Gonvarri Group includes the following companies: Vama Gonvarri Advance AASS, Vama Gonvarri AASS Shenyang, Vama Gonvarri AASS Changshu, Vama Gonvarri AASS Chongqing and Vama Gonvarri AASS Loudi.



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The breakdown and movements in investments in joint ventures and associates over which the Group does not hold control are set out in the following table:

Company	31.12.2020	Profit/Loss 2021	Exchange differences	Other	31.12.2021
MAG Aliança Automóveis do Brasil SSC S.A.	9,129	277	-137	-	9,269
Vama Gonvarri Subgroup	43,258	21,040	6,225	-	70,523
Hierros Villaverde, S.A.	1,587	-	-	-1,587	-
Gestamp Automotive India Private Ltd.	40,895	5,174	2,823	-	48,892
Rejillas Calibradas, S.L	-	272	-	5,400	5,672
	<b>94,869</b>	<b>26,763</b>	<b>8,911</b>	<b>3,813</b>	<b>134,356</b>

The main movements in 2021 were the following:

- On 25 June 2021 20% of the shares of the company Rejillas Calibradas SL were acquired for an amount of € 6,000 thousand. This company manufactures tools and finished metal products, as well as the manipulation, welding, folding and cutting of steel, sheet metal, tubes and mechanical work in general. The Group does not hold control over this company which is therefore integrated through the equity method.
- On 6 April 2021, Gonvarri Corporación Financiera sold its 55% stake in Hierros Villaverde, SA for €1,350 thousand.

Company	31.12.2019	Profit/Loss 2020	Exchange differences	Other	31.12.2020
MAG Aliança Automóveis do Brasil SSC S.A.	13,737	-307	-4,301	-	9,129
Vama Gonvarri Subgroup	30,944	9,561	-944	3,697	43,258
Hierros Villaverde, S.A.	1,714	-127	-	-	1,587
Gestamp Automotive India Private Ltd.	39,051	6,301	-4,457	-	40,895
AM Gonvarri Slovakia	32,132	-	-	-32,132	-
AM Gonvarri Nitra	6,956	-	-	-6,956	-
Sogei S.A	-971	-1,488	-	2,459	-
	<b>123,563</b>	<b>13,940</b>	<b>-9,702</b>	<b>-32,932</b>	<b>94,869</b>

The main movements in 2020 were the following:

- On April 10, 2020, Gonvarri Corporación Financiera made a capital increase to Vama Gonvarri Advance AASS in the amount of 29,500 thousand Renminbi, as did the other shareholder, Vama, maintaining the percentage of ownership of both in said company.
- On January 1, 2020, the Group demonstrated that it had control over ArcelorMittal Gonvarri Nitra S.R.O and ArcelorMittal Gonvarri SSC Slovakia and for such reasons, from that date, they have been consolidated under the full consolidation method. (see Note 4.7)
- On September 30, 2020, Gonvarri Corporación Financiera, S.L., through a capital increase, increased its ownership interest in Sogei, S.A. to 70%. This company has been consolidated under the full consolidation method as it is considered to have control of the company since that date. (see Note 1)

Summarized financial information regarding joint ventures and associates recognized using the equity method is set out next:



## Consolidated financial statements 2021

### Summarized Balance Sheet 2021

Heading	Gestamp Automotive India Private Ltd.	MAG Aliança Automóveis do Brasil SSC S.A.	Rejillas Calibras, SL	Vama Gonvarri Subgroup
Total non-current assets	48,494	14,690	20,392	154,934
Total current assets	111,260	10,746	22,321	198,210
Total non-current liabilities	2,729	-	880	49,422
Total current liabilities	59,241	6,899	13,472	162,677
<b>NET ASSETS</b>	<b>97,784</b>	<b>18,537</b>	<b>28,361</b>	<b>141,045</b>
% interest	50%	50%	20%	50%
<b>Carrying amount</b>	<b>48,892</b>	<b>9,269</b>	<b>5,672</b>	<b>70,523</b>

### Summarized Balance Sheet 2020

Heading	Gestamp Automotive India Private Ltd.	MAG Aliança Automóveis do Brasil SSC S.A.	Hierros Villaverde	Vama Gonvarri Subgroup
Total non-current assets	43,085	12,596	1,224	137,314
Total current assets	98,819	10,332	2,461	136,233
Total non-current liabilities	2,972	387	189	84,271
Total current liabilities	57,143	4,283	597	102,761
<b>NET ASSETS</b>	<b>81,789</b>	<b>18,258</b>	<b>2,899</b>	<b>86,515</b>
% interest	50%	50%	54.76%	50%
<b>Carrying amount</b>	<b>40,895</b>	<b>9,129</b>	<b>1,587</b>	<b>43,258</b>

### Summarized comprehensive income statement 2021

Heading	Gestamp Automotive India Private	MAG Aliança Automóveis do Brasil SSC S.A.	Rejillas Calibradas, SL	Vama Gonvarri Subgroup
Net revenue	72,939	25,331	21,981	284,352
Operating expense	-61,359	-24,412	-19,960	-231,261
<b>Operating profit</b>	<b>11,580</b>	<b>919</b>	<b>2,021</b>	<b>53,091</b>
Financial income	1,802	-167	615	-3,544
Exchange differences	-269	-	32	600
Impairment and other profit/loss	-	-	-450	-
<b>Profit before taxes</b>	<b>13,113</b>	<b>752</b>	<b>2,218</b>	<b>50,147</b>
Tax expense	-2,766	-198	-859	-8,068
<b>Total profit/loss</b>	<b>10,347</b>	<b>554</b>	<b>1,359</b>	<b>42,079</b>
% interest	50%	50%	20%	50%
<b>Profit/Loss equity cons. Comp.</b>	<b>5,174</b>	<b>277</b>	<b>272</b>	<b>21,040</b>



## Consolidated financial statements 2021

### Summarized comprehensive income statement 2020

Heading	Gestamp Automotive India Private	MAG Aliança Automóveis do Brasil SSC S.A.	Hierros Villaverde	Vama Gonvarri Subgroup
Net revenue	48,508	21,254	3,570	159,062
Operating expense	-32,594	-19,369	-3,813	-132,761
<b>Operating profit</b>	<b>15,914</b>	<b>1,885</b>	<b>-243</b>	<b>26,301</b>
Financial income	3,263	-2,825	-2	-4,151
Exchange differences	-309	50	-	39
Impairment and other profit/loss	-	-	-	7
<b>Profit before taxes</b>	<b>18,868</b>	<b>-890</b>	<b>-245</b>	<b>22,196</b>
Tax expense	-6,266	276	13	-3,074
<b>Total Profit/Loss</b>	<b>12,602</b>	<b>-614</b>	<b>-232</b>	<b>19,122</b>
% interest	50%	50%	55%	50%
<b>Profit/Loss equity cons. C comp.</b>	<b>6,301</b>	<b>-307</b>	<b>-127</b>	<b>9,561</b>

There are no contingent liabilities or commitments relating to the Group's interests in the joint ventures and associates.

