



PRIVILEGED INFORMATION ASTURIANA DE LAMINADOS, S.A.

04 April 2022

Pursuant to the provisions of article 17 of Regulation (EU) no. 596/2014 on market abuse and article 228 of the revised text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, and concordant provisions, as well as BME GROWTH Circular 3/2020, we hereby inform you of the following information regarding the company **ASTURIANA DE LAMINADOS, S.A.** (hereinafter "ELZ" or "the Company" indistinctly).

THE AUDITOR'S REPORT ON ASTURIANA DE LAMINADOS, S.A. IS ATTACHED TOGETHER WITH THE AUDITED ANNUAL ACCOUNTS PREPARED BY THE BOARD OF DIRECTORS ON 31 MARCH 2022 AND THE MANAGEMENT REPORT OF ASTURIANA DE LAMINADOS, S.A. FOR THE YEAR ENDED 31 DECEMBER 2021, PENDING APPROVAL BY THE ORDINARY GENERAL MEETING.

In compliance with the provisions of BME Growth Circular 3/2020, it is hereby expressly stated that the information provided has been prepared under the sole responsibility of the issuer and the Chairman of the Board of Directors.

In Lena on 04 April 2022

D. Macario Fernández Fernández

Chairman of the Board of Directors



Auditor's Report on Asturiana de Laminados, S.A.

(Together with the annual accounts and
directors' report of Asturiana de Laminados, S.A.
for the year ended 31 December 2021)

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



KPMG Auditores, S.L.
Ventura Rodríguez, 2
33004 Oviedo

Independent Auditor's Report **on the Annual Accounts**

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

To the Shareholders of Asturiana de Laminados, S.A.

Opinion

We have audited the annual accounts of Asturiana de Laminados, S.A. (the "Company"), which comprise the balance sheet at 31 December 2021, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the accompanying annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

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



Key Audit Matters

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

Recoverability of property, plant and equipment

See note 6 to the annual accounts

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Company has made considerable investments which are mainly related to increasing the production capacity of the Company and consequently, property, plant and equipment totalled Euros 96,047,491 at 31 December 2021, the recoverability of which depends on the Company's capacity to generate future cash flows and to fulfil its business plan.</p> <p>The Company evaluates whether there are indications of possible impairment losses on the aforementioned assets. As the aforementioned estimates require value judgements, and because of the inherent uncertainty associated with them and the significance of the carrying amount of these assets, this has been considered a key audit matter.</p>	<p>Our audit procedures on the recoverability of property, plant and equipment included the following:</p> <ul style="list-style-type: none">— A detailed analysis of the process, design and implementation of the key controls established by the Company for assessing the recoverability of property, plant and equipment.— Assessment of the documentation supporting the indications of impairment analysis performed by the Company.— Cross-checking of the performance of the Company in 2021 with the budget for the same period. <p>We also assessed whether the disclosures in the annual accounts meet the requirements of the applicable financial reporting framework.</p>

**Recoverability of non-current investments in Group companies and associates****See notes 8 and 19 to the annual accounts**

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Company has made investments in Group companies amounting to Euros 22,144,656 that are recognised under non-current investments in Group companies and associates, the recoverability of which depends on the Company's capacity to generate future cash flows and to fulfil its business plan, and that of other companies in which it holds interests.</p> <p>At the end of each reporting period, the Company assesses the aforementioned investments in Group companies and associates and, where appropriate, their recoverable amount for the existence of indications of impairment. Due to the inherent uncertainty associated with these estimates and the significance of the carrying amount of these assets, this has been considered a key audit matter.</p>	<p>Our audit procedures on the recoverability of non-current investments in Group companies and associates included the following:</p> <ul style="list-style-type: none">— An analysis of the process, design and implementation of the key controls established by the Company for assessing the recoverability of investments in Group companies.— Assessment of the documentation supporting the indications of impairment analysis performed by the Company.— Cross-checking of the performance of the Company and other companies in which the Company has investments in 2021 with the budget for the same period. <p>We also assessed whether the disclosures in the annual accounts meet the requirements of the applicable financial reporting framework.</p>

Other Information: Directors' Report

Other information solely comprises the 2021 directors' report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility for the directors' report, in accordance with the requirements of prevailing legislation regulating the audit of accounts, consists of assessing and reporting on the consistency of the directors' report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned annual accounts, and assessing and reporting on whether the content and presentation of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.