### 34.2 Subsidiaries with significant non-controlling shareholders

The financial information for subsidiaries that have significant non-controlling shareholders is set out below:

Sociedad	2021	2020
ArcelorMittal Gonvarri Brasil	50%	50%
Severstal Subgroup	50%	50%
ArcelorMittal Gonvarri Nitra S.R.O	50%	50%
ArcelorMittal Gonvarri SSC Slovakia	50%	50%

The accumulated balances for the outside shareholder classified as significant totals €114,366 thousand (€96,228 thousand in 2020) (Note 16).

The summarized information for the subsidiaries is set out below. This information is based on amounts before inter-company eliminations:

### Summarized Balance Sheet 2021

Heading	Severstal Subgroup	AMG Brasil	ArcelorMittal Gonvarri Nitra S.R.O	ArcelorMittal Gonvarri SSC Slovakia
Total non-current assets	7,439	58,572	26,793	44,091
Total current assets	30,597	118,930	39,513	108,954
Total non-current liabilities	2,519	5,760	11,489	14,872
Total current liabilities	3,874	82,434	37,352	47,860
<b>Total Net Assets</b>	<b>31,643</b>	<b>89,308</b>	<b>17,465</b>	<b>90,313</b>
% interest	50%	50%	50%	50%
<b>Total attributable to non-contr. shareholder</b>	<b>15,822</b>	<b>44,654</b>	<b>8,733</b>	<b>45,157</b>



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### Summarized Balance Sheet 2020

Heading	Severstal Subgroup	AMG Brasil	ArcelorMittal Gonvarri Nitra S.R.O	ArcelorMittal Gonvarri SSC Slovakia
Total non-current assets	7,690	40,560	27,809	46,017
Total current assets	21,142	96,161	14,757	66,413
Total non-current liabilities	52	728	12,841	16,106
Total current liabilities	4,650	55,797	14,306	23,615
<b>Total Net Assets</b>	<b>24,130</b>	<b>80,196</b>	<b>15,419</b>	<b>72,709</b>
% interest	50%	50%	50%	50%
<b>Total attributable to non-contr. shareholder</b>	<b>12,065</b>	<b>40,098</b>	<b>7,710</b>	<b>36,355</b>

### Summarized comprehensive income statement 2021

Heading	Severstal Subgroup	AMG Brasil	ArcelorMittal Gonvarri Nitra S.R.O	ArcelorMittal Gonvarri SSC Slovakia
Net revenue	55,029	384,328	59,577	288,790
Other operating income	157	4,559	8	38
Operating expense	-47,637	-359,626	-56,793	-266,263
<b>Operating profit</b>	<b>7,549</b>	<b>29,261</b>	<b>2,792</b>	<b>22,565</b>
Financial income	107	45	-201	-185
Exchange differences	-141	-10	-	-
Impairment and other profit/loss	-	277	-	-
<b>Profit before taxes</b>	<b>7,515</b>	<b>29,573</b>	<b>2,591</b>	<b>22,380</b>
Tax expense	-1,635	-2,659	-545	-4,777
<b>Total Profit/Loss</b>	<b>5,880</b>	<b>26,914</b>	<b>2,046</b>	<b>17,603</b>
% interest	50%	50%	50%	50%
<b>Profit/Loss non-contr. Shareh. (Note 16)</b>	<b>2,940</b>	<b>13,457</b>	<b>1,023</b>	<b>8,802</b>

### Summarized comprehensive income statement 2020

Heading	Severstal Subgroup	AMG Brasil	ArcelorMittal Gonvarri Nitra S.R.O	ArcelorMittal Gonvarri SSC Slovakia
Net revenue	46,123	199,306	213,153	40,537
Other operating income	158	23,941	8,555	7
Operating expense	-43,818	-194,526	-208,493	-38,714
<b>Operating profit</b>	<b>2,463</b>	<b>28,721</b>	<b>13,215</b>	<b>1,830</b>
Financial income	-13	17,669	-189	-184
Exchange differences	-488	-417	-	-
Impairment and other profit/loss	-	-307	-	-
<b>Profit before taxes</b>	<b>1,962</b>	<b>45,666</b>	<b>13,026</b>	<b>1,646</b>
Tax expense	-455	-14,867	-2,740	-346
<b>Total Profit/Loss</b>	<b>1,507</b>	<b>30,799</b>	<b>10,286</b>	<b>1,300</b>
% interest	50%	50%	50%	50%
<b>Profit/Loss non-contr. Shareh. (Note 16)</b>	<b>754</b>	<b>15,399</b>	<b>5,143</b>	<b>650</b>



### 35 Related party transactions

The Group is ultimately controlled by the company Acek Desarrollo y Gestión Industrial, S.L. (formerly Corporación Gestamp, S.L.), (Incorporated in Madrid), which holds 65% of the company's shares. The remaining 35% are held by ArcelorMittal Group through different companies.

The following transactions were carried out with related parties at market prices:

- Holding Gonvarri, S.L
- Grupo GRI Renewable Industries "GRI"
- Grupo Acek Desarrollo y Gestión Industrial, S.L and its shareholders
- ArcelorMittal Group
- Associates
- Joint arrangements
- Key executives and their family members
- Directors and their families

Related party transactions are subject to the same time periods and conditions as other transactions with third parties outside of the Group, as well as the compensation deriving from those transactions.

No guarantee has been granted to, or received from, associated companies to guarantee the settlement of debts among them, with the exception of the guarantees provided to Acek Desarrollo y Gestión Industrial, S.L. (formerly Corporación Gestamp, S.L.) Holding Gonvarri, S.L or GRI Renewable Industries S.L. (Note 38).

There is no amount payable to associated companies that must covered by a provision at 31 December 2021.

#### (a) Sale of goods, rendering of services and interest received

	2021				
	Acek DGI, S.L. Group	Arcelor Mittal Group	Holding Gonvarri S.L.	Other associates	Total
Sales of Goods	1,454,912	178,073	-	7,806	1,640,791
Rendering of services	11,666	13,142	-	57	24,865
Financial income (Note 30)	1,306	-	-	81	1,387
Income from sundry services	5,333	3,009	21	3,896	12,259
	<b>1,473,217</b>	<b>194,224</b>	<b>21</b>	<b>11,840</b>	<b>1,679,302</b>
	2020				
	Acek DGI, S.L. Group	Arcelor Mittal Group	Holding Gonvarri S.L.	Other associates	Total
Sales of Goods	1,211,144	133,095	-	235	1,344,474
Rendering of services	19,114	4,511	-	43	23,668
Financial income (Note 30)	1,297	20	-	190	1,506
Income from sundry services	6,694	2,786	21	5,243	14,745
	<b>1,238,249</b>	<b>140,412</b>	<b>21</b>	<b>5,711</b>	<b>1,384,393</b>

#### (b) Purchases of goods and services and interest paid

	2021				
	Acek DGI, S.L. Group	Arcelor Mittal Group	Holding Gonvarri S.L.	Other associates	Total
Purchases	178,182	1,981,885	-	583	2,160,649
Sundry service expense	4,506	631	47	70	5,255
Financial expense (Note 30)	43	17	455	-	515
	<b>182,731</b>	<b>1,982,533</b>	<b>502</b>	<b>653</b>	<b>2,166,419</b>



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	2020				Total
	Acek DGI, S.L. Group	Arcelor Mittal Group	Holding Gonvarri S.L.	Other associates	
Purchases	35,653	1,214,748	-	313	1,250,714
Sundry service expense	3,858	475	162	254	4,749
Financial expense (Note 30)	95	8	497	-	600
	<b>39,606</b>	<b>1,215,231</b>	<b>659</b>	<b>567</b>	<b>1,256,063</b>

### (c) Remuneration of key management personnel and directors

In 2021 the members of the Board of Directors received wages and salaries totalling €1,750 thousand (€1,860 thousand in 2020) of which €850 thousand are attributable to the leasing of services of the members of the Board of Directors. At the closing of the year, the Group had not granted any loans nor prepayments to any of the members of the Board of Directors.

Total remuneration paid in 2021 to Senior Management personnel amounts to €1,128 thousand (€1,067 thousand in 2020). There are no contributions to pension plans and insurance premiums just as in the previous year.

The Company did not grant any loans to senior management in 2021 nor 2020

### (d) Year-end balances arising from sales/purchases of goods/services

at 31.12.2021		Acek DGI, S.L. Group	Arcelor Mittal Group	Holding Gonvarri S.L.	Other associates
Trade and other receivables	(Nota 11)	294,710	22,190	2	9,759
Trade and other payables	(Nota 22)	47,055	119,653	51	220

at 31.12.2021		Acek DGI, S.L. Group	Arcelor Mittal Group	Holding Gonvarri S.L.	Other associates
Trade and other receivables	(Nota 11)	343,164	15,985	2	7,384
Trade and other payables	(Nota 22)	9,502	148,651	5	56

Since these balances are due and payable or accrue market interest, their fair value is similar to their carrying amount.

### (e) Balances at the year-end for loans granted and received

in thousand euros	2021	2020
Gestamp Puebla	13.442	8.900
Gestamp Aguascalientes	925	639
Rejillas Calibradas, S.L.	400	-
AMG Resende	136	-
Gestamp San Luis Potosi	7	610
Holding Gonvarri, S.L.	-	618
Vama Gonvarri Group	-	6.446
<b>Total loans granted</b>	<b>14.910</b>	<b>17.213</b>

The breakdown of loans and credits granted to the companies Gestamp Puebla and Gestamp Aguascalientes corresponds entirely to a current account in dollars financed by Gonvauto Puebla, which accrues a market interest rate and is recorded as short-term as it has a maturity of less than one year. During 2020, the amount of loans and credits granted to the company Grupo Vama Gonvarri, contains an amount of €6,429 thousand for a loan granted by Gonvarri Corporación Financiera, S.L. which accrues a market interest rate and is recognised as long-term as it matures in more than one year.



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in thousand euros	2021	2020
Holding Gonvarri, S.L.	58,716	39,926
GRI Renewable Industries	3,269	2,216
<b>Total loans received</b>	<b>61,985</b>	<b>42,142</b>

### (f) Dividends receivable

As of December 31, 2021, there are no active dividends receivable. (nor were there active dividends receivable in 2020)

### (g) Director conflict of interest situations

In order to avoid conflicts of interest with the parent company, during the year Directors that held positions on the Board of Directors complied with the obligations established in Article 229 of the Spanish Companies Act. Both they and persons associated with them have abstained from entering into the conflicts of interest defined by Article 229 of that law, except in the cases in which the appropriate authorization has been obtained.

At 31 December 2021, the representatives of the company ArcelorMittal España, S.A., member of the Board of Directors of the parent company, Mr. Ramesh Kumar Kothari, Mr. Jose Manuel Arias García and Mr. Stephan Paul Brettnacher reported the following transactions with companies pertaining to GI Group:

Director	Company	Description	Amount €
ArcelorMittal España, S.A.	Gonvarri I. Centro de Servicios, S.L.	Toll manufacturer	24.651
ArcelorMittal España, S.A.	Gonvarri I. Centro de Servicios, S.L.	Storage	230.440
ArcelorMittal España, S.A.	Gonvauto S.A.	Storage	963.750
ArcelorMittal España, S.A.	Gonvauto S.A.	Sale of Materials	14.819
ArcelorMittal España, S.A.	Gonvauto Navarra, S.A.	Storage	496.445
ArcelorMittal España, S.A.	Hierros y Aplanaciones, S.A.	Toll manufacturer	1.915.453
ArcelorMittal España, S.A.	Gonvauto Galicia, S.A.	Toll manufacturer	1.534

These transactions have not been made in a personal capacity but by the company ArcelorMittal España, S.A. These are transactions for ordinary operations and have been made at market price.

### Directors Liability Insurance

The group paid €20 thousand for the premium for the directors' liability insurance covering any damages caused by actions or omissions when performing their duties (€17 thousand in 2020).

## 36 Environment

### a) Property, plant and equipment

Assets intended to minimize environmental impact and to protect and improve the environment at 31 December 2021 and 2020 are as follows:

Characteristics and utilization	2021		2020	
	Carrying amount	Accumulated depreciation	Carrying amount	Accumulated depreciation
Buildings	672	259	665	195
Machinery	6,798	6,673	6,798	6,607
Tooling	11	10	9	9
Other facilities	2,619	2,055	2,563	1,881
Furnishing	6	5	6	5
Furnishing under construction	50	-	3	-
<b>Total</b>	<b>10,156</b>	<b>9,004</b>	<b>10,044</b>	<b>8,697</b>



### b) Expenses relating to environmental protection

During the year, the Group incurred certain ordinary environmental expenses totalling €992 thousand (€960 thousand in 2020) for materials and maintenance.

### c) Provisions relating to environmental upgrades

During the year, no provision whatsoever was recorded to cover the risks and expenses relating to environmental action and only those recorded in prior years that had not been implemented were maintained.