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Based on the work carried out, as described in the preceding paragraph, the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2021 and the content and presentation of the report are in accordance with applicable legislation.

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

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

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

The audit committee is responsible for overseeing the preparation and presentation of the annual accounts.

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

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

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

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

- Identify and assess the risks of material misstatement of the 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



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- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

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

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

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

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



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional Report to the Audit Committee _____

The opinion expressed in this report is consistent with our additional report to the Company's audit committee dated 1 April 2022.

Contract Period _____

We were appointed as auditor by the shareholders at the ordinary general meeting on 21 June 2019 for a period of three years, from the year ended 31 December 2019.

Previously, we had been appointed for a period of three and five years, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2011.

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

(Signed on original in Spanish)

Alberto Fernández Solar
On the Spanish Official Register of Auditors ("ROAC") with No. 22472
1 April 2022



Asturiana de Laminados, S.A.

Annual Accounts

31 December 2021

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

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Balance Sheet
31 December 2021

(Expressed in Euros)

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

ASSETS	Note	31.12.2021	31.12.2020
NON-CURRENT ASSETS		126,439,493	115,425,889
Intangible assets	5	1,104,796	1,213,851
Development		850,213	1,042,015
Patents, licences, trademarks and similar rights		20,422	30,361
Computer software		234,161	141,475
Property, plant and equipment	6	96,047,491	90,465,071
Land and buildings		27,595,261	15,394,559
Technical installations, machinery, equipment, furniture and other items		68,382,369	52,335,380
Under construction and advances		69,861	22,735,132
Investment property	6	129,075	129,075
Land and buildings		129,075	129,075
Non-current investments in Group companies and associates	8 and 19	22,144,656	16,485,191
Equity instruments		7,669,753	5,273,500
Other financial assets		14,474,903	11,211,691
Non-current investments	9	4,766,134	4,741,124
Equity instruments		66,403	41,393
Loans to third parties		75,246	75,247
Debt securities		138,403	138,403
Other financial assets		4,486,082	4,486,081
Deferred tax assets	16 (d)	2,247,341	2,391,577
CURRENT ASSETS		37,737,028	25,872,116
Inventories	11	13,256,102	9,703,977
Merchandise		77,163	52,633
Raw materials and other supplies		2,285,572	1,458,474
Work in progress		946,436	1,962,764
Finished goods		9,946,931	6,230,106
Trade and other receivables	12	13,494,384	9,751,760
Trade receivables for sales and services rendered		9,319,774	7,805,882
Trade receivables from Group companies and associates, current	19	2,533,499	-
Group companies	19	492,994	837,575
Other receivables		15,000	15,000
Personnel		23,290	4,385
Current tax assets	16	82,546	110,677
Public entities, other	16 (a)	1,027,281	978,241
Current investments in Group companies and associates	8 and 19	233,256	-
Other financial assets		233,256	-
Current investments	9	5,216,654	5,106,902
Other financial assets		5,216,654	5,106,902
Prepayments for current assets		380,806	239,189
Cash and cash equivalents		5,155,826	1,070,288
TOTAL ASSETS		164,176,521	141,298,005

The accompanying notes form an integral part of the balance sheet for the year ended 31 December 2021.