### d) Contingencies relating to environmental protection and improvement

As at 31 December 2021 and 2020 there were no contingencies related to environmental protection and improvement or risks that should be transferred to other entities. This year there has therefore been no need to establish a provision for environmental actions.

### e) Environmental liabilities

The Group considers that there are no environmental liabilities.

### f) Environmental grants received

In 2021 and 2020 no environmental grants were received.

## 37 Audit fees

The fees received by the auditors for audit services relating to the individual and consolidated annual accounts for Group companies are distributed as follows:

	2021	2020
Audit services	432	378
Other verification services	2	2
Tax advisory services	95	113
Other services	44	42
<b>Total PriceWaterhouseCoopers</b>	<b>572</b>	<b>535</b>
Audit services	681	541
Other verification services	73	72
Tax advisory services	713	605
Other services	230	201
<b>Total Other auditors</b>	<b>1,697</b>	<b>1,419</b>
<b>Total</b>	<b>2,269</b>	<b>1,954</b>

These fees are recognized under the heading "Other operating expense" in the accompanying income statement.

## 38 Third party guarantees and other contingent liabilities

At 31 December 2021, the Group has bank guarantees amounting to €107,212 thousand (€116,626 thousand at 31 December 2020), of which €33,172 thousand are financial guarantees (€33,863 thousand in 2020) and €74,039 thousand correspond to technical guarantees (€82,763 thousand in 2020).

The Group has signed documentary loans with banks totalling €53,011 thousand to secure the payment of several financial liabilities recognized at the end of the year (€33,826 thousand in 2020).



### 39 Events after the end of the reporting period

After the end of the year, uncertainty has increased as a result of the political situation between Ukraine and Russia. The tensions surrounding this issue could have very negative effects on the economy, such as currency instability, interest rate and liquidity tensions. There could also be disruptions in the supply chain and deterioration in consumer confidence. All these events and the associated uncertainty will certainly have an impact on the Group's operations, and although difficult to predict, it is not expected to have a significant impact as the Group's exposure to Russia and its neighbouring markets is very limited. For the reasons stated above, the economic and regulatory situation may well differ from the Group management's expectations, however, developments are closely monitored in order to adjust strategic and operational decisions, so as to minimise business risks.

The projections used in the annual accounts have not taken into account the impacts that could arise from this conflict, and there is no reliable way to re-estimate the projections. However, the Company's management considers that the effects of this situation will not significantly affect the values considered in the annual accounts. The effect on business continuity has been assessed and no liquidity risk is estimated for the Company that cannot be covered by the current situation of existing debt and liquidity.

In addition to the above, from 31 December 2021 to the date of authorisation for issue of these financial statements, there have been no significant subsequent events that require disclosure.

### 40 Other information

#### **STATEMENTS REFERRED TO BY ARTICLES 42BIS.4.B, 42 TER.4.B AND 54.BIS.6.B OF ROYAL DECREE 1065/2007 (27 JULY)**

The information relating to compliance with Articles 42bis, 42ter and 54bis of the General Tax Management and Inspection Procedures and Actions and the development of common tax application procedures, approved by Royal Decree 1065/2007 (27 July), was provided in the notes to the individual annual accounts for the companies Gonvarri Corporación Financiera, S.L. GRI Renewable Industries, S.L. as the parent companies of their respective subgroups and with respect to the foreign subsidiaries.



## Consolidated financial statements 2021

### Appendix 1: Consolidation scope

2021

Company	Domicile	% interest attributable to Parent Company of GI		Business	Auditor
		Direct	Indirect		
Gonvarri MS Corporate, S.L.	Bilbao	100%		4	PWC
Gonvarri MS Colombia, S.A.S, S.L.	Colombia		100%	2	PWC
GMS Francia SAS	France		100%	9	N/A
Çepas Galvaniz, Sanayi Anomin Sirketi	Turkey		100%	2	Gran Thornton
Gonvarri Chile Estructuras Metálicas, Ltda.	Chile		100%	9	N/A
Hiasa Montajes Honduras, S.A.	Honduras		100%	9	N/A
Hierros y Aplanaciones, S.A.	Asturias		100%	2	PWC
Road Steel Engineering, SL	Valladolid		100%	2	N/A
Suports Desarrollo y Soluciones, SL	Valencia		100%	5	N/A
Suports Energia Sustentable México S.A.P.I. de C.V	México		100%	5	N/A
Gonvarri MS Baja California S.A	México		100%	5	N/A
Gonvarri MS Deustchland, GMBH	Germany		100%	9	N/A
Gonvarri MS R&D, SL	Madrid		100%	10	N/A
Agromega Projects Ltd	Israel		56%	12	N/A
Gonvarri Solar Steel, S.L.	Asturias		100%	2	PWC
Gonvarri Solar Steel Brasil Ltd.	Brazil		100%	2	N/A
Obratei	Spain		100%	2	N/A
Gonvarri Solar Steel US, Inc	USA		100%	9	N/A
Gonvauto Asturias, SL	Madrid	100%		1	PWC
Addimen Bizkaia, SL	Bilbao	93%		2	N/A
Arcerlommittal Gonvarri SSC Slovakia, S.R.O	Slovakia	50%		1	Deloitte
Arcerlommittal Gonvarri Nitra S.R.O	Slovakia		50%	1	Deloitte
Flejes Industriales, SA	Alicante	100%		1	PWC
Sogel S.A	Madrid	70%		5	N/A
Gonvarri Argentina S.A.	Argentina	100%		2	SC
ArcelorMittal Gonvarri Brasil, Pdtos. Siderúrg. S.A.	Brazil	50%		2	PWC
MAG Aliança Automóveis do Brasil SSC S.A.	Brazil		25%	2	EY
Gonvarri Aluminium, GMBH.	Germany	100%		1	N/A
Gonvauto Thüringen, GMBH	Germany	100%		1	PWC
Laser Blanking Germany, GMBH	Germany	100%		1	N/A
Gestamp Automotive India Private Ltd	India	50%		2	EY
Gonvarri Polska, SP, ZO O.	Poland	100%		2	EY
Gonvarri Czech, S.R.O.	Czech Rep.	100%		1	N/A
Gonvauto Galicia, S.A.	Galicia	100%		2	PWC
Gonvauto, S.A.	Barcelona	100%		1	PWC
Gonvauto Puebla, S.A. de C.V.	México		100%	2	KPMG
Gonvarri I.Centro de Servicios, S.L.	Madrid	100%		2	PWC
Gonvarri Industrial Maroc, S.A.	Morocco	100%		5	AC
Gonvarri Italia, Sp.A.	Italy	100%		5	N/A
Gonvarri Portfolio Internacional, S.L.	Madrid	100%		10	N/A
Gonvarri Ptos. Siderúrgicos,S.A.	Portugal	100%		2	PWC
Gonvarri Steel Services US, INC	USA (Delaware)	100%		4	N/A
Gonvauto South Carolina LLC.	USA (South Carolina)		100%	1	N/A
Gonvarri Valencia, S.A	Valencia	100%		2	PWC
Gonvarri Tarragona, S.L.	Tarragona	100%		2	PWC
Láser Automotive Barcelona, S.L.	Madrid	51%		1	N/A
Láser Automotive Valencia, S.L.	Valencia	51%		1	N/A
Láser Automotive Zaragoza, S.L.	Zaragoza	51%		1	N/A
Gonvarri Material Handling, S.L.	Madrid	100%		4	N/A
Gonvarri Vizcaya, S.L.	Bilbao	100%		5	N/A
Gonvasolar, S.L.	Madrid	100%		9	N/A
Gonvauto Navarra, S.A.	Navarra	100%		1	PWC

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Company	Domicile	% interest attributable to Parent Company of GI		Business	Auditor
		Directo	Indirecto		
Severstal Gonvarri Holding, S.L.	Madrid	50%		4	N/A
Severstal Gonvarri Kaluga llc	Russia		50%	2	G. Thornton
Steel & Alloy Holding LTD.	(Birmingham) UK	100%		4	PWC
Steel & Alloy Processing LTD	(Birmingham) UK		100%	1	PWC
Dongguan Gonvarri Summit Automotive Steel Processing Center C.O. LTD	China	100%		2	N/A
Vama Gonvarri Automotive Solutions C.O.	China	50%		2	Deloitte
Vama Gonvarri Automotive Solutions (Shenyang) C.O. LTD	China		50%	2	Deloitte
Vama Gonvarri Automotive Solutions (Changshu) C.O. LTD	China		50%	2	Deloitte
Vama Gonvarri Automotive Solutions (Chongqing) C.O. LTD	China		50%	2	Deloitte
Vama Gonvarri Automotive Solutions (Loudi) C.O. LTD	China		50%	2	Deloitte
Laserboost	Spain	90%		5	N/A
Riera Tutó, SL	Barcelona	51%		2	EY
Rejillas Calibradas SL	Barcelona	20%		2	EY
Gonvarri Material Handling AS	Oslo, Norway	100%		11	KPMG
Constructor Finland OY	Finland		100%	11	KPMG
Constructor Rus	Russia		100%	11	KPMG
Dexion GmbH	Germany		100%	11	KPMG
Dexion KFT Hungary	Hungary		100%	11	Bergmann KONYVS ZAK ERTO kft
Dexion Nv/SA Belgium	Belgium		100%	11	KPMG
Constructor Norge AS Norway	Norway		100%	11	KPMG
Dexion Storage Solutions SRL, Romania	Romania		100%	11	KPMG
Constructor Sverige AS Sweden	Sweden		100%	11	KPMG
Constructor Shared Services AB Sweden	Sweden		100%	11	KPMG
Dexion Polska SP. Z.o.o Poland	Poland		100%	11	KPMG
Dexion Sro Czech Republic	Czech Rep.		100%	11	Proxy Audits SRO
Constructor Danmark A/S Denmark	Denmark		100%	11	KPMG
Dexion Spol Sro Slovakia	Slovakia		100%	11	Audit SK sro
Constructor Group UK Ltd	UK		100%	11	Hilliard
Hi-Lo Storage Systems Ltd	UK		100%	11	N/A
Constructor Dexion Holland BV	the Netherlands		100%	11	216 Accountants
Dexion Österreich GmbH	Austria		100%	11	KPMG
Canrena System Aktiebolag	Sweden		100%	11	KPMG
Kredit SRO Czech Republic	Czech Rep.		100%	11	Mr Josef
Kaufmann Systems AG	Switzerland		80%	11	KPMG
Complete Storage & Interiors (C SI)	UK		100%	11	Hilliard
Lampe Lagertechnik GmbH	Germany		100%	11	KPMG

### Business of Gonvarri Group companies

1 Cutting of steel products	7 Manufacture of wind towers
2 Steel Services Centre	8 Manufacture of flanges
3 Financial	9 Renewables
4 Holding	10 Without activity
5 Service Delivery	11 Racking
6 Transport	12 Greenhouses



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2020

Company	Domicile	% interest attributable to Parent Company of GI		Business	Auditor
		Direct	Indirect		
Gonvarri MS Corporate, S.L.	Bilbao	100%		4	PWC
Gonvarri MS Colombia, S.A.S, S.L.	Colombia		100%	2	PWC
GMS Francia SAS	France		100%	9	N/A
Çepas Galvaniz, Sanayi Anomin Sirketi	Turkey		100%	2	PWC
Gonvarri Chile Estructuras Metálicas, Ltda.	Chile		100%	9	N/A
Hiasa Montajes Guatemala, S.L.	Guatemala		100%	9	N/A
Hiasa Montajes Honduras, S.A.	Honduras		100%	9	N/A
Hierros y Aplanaciones, S.A.	Asturias		100%	2	PWC
Road Steel Engineering, SL	Valladolid		100%	2	N/A
Suports Desarrollo y Soluciones, SL	Valencia		100%	5	N/A
Suports Energia Sustentable México S.A.P.I. de	México		100%	5	N/A
Gonvarri MS Baja California S.A	México		100%	5	N/A
Gonvarri MS R&D, S.L.	Madrid		100%	10	N/A
Agromega Projects Ltd	Israel		56%	12	N/A
Gonvarri Solar Steel, S.L.	Asturias		100%	2	N/A
Gonvarri Solar Steel Brasil Ltd.	Brazil		100%	2	N/A
Obratei	Spain		100%	2	N/A
Gonvauto Asturias, SL	Madrid	100%		1	PWC
Addimen Bizkaia, SL	Bilbao	93%		2	N/A
Acerlomitall Gonvarri SSC Slovakia, S.R.O	Slovakia	50%		1	Deloitte
Acerlomitall Gonvarri Nitra S.R.O	Slovakia		50%	1	N/A
Flejes Industriales, SA	Alicante	100%		1	PWC
Sogei S.A	Madrid	70%		5	N/A
Gonvarri Argentina S.A	Argentina	100%		2	SC
ArcelorMittal Gonvarri Brasil, Pdtos. Siderúrg.	Brazil	50%		2	PWC
MAG Aliança Automóveis do Brasil SSC S.A.	Brazil		25%	2	EY
Bikostar Internacional, S.A.	Uruguay	100%		3	N/A
Gonvarri Aluminium, GMBH.	Germany	100%		1	N/A
Gonvauto Thüringen, GMBH	Germany	100%		1	PWC
Laser Blanking Germany, GMBH	Germany	100%		1	N/A
Gestamp Automotive India Private Ltd	India	50%		2	EY
Gonvarri Polska, SP, ZO O.	Poland	100%		2	EY
Gonvarri Solar Steel US, Inc	USA		100%	9	N/A
Gonvarri Czech, S.R.O.	Czech Rep.	100%		1	N/A
Gonvauto Galicia, S.A	Galicia	100%		2	PWC
Gonvauto, S.A.	Barcelona	100%		1	PWC
Gonvauto Puebla, S.A. de C.V.	México		100%	2	PWC
Gonvarri I.C entro de Servicios, S.L.	Madrid	100%		2	PWC
Gonvarri Industrial Maroc, S.A	Morocco	100%		5	AC
Gonvarri Italia, S.p.A.	Italy	100%		5	N/A
Gonvarri Portfolio Internacional, S.L.	Madrid	100%		10	N/A
Gonvarri Ptos. Siderúrgicos, S.A.	Portugal	97%	3%	2	PWC
Gonvarri Steel Services US, INC	(Delaware) USA	100%		4	N/A
Gonvauto South Carolina LLC.	(South Carolina) USA		100%	1	N/A
Gonvarri Valencia, S.A	Valencia	100%		2	PWC
Gonvarri Tarragona, S.L.	Tarragona	100%		2	PWC
Láser Automotive Barcelona, S.L.	Madrid	51%		1	N/A
Láser Automotive Valencia, S.L.	Valencia	51%		1	N/A
Láser Automotive Zaragoza, S.L.	Zaragoza	51%		1	N/A
Gonvarri Material Handling, S.L.	Madrid	100%		4	N/A
Gonvarri Vizcaya, S.L.	Bilbao	100%		5	N/A
Gonvasolar, S.L.	Madrid	100%		9	N/A