Balance Sheet
31 December 2021

(Expressed in Euros)

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

EQUITY AND LIABILITIES	Note	31.12.2021	31.12.2020
EQUITY		47,767,807	44,375,198
Capital and reserves	13	36,321,108	32,233,915
Capital		25,710,333	25,710,333
Registered capital		25,710,333	25,710,333
Share premium		4,686,667	4,686,667
Reserves		2,066,614	1,703,579
Own shares and equity holdings		(232,656)	(120,864)
Prior years' losses		-	(1,506,485)
Profit for the year		4,090,150	1,760,685
Grants, donations and bequests received	14	11,446,699	12,141,283
NON-CURRENT LIABILITIES		84,624,143	65,674,402
Non-current payables	15	77,798,133	59,389,260
Bonds and other marketable securities		47,432,890	17,874,903
Loans and borrowings		10,333,247	12,429,054
Finance lease payables	7	3,761,247	6,428,948
Other financial liabilities		16,270,749	22,656,355
Deferred tax liabilities	16 (d)	6,826,010	6,285,142
CURRENT LIABILITIES		31,784,571	31,248,405
Current payables	15	19,662,072	21,644,835
Bonds and other marketable securities		1,205,137	50,917
Loans and borrowings		12,211,394	11,721,301
Finance lease payables	7	1,898,642	2,431,077
Other financial liabilities		4,346,899	7,441,540
Group companies and associates, current	16 and 19	130,483	133,473
Trade and other payables		11,992,016	9,470,097
Suppliers		10,963,765	8,816,874
Other payables		385,954	197,518
Personnel (salaries payable)		393,791	248,197
Public entities, other	16 (a)	248,506	207,508
TOTAL EQUITY AND LIABILITIES		164,176,521	141,298,005

Income Statement
for the year ended
31 December 2021

(Expressed in Euros)

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

INCOME STATEMENT	Note	31.12.2021	31.12.2020
CONTINUING OPERATIONS			
Revenues	18 (a)	109,399,633	76,173,339
Changes in inventories of finished goods and work in progress		2,700,498	1,979,326
Self-constructed assets	5 and 6	270,472	410,582
Supplies	18 (b)	(87,742,278)	(60,801,809)
Merchandise used		(1,095,508)	(518,348)
Raw materials and consumables used		(86,603,996)	(59,983,035)
Subcontracted work		(42,774)	(300,426)
Other operating income	18 (g)	637,876	468,966
Non-trading and other operating income		409,094	427,094
Operating grants taken to income		228,782	41,872
Personnel expenses	18 (c)	(6,583,758)	(5,186,902)
Salaries and wages		(5,165,939)	(4,068,040)
Employee benefits expense		(1,417,819)	(1,118,862)
Other operating expenses		(8,530,792)	(6,226,682)
External services	18 (f)	(8,453,266)	(6,163,188)
Taxes		(63,297)	(63,494)
Losses, impairment and changes in trade provisions		(14,229)	-
Amortisation and depreciation	5 and 6	(1,889,021)	(1,539,726)
Non-financial and other capital grants	14	926,111	602,574
Impairment and gains/(losses) on disposal of fixed assets	6	96	-
Impairment and losses		96	-
Other income and expenses		35,117	(354,470)
Results from operating activities		9,223,954	5,525,198
Finance income		573,151	570,136
Marketable securities and other financial instruments	9	360,738	156,256
Group companies and associates	19	351,612	148,606
Other		9,126	7,650
Capitalised borrowing costs	6	212,413	413,880
Finance costs	15	(4,339,987)	(3,744,138)
Other		(4,339,987)	(3,744,138)
Net finance cost		(3,766,836)	(3,174,002)
Profit before income tax		5,457,118	2,351,196
Income tax	16 (c)	(1,366,968)	(590,511)
Profit for the year		4,090,150	1,760,685

The accompanying notes form an integral part of the income statement for the year ended 31 December 2021.

Statement of Recognised Income and Expense for the year ended
31 December 2021

(Expressed in Euros)

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

STATEMENT OF RECOGNISED INCOME AND EXPENSE		31.12.2021	31.12.2020
Profit for the year		4,090,150	1,760,685
Profit for the year		4,090,150	1,760,685
Income and expense recognised directly in equity (note 14)			
Grants, donations and bequests		-	5,480,008
Tax effect		-	(1,370,002)
Total income and expense recognised directly in equity		4,090,150	4,110,006
Amounts transferred to the income statement (note 14)			
Grants, donations and bequests		(926,111)	(602,574)
Tax effect		231,527	150,644
Total amounts transferred to the income statement		(694,584)	(451,930)
Total recognised income and expense		3,395,566	5,418,761

The accompanying notes form an integral part of the statement of recognised income and expense for the year ended 31 December 2021.