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Company	Domicile	% interest attributable to Parent Company of GI		Business	Auditor
		Direct	Indirect		
Gonvauto Navarra, S.A.	Navarra	100%		1	PWC
Hierros Villaverde, S.A.	Toledo	55%		2	N/A
Severstal Gonvarri Holding, S.L.	Madrid	50%		4	N/A
Severstal Gonvarri Kaluga llc	Russia		50%	2	G. Thornton
Steel & Alloy Holding LTD.	(Birmingham) UK	100%		4	PWC
Steel & Alloy Processing LTD	(Birmingham) UK		100%	1	PWC
Dongguan Gonvarri Summit Automotive Steel Processing Center CO. LTD	China	60%		2	N/A
Vama Gonvarri Automotive Solutions C.O.	China	50%		2	Deloitte
Vama Gonvarri Automotive Solutions (Shenyang) CO. LTD	China		50%	2	Deloitte
Vama Gonvarri Automotive Solutions (Changshu) CO. LTD	China		50%	2	Deloitte
Vama Gonvarri Automotive Solutions (Chongqing) CO. LTD	China		50%	2	Deloitte
Vama Gonvarri Automotive Solutions (Loudi) CO. LTD	China		50%	2	Deloitte
Laserboost	Spain	90%		5	N/A
Gonvarri Material Handling AS	Oslo, Norway	100%		11	KPMG
Constructor Finland OY	Finland		100%	11	KPMG
Constructor Rus	Russia		100%	11	KPMG
Dexion GMBH	Germany		100%	11	KPMG
Dexion KFT Hungary	Hungary		100%	11	Bergmann KONYVSZAK ERTO kft
Dexion NV/SA Belgium	Belgium		100%	11	KPMG
Constructor Norge AS Norway	Norway		100%	11	KPMG
Dexion Storage Solutions SRL, Romania	Romania		100%	11	KPMG
Constructor Sverige AS Sweden	Sweden		100%	11	KPMG
Constructor Shared Services AB Sweden	Sweden		100%	11	KPMG
Dexion Polska SP. Z.o.o Poland	Poland		100%	11	KPMG
Dexion Sro Czech Republic	Czech Rep.		100%	11	Proxy Audits SRO
Constructor Danmark A/S Denmark	Denmark		100%	11	KPMG
Dexion Spol Sro Slovakia	Slovakia		100%	11	Audit SK sro
Constructor Group UK Ltd	UK		100%	11	Hilliard
Hi-Lo Storage Systems Ltd	UK		100%	11	N/A
Constructor Dexion Holland BV	the Netherlands		100%	11	216 Accountants
Dexion Österreich GmbH	Austria		100%	11	KPMG
Canrena System Aktiebolag	Sweden		100%	11	KPMG
Kredit SRO Czech Republic	Czech Rep.		100%	11	Mr Josef
Kaufmann Systems AG	Switzerland		60%	11	KPMG
Complete Storage & Interiors (CSI)	UK		100%	11	Hilliard
Lampe Lagertechnik GmbH	Germany		100%	11	KPMG

### Business of Gonvarri Group companies

1 Cutting of steel products	7 Manufacture of wind towers
2 Steel Services Centre	8 Manufacture of flanges
3 Financial	9 Renewables
4 Holding	10 Without activity
5 Service Delivery	11 Racking
6 Transport	12 Greenhouses



## Consolidated Directors' report for 2021

### Business in 2021

In 2021, the Gonvarri Industries (GI) Group concluded a difficult financial year, amid great uncertainty in the markets, largely due to the COVID-19 pandemic, which continued to cause major logistical and steel supply problems during the first half of the year, and the worsening shortage of semiconductors in the second part of the year.

But despite this market instability, the involvement, performance and efficiency of our teams have enabled the Group to react and act in the best possible way considering the constant uncertainty of the market and, also helped by the rise in the price of steel, the GI Group has achieved an EBITDA of €325MM, which represents 7.67% of sales. In general terms, all the divisions of the GI Group have met expectations in terms of EBITDA, although it is worth noting that our Europe Division continues to be the division with the highest contribution to results and that the ASIA Division has been the division with the strongest growth, due to the increase in activity in the Asian market.

The semiconductor crisis continues to have a significant impact on the sector, where approximately 10 million vehicles have been taken out of production (according to IHS). The automotive world, which remains the Group's reference market worldwide, recorded a slight decline in terms of volume compared to previous years, not considering the year 2020, which was heavily impacted by the pandemic.

Global passenger car production reached 80 million units produced (up 3% year-on-year and down 13% compared to 2019, the last year before the pandemic). In Europe, the main producer, Germany, reduced vehicle production by 12% year-on-year and 33% compared to 2019, to a total of 3.31 million passenger cars and light commercial vehicles produced. Spain, on its part, as the second largest European producer, also cut its production in 2021 by 8% year-on-year and 26% compared to 2019, to assemble 2.10 million vehicles, which places Spain as the ninth largest manufacturer worldwide, behind Brazil. These figures for Spain are a long way from the expectations set years ago to reach 3 million vehicles produced.