ASTURIANA DE LAMINADOS, S.A.

Statements of Changes in Equity for the year ended
31 December 2021

(Expressed in Euros)

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

STATEMENT OF CHANGES IN EQUITY	Capital	Share premium	Legal reserve	Voluntary reserves	Own shares and equity holdings	Prior years' losses	Profit for the year	Grants, donations and bequests	Total
Balance at 1 January 2020	25,710,333	4,686,667	729,403	1,159,357	(320,873)	(1,584,537)	86,724	8,483,207	38,950,281
Own shares sold	-	-	-	(193,853)	200,009	-	-	-	6,156
Recognised income and expense	-	-	-	-	-	-	1,760,685	3,658,076	5,418,761
Distribution of profit	-	-	8,672	-	-	78,052	(86,724)	-	-
Balance at 31 December 2020	25,710,333	4,686,667	738,075	965,504	(120,864)	(1,506,485)	1,760,685	12,141,283	44,375,198
Balance at 1 January 2021	25,710,333	4,686,667	738,075	965,504	(120,864)	(1,506,485)	1,760,685	12,141,283	44,375,198
Own shares sold	-	-	-	108,835	(111,792)	-	4,090,150	(694,584)	(2,957)
Recognised income and expense	-	-	176,069	78,131	-	1,506,485	(1,760,685)	-	3,395,566
Distribution of profit	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021	25,710,333	4,686,667	914,144	1,152,470	(232,656)	-	4,090,150	11,446,699	47,767,807

The accompanying notes form an integral part of the statement of changes in equity for the year ended 31 December 2021.

Statement of Cash Flows for the year ended
31 December 2021

(Expressed in Euros)

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

STATEMENT OF CASH FLOWS	Note	31.12.2021	31.12.2020
Cash flows from operating activities			
Profit for the year before tax		5,457,118	2,351,196
Adjustments for:		4,729,650	4,111,154
Amortisation and depreciation (+)	5 and 6	1,889,021	1,539,726
Impairment (+/-)	12	(96)	-
Grants recognised in the income statement (-)	14	(926,111)	(602,574)
Finance income (-)		(573,151)	(570,136)
Finance costs (+)	15	4,339,987	3,744,138
Changes in operating assets and liabilities		(4,942,578)	922,318
Inventories (+/-)	11	(3,552,125)	(2,247,917)
Trade and other receivables (+/-)	12	(3,770,755)	421,246
Other current assets (+/-)		(141,617)	90,996
Trade and other payables (+/-)		2,521,919	2,657,993
Other cash flows used in operating activities		(3,923,884)	(2,648,868)
Interest paid (-)		(3,481,138)	(2,613,685)
Interest received (+)		7,650	7,650
Income tax received (paid) (-/+)		(450,396)	(42,833)
Cash flows from operating activities		1,320,306	4,735,800
Cash flows from investing activities			
Payments for investments (-)		(12,328,516)	(4,351,137)
Intangible assets	5	(146,810)	(48,092)
Property, plant and equipment	6	(6,357,635)	(1,758,944)
Group companies and associates	8	(5,689,309)	(2,543,064)
Other financial assets	9	(134,762)	(1,037)
Proceeds from sale of investments (+)		-	70,926
Other financial assets		-	70,926
Cash flows used in investing activities		(12,328,516)	(4,280,211)
Cash flows from financing activities			
Proceeds from and payments for equity instruments		-	30,516
Disposal of equity instruments	13	-	30,516
Proceeds from and payments for financial liability instruments		15,093,748	(2,113,687)
a) Issue	15		
Bonds and other marketable securities (+)		29,289,891	-
Loans and borrowings (+)		825,000	10,891,614
Other payables (+)		-	673,722
b) Redemption and repayment of	15		
Group companies and associates (-)		(2,990)	(1,365,000)
Loans and borrowings (-)		(2,430,714)	(6,983,149)
Other payables (-)		(12,587,439)	(5,330,874)
Cash flows from/(used in) financing activities		15,093,748	(2,083,171)
Net increase/(decrease) in cash and cash equivalents		4,085,538	(1,627,582)
Cash and cash equivalents at beginning of period		1,070,288	2,697,870
Cash and cash equivalents at end of period		5,155,826	1,070,288

The accompanying notes form an integral part of the statement of cash flows for the year ended 31 December 2021.

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

(1) General Information on and Activities of the Company

Asturiana de Laminados, S.A. (hereinafter "the Company") was incorporated in Oviedo with limited liability on 26 May 2006 before the notary Manuel Rodríguez de la Paz Guijarro. The Company is registered with the Asturias Mercantile Registry under volume 3,478, sheet 70, page AS-34460 and entry no. 1 and has its registered office at Polígono Industrial de Villallana, num. 1, 33695 Pola de Lena, Asturias.

According to its articles of association, the Company's main statutory activity consists of the following:

- Designing, casting or melting, assembling, lacquering, anodising, patination, machining and marketing of metal profiles, sheets, coils and any other component of metal products.
- Casting or melting of zinc or other metals and any industrial treatment thereof.
- Designing, manufacturing, marketing and managing logistics of accessories, metal and non-metallic components and other products for the construction and transport sectors and heavy industry in general.
- Performing all manner of transport and delivery activities and acting as an agent to arrange transport services for third parties.

Its principal activity is transforming zinc ingots into coils and sheets of different sizes and thicknesses according to customer orders.

At 31 December 2021, Asturiana de Laminados, S.A. does not and did not form part of a decision-making unit, under the terms defined in standard 13 for the preparation of annual accounts, with any other companies domiciled in Spain.

As explained in note 8 (a), the Company holds investments in subsidiaries. Nevertheless, as permitted by section 2 of article 43 of the Spanish Code of Commerce, the Company does not prepare consolidated annual accounts as the subgroup is part of the larger Spanish group Laminados del Principado, S.A. The registered office of Laminados del Principado, S.A. is Polígono Industrial de Villallana-Lena 33695, Asturias.

On 31 March 2022 the directors of Laminados del Principado, S.A. authorised for issue the consolidated annual accounts for 2021, which show a consolidated profit of Euros 3,493,447 and consolidated equity of Euros 52,550,132 (profit of Euros 1,486,048 and consolidated equity of Euros 46,957,996 in 2020). The consolidated annual accounts will be filed at the Asturias Mercantile Registry.

As a result of a major investment drive in recent years, the Company now has the world's most advanced zinc rolling plant. Its state-of-the-art machinery lends considerable flexibility to the production process, which, coupled with the high quality of its products and quick production turnover, has allowed it to become the world's third leading manufacturer by tonnes placed on the market, and first in range of products.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

(2) Basis of Preparation of the Annual Accounts

(a) True and fair view

The annual accounts for 2021 have been prepared based on the Company's accounting records in accordance with prevailing legislation and the Spanish General Chart of Accounts to give a true and fair view of the equity and financial position at 31 December 2021 and results of operations, changes in equity, and cash flows for the year then ended.

The directors consider that the annual accounts for 2021, authorised for issue on 31 March 2022, will be approved with no changes by the shareholders at their annual general meeting.

(b) Comparative information

The balance sheet, income statement, statement of changes in equity, statement of cash flows and the notes thereto for 2021 include comparative figures for 2020, which formed part of the annual accounts approved by shareholders at the annual general meeting held on 29 June 2021.

On 30 January 2021, Royal Decree 1/2021 of 12 January 2021 was published amending the following: the Spanish General Chart of Accounts approved by Royal Decree 1514/2007 of 16 November 2007; the Spanish General Chart of Accounts for Small and Medium-sized Enterprises approved by Royal Decree 1515/2007 of 16 November 2007; the Standards for the Preparation of Consolidated Annual Accounts approved by Royal Decree 1159/2010 of 17 September 2010; and standards adapting the Spanish General Chart of Accounts for non-profit entities approved by Royal Decree 1491/2011 of 24 October 2011. Furthermore, on 13 February 2021 the Spanish Accounting and Auditing Institute's Resolution of 10 February 2021 was published, setting out the standards with regard to recognition, measurement and preparation of annual accounts for the purpose of recognising revenue from the delivery of goods and rendering of services.