In 2021, the GI Group continued to increase its activity in other markets such as Metal Structures, to which it contributes its high technology, Road Safety elements and structures for Photovoltaic Parks, as well as the Storage and Handling market, through synergies with the GMH subgroup, acquired in 2018, acquired through a strong commercial action.

The Group now has 46 Production Centres and 28 Offices or Distribution Centres in a total of 26 countries worldwide.

In terms of the Group's inorganic growth, the acquisitions made in Spain of two companies in Spain linked to punching and 2D laser activity (acquiring a minority and majority shareholding respectively) should be highlighted. These acquisitions are part of the Group's development and diversification strategy, and will help us reach different markets and products, but always complementary and linked to the steel chain.

The Group maintains its growth plans by studying new locations and new industrial possibilities both through the construction of new facilities and the acquisition of existing businesses in order to increase its presence and address new areas of diversification. It is worth mentioning that the projects that the Group's management had planned to pursue throughout 2021 have not been significantly affected by the pandemic. In some cases, the previously indicated development dates were delayed, but they were finally completed or are being planned.

In 2021, €61 million in CAPEX has materialised, with €19 million of budgeted projects still to be executed. The main investments undertaken are:



In Spain: Improvement and development of IT applications at Gonvarri Corporación Financiera, as well as expansions of production capacity at Gonvarri I. Service Centres, Hiasa, and Flinsa for a total of €8 million.

In Europe: Expansion of production capacities in Thuringen, Germany with the new LaserBlanking line (€5MM).

In NAFTA: New South Carolina press (€6 million).

In Asia: Expansion of production capacity at the India plant, along with Changshu and Shenyang in China in the amount of €13 million.

In LATAM: Expansion of production capacity in Brazil through a new production plant being built in Rio Grande do Sul (€11 million).

In the financial area, the Group continues to keep a constant watch on the Market financing levels in order to adapt the costs of the bilateral financing lines that the Group maintains with its pool of Financial Institutions, with the purpose of achieving an adequate level of available financing at the lowest possible cost. In this sense, financing costs have been reduced, both in Spain and abroad, and the terms obtained are sufficiently long so that their amortization is reasonably accompanied by the cash generated in the operations of the Projects financed with them.

However, the Group's Net Financial Debt (NFD) has increased from €201MM in 2020 to €539MM at year-end 2021 (both including IFRS 16). This increase is mainly due to the increase in the price of raw materials and steel in particular, which has been added to the logical increase in stock driven by the higher activity during the year.

Despite the increase in NFD, the NFD/EBITDA ratio was 1.66x, reinforcing and demonstrating the message that the Group maintains strict control of its debt.

It is worth highlighting, for yet another year, the impact on the Group of the volatility of the currencies of some of the countries in which it conducts business; particularly important have been the devaluations suffered by: the Argentine Peso of 12%, considered as of July 1, 2018 as a hyperinflationary economy, the Turkish Lira of 67%, the Brazilian Real of 8%, due to which the Group's Income Statement has deteriorated as a result of the exchange rate effect. These losses have been offset to an extent by the appreciation of the US Dollar of 7%, the British Pound of 6% and the Russian Ruble of 6%, although this last currency has subsequently depreciated by more than 50% due to the war in Ukraine.

All these depreciations have been passed on to the Group's income statement, with an impact of € -12 million compared to the figure of € -7 million for this item in the 2020 results. The Group's policy continues to be to hedge commercial purchase or sale transactions at the time they become known and which are carried out in currencies other than the Euro.

With respect to tax matters, it should be noted that the company Gonvarri Corporación Financiera, S.L. (parent company of the GI Group), received notification, on 19 July 2021, of the initiation of a general verification procedure corresponding to the Tax Group of which it is the representative company, for the financial years 2016-2019.

At the date of preparation of these consolidated financial statements, the inspection procedures were still in progress, although the Parent companies' directors consider that the aforementioned taxes have been properly settled and, therefore, even if discrepancies arose in the current legal interpretation of the tax treatment granted to the transactions, any resulting liabilities, if any, would not have a material effect on the accompanying consolidated financial statements.

## Foreseeable evolution of the Group

The GI Group faces 2022 with scepticism as there are still many uncertainties and some macroeconomic risks, especially in Europe due to the effects of the Russia-Ukraine war, which could affect the demand and price evolution of raw materials, as well as the supply chain of certain goods.



Looking globally, and more specifically at the automotive sector, the initial forecasts are for a total of 84 million vehicles to be assembled worldwide (according to the consultancy firm IHS), which would be equal to the figures for 2012, when 84 million units were manufactured, and 5% more than in 2021. However, these forecasts do not take into account the invasion of Ukraine by Russia, a situation that is already making itself felt in the sector with the freezing of production in Russian factories, as well as in some other European plants, due to the lack of stock of wiring harnesses from Ukraine.

As for the estimated figures for the GI Group, without considering the unknown impact that the Russia-Ukraine war may have, the forecast is to increase production volumes compared to 2021 and 2020, but without reaching the levels of 2019.

With regard to management lines, it should be noted that the GI Group is starting a new Strategic Plan 2022-2024, prioritising the following main lines:

- At Gonvarri Industries, health and safety has always been a priority that we must continue to reinforce within our Health & Safety System. We have also continued to monitor all COVID-19 cases on a daily basis, and to maintain strict protocols to prevent contagion of our people and to safeguard our clients' operations.
- In addition, competitiveness, based on the extensive use of all the advances of recent years in the field of digitisation, innovation, and efficiency, as well as Industry 4.0, continues to be the focus, as well as the training and capacitation of professionals in digital competences and up-skilling and re-skilling.
- ESG (Environmental, Social and Corporate Governance) is a priority within our corporate culture. We are focused on the long term and see sustainability as both an obligation and an opportunity to provide greater added value to our customers. In this regard, in 2021 we have reinforced our commitment by incorporating a specific area of Sustainability into our management and adding specific emission reduction targets, and so for 2030 the Board has approved the following:
  1. 50% reduction in scope 1 emissions (fossil fuels)
  2. 100% reduction of scope 2 (Electricity) emissions. In this regard, the Group is making progress so that the entire electricity supply of our plants comes from renewable energy sources, signing PPA agreements like the agreement that has just entered into operation for Spain, and promoting the use of solar panels on the roofs of all those plants where it is feasible to install them.

The electrification and decarbonisation process of supply chains is unstoppable. There are increasingly more programmes, which are more demanding both locally and globally. This shows that the automotive sector will be key to decarbonisation in the coming years and we must continue to support and accompany our customers.