The changes to the standards are applicable to accounting periods beginning on or after 1 January 2021 and focus on the criteria for recognition, measurement and disclosure of revenue from the delivery of goods and services, financial instruments, hedge accounting, measurement of inventories of listed commodities traded by brokers, and the definition of fair value.

The standards are generally applied retrospectively, albeit with alternative practical expedients.

However, the criteria for classifying financial instruments can be applied prospectively and the criteria for revenue from sales and services rendered can be applied prospectively to contracts starting from 1 January 2021 onwards.

The Company's directors do not consider that these modifications will have a significant impact on the Company's annual accounts, and all these standards have been applied prospectively.

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ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

Details of the reconciliation of the classification of assets are as follows:

Line item	Classification Prior General Chart of Accounts	Classification New General Chart of Accounts
Non-current investments in Group companies and associates Equity instruments	Investments in Group companies, jointly controlled entities and associates	At cost: Investments in Group companies, jointly controlled entities and associates.
Non-current investments in Group companies and associates Other financial assets	Loans and receivables	Financial assets at amortised cost
Non-current investments Equity instruments	Available-for-sale financial assets	Financial assets at cost, without a reliable estimate of their fair value.
Non-current investments Loans to third parties Debt securities Other financial assets	Loans and receivables	Financial assets at amortised cost
Trade and other receivables	Loans and receivables	Financial assets at amortised cost

The changes to the prior classification have not had a significant impact on the measurement of financial assets.

As regards financial liabilities, the changes have had no impact on either their classification or measurement.

In respect of revenue recognition, the standard stipulates a new recognition model for revenue from contracts with customers, where revenue should be recognised based on fulfilment of the performance obligations with the customers. Revenue represents the transfer of promised goods and services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The internal revenue recognition policies for different types of contracts with customers were analysed, identifying the performance obligations, determining the time frames within which these obligations are satisfied, and establishing the price of the transaction and its allocation, in order to detect any potential differences vis-à-vis the revenue recognition model under the new standard; no significant differences were detected in this regard.

The Company has opted to apply the practical expedient of the new standard as the first-time adoption method at 1 January 2021 for all new contracts as of that date.

(c) Functional and presentation currency

The figures disclosed in the annual accounts are presented in Euros, the Company's functional and presentation currency.

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ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

(d) Accounting principles applied

The Company's directors have prepared these annual accounts taking into consideration all mandatory accounting standards and principles which have a significant effect thereon. The Company has applied all mandatory accounting principles. In addition, only obligatory accounting principles have been applied.

(e) Critical issues regarding the measurement and estimation of uncertainty

The information included in the annual accounts is the responsibility of the Company's directors.

Estimates made by the Company's directors have been used to measure certain assets, liabilities, income, expenses and commitments in the preparation of the accompanying annual accounts. These estimates basically refer to:

- The evaluation of possible impairment losses on property, plant and equipment and intangible assets.
- The evaluation of impairment of investments in Group companies and associates.
- The write-down of inventories based on the related expected realisable value.

Although these estimates have been prepared based on the best information available at 31 December 2021, future events might make it necessary to change these estimates (upwards or downwards) in subsequent years. If required, changes in accounting estimates would be applied in accordance with the Spanish General Chart of Accounts, i.e. prospectively, by recognising the effects of the change in estimates in the related income statement.

(3) Distribution of Profit

The proposed distribution of profit for the year that the Company's directors will submit for approval by the shareholders at their annual general meeting is as follows:

Euros	2021
Basis of allocation	
Profit for the year	4,090,149.86
Distribution	
Legal reserve	409,014.99
Voluntary reserves	3,681,134.87
	4,090,149.86

Of the Euros 1,760,685.43 profit for 2020, Euros 176,068.54 was appropriated to the legal reserve, Euros 78,131.89 to voluntary reserves and Euros 1,506,485 was used to offset prior years' losses. This distribution was approved by the shareholders at their annual general meeting on 29 June 2021.

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ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

At 31 December 2021 and 2020 the distribution of dividends is subject to certain limitations, as dividends may only be distributed provided that they do not reduce the balance of reserves to an amount lower than the balance of research and development expenses pending amortisation (Euros 850,213 at 31 December 2021 and Euros 1,042,015 at 31 December 2020).

The terms and conditions stipulated in the prospectus for the bonds issued in both 2016 and 2021 (see note 15) established a limit on the distribution of dividends. Since the bonds have not been fully redeemed, the Company may only distribute dividends to shareholders provided that the net financial debt to EBITDA ratio of the issuer is lower than 2.5, none of the early redemption events have been triggered and the Company has not breached any of the obligations described in section 8.11 of the information memorandum for the admission of securities on the Alternative Fixed-Income Market (MARF(see note 15). As a result of the aforementioned ratio there is a limit to the distribution of dividends at 31 December 2021.

In addition, the bond issue prospectus establishes that the maximum dividend to be paid is limited to 50% of net profit.

Profit recognised directly in equity cannot be distributed, either directly or indirectly.

(4) Significant Accounting Principles

The accompanying annual accounts for 2021 have been prepared in accordance with accounting principles established in the Spanish General Chart of Accounts, the most significant of which are as follows:

(a) Intangible assets

Intangible assets are measured at cost of acquisition or production, using the same criteria as for determining the cost of production of inventories. Capitalised production costs are recognised under self-constructed assets in the income statement. Intangible assets are carried at cost, less any accumulated amortisation and impairment.

Advances on account of fixed assets are initially measured at cost. In subsequent years, advances accrue interest at the supplier's incremental borrowing rate when the period between payment and the receipt of the asset exceeds one year.

(i) Research and development expenditure

Research and development expenditure is recognised on the asset side of the balance sheet at acquisition or production cost when incurred, provided there is evidence of a project's technical success and economic and commercial feasibility. Research expenditure is amortised on a straight-line basis from the date on which it is capitalised, whereas development expenditure is amortised on a straight-line basis from the date on which the project finishes. Both are amortised over a five-year period. The Company capitalises development expenses incurred by each specific project that meets the following conditions:

- Payments attributable to the performance of the project can be measured reliably.
- The allocation, assignment and timing of costs for each project are clearly defined.
- There is evidence of the project's technical success, in terms of direct operation or sale to a third party of the results thereof once completed and if a market exists.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

- The economic and commercial feasibility of the project is reasonably assured.
- Financing to develop the project, the availability of adequate technical and other resources to complete the development and to use or sell the resulting intangible asset are reasonably assured.
- There is an intention to complete the intangible asset for its use or sale.

Where there are reasonable doubts as to the project's technical success and economic feasibility, the amounts recognised under assets are taken directly to profit and loss.

Development expenditure is reclassified under patents, licences, trademarks and similar rights at the date of registration.

(ii) Patents, licences and trademarks (industrial property)

This item reflects the amounts disbursed for the acquisition of industrial property or the right to use the different forms thereof, or any expenses incurred to register the industrial property developed by the Company. It is amortised on a straight-line basis over five years.

(iii) Computer software

Computer software reflects the cost incurred for the acquisition and development of computer software, including website development costs (which are recognised when they meet the conditions set out under development expenditure). Computer software maintenance costs are expensed as incurred. Amortisation is on a straight-line basis over a period of six years.

(b) Property, plant and equipment

Property, plant and equipment are initially measured at cost of acquisition or production, using the same criteria as for determining the cost of production of inventories. It is subsequently reduced by the related accumulated depreciation and by any accumulated impairment, in accordance with the criterion mentioned in this note.

Advances on account of fixed assets are initially measured at cost. In subsequent years, advances accrue interest at the supplier's incremental borrowing rate when the period between payment and the receipt of the asset exceeds one year.

Repair and maintenance costs of property, plant and equipment are recognised in the income statement when incurred. Conversely, amounts invested in improvements that increase the capacity or efficiency or extend the useful lives of assets