The GI Group believes it is well positioned in the processing of high yield strength steels for vehicle weight reduction, as well as in the development and distribution of the new Green Steel market, which, although still a nascent market, we have no doubt will be fundamental to the future decarbonisation of the entire Company.
- Emphasis will be placed on consolidating the acquired businesses, as part of the diversification strategy, to bring them first to operational excellence through the implementation of the Group's production models, with subsequent geographical expansion of these businesses.
- Continuity of the Compliance Model, started in 2018, which includes improvement objectives in the mechanism for monitoring, measuring, and controlling identified risks.



## Number of employees

In 2021 the workforce of GI Group has experienced an increase due to the acquisitions as well as due to aforementioned expansions, going from 4,871 employees at 31 December 2020 to 5,637 employees at 31 December 2021. Approximately 65% of GI's staff is based outside Spain.

## Environmental activity

With regard to environmental issues, the Group maintains fixed assets aimed at minimising environmental impact and protecting and improving the environment for a net carrying amount of € 1m (€ 1m in 2020). Environmental improvement expenditure of €1m (€1m in 2020) has been incurred and no related grants have been received.

Given that the Group's Directors consider that there are no contingencies relating to the protection and improvement of the environment, or any environmental risks, no provision whatsoever has been allocated to cover this type of risk.

## R&D Activities

During the 2020 financial year, the Group has made investments in R&D&I projects amounting to 2mm€ (2mm€ 2020)

## Occupational safety activity

The employment panorama has experienced a significant drop in the severity of accidents as a result of the intense prevention policy that the Group is implementing, and the decline in absenteeism is also notable, as are the efforts made with respect to training.

## Acquisition of treasury shares

GI Group companies have not carried out any transactions involving treasury shares in 2021.

## Risk management policy

The Group's activities are exposed to different undefinable factors related to the current environment that are conditioning the ordinary performance of the financial markets. The GI Group's policy in this situation focuses on maintaining the highest liquidity level possible, minimizing the risks arising from its ordinary activities and its investment plans. This policy also allows it to remain within the market to take advantage of the opportunities and the favourable moments that arise, while avoiding difficult and unfavourable situations.

Within the aforementioned policy, the use of hedging instruments is a resource that is favourably considered within a policy of prudence that governs its actions.

## Average payment period

The Company's average payment period for suppliers is within the legal limits established by law 3/2004 (29 December), amended by Law 5/2010 (5 July) and the calculation method was developed in the ICAC Resolution dated 29 January 2016. During 2020 the average payment period at the Spanish companies in the GI Division is 39 days.

## Non-financial information

The non-financial information is presented in the consolidated directors' report of the final parent company of the Group, Acek Desarrollo y Gestión Industrial, S.L.



### Relevant events after the reporting period

After the end of the year, uncertainty has increased as a result of the political situation between Ukraine and Russia. The tensions surrounding this issue could have very negative effects on the economy, such as currency instability, interest rate and liquidity tensions. There could also be disruptions in the supply chain and deterioration in consumer confidence. All these events and the associated uncertainty will certainly have an impact on the Group's operations, and although difficult to predict, it is not expected to have a significant impact as the Group's exposure to Russia and its neighbouring markets is very limited. For the reasons stated above, the economic and regulatory situation may well differ from the Group management's expectations, however, developments are closely monitored in order to adjust strategic and operational decisions, so as to minimise business risks.

The projections used in the annual accounts have not taken into account the impacts that could arise from this conflict, and there is no reliable way to re-estimate the projections. However, the Company's management considers that the effects of this situation will not significantly affect the values considered in the annual accounts. The effect on business continuity has been assessed and no liquidity risk is estimated for the Company that cannot be covered by the current situation of existing debt and liquidity.

In addition to the above, from 31 December 2021 to the date of authorisation for issue of these financial statements, there have been no significant subsequent events that require disclosure.

Madrid, 4 March 2022



**GONVARRI CORPORACIÓN FINANCIERA, S.L. Y SOCIEDADES DEPENDIENTES**

**FORMULACION DE CUENTAS ANUALES CONSOLIDADAS Y DEL INFORME DE GESTION DEL EJERCICIO 2021**

De conformidad con lo establecido en el artículo 253 de la Ley de Sociedades de Capital, y del art. 37 del Código de Comercio, los Administradores de Gonvarri Corporación Financiera, S.L. abajo firmantes formulan las Cuentas Anuales y el informe de gestión Consolidados, que están recogidos en este documento.

En Madrid, a 4 de marzo de 2022

**POR EL CONSEJO DE ADMINISTRACIÓN**

**El Presidente**

D. Juan María Riberas Mera

**El Secretario**

D. Francisco Jose Riberas Mera

**Vocales**

D. Ramesh Kumar Kothari

ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L.  
D. Juan María Riberas Mera

D. Jesús Calvo Moreira

GONVAUTO, S.A.  
D. Juan María Riberas Mera

AGRÍCOLA LA VEGUILLA, S.A.  
D. Juan María Riberas Mera

D. Jose Manuel Arias García

D. Stephan Paul Brettnacher



**Don Francisco José Riberas Mera**, en su calidad Secretario del Consejo de Administración de la Sociedad **GONVARRI CORPORACION FINANCIERA, S.L.**, con domicilio social en 28053 Madrid, Prolongación de Embajadores, s/n y con CIF B - 28088045

**CERTIFICA**

- a) Que, las Cuentas Anuales de GONVARRI CORPORACION FINANCIERA, S.L. del ejercicio 2.021 presentadas a los Consejeros de la Sociedad para su formulación y firma, son veraces y auténticas, teniendo la aprobación de todos ellos en la reunión del Consejo de Administración de la sociedad, tenida por escrito y sin sesión el 4 de marzo de 2.022.
- b) Que, la omisión de las firmas originales en las Cuentas Anuales de GONVARRI CORPORACION FINANCIERA, S.L del ejercicio 2.021, ha sido debida a la imposibilidad física de firmar por parte de los Consejeros por causas de no movilidad.
- c) Que, no existe disconformidad ni oposición, por parte de los Consejeros de GONVARRI CORPORACION FINANCIERA, S.L en relación con las Cuentas Anuales de GONVARRI CORPORACION FINANCIERA, S.L del ejercicio 2.021 y su formulación.

**Y para que así conste**, expido la presente certificación con el Visto Bueno del Sr. Presidente en Madrid, a cuatro de marzo de dos mil veintidós

**Vº Bº**  
**EL PRESIDENTE**

**Fdo. Juan María Riberas Mera**

**EL SECRETARIO**

**Fdo. Francisco José Riberas Mera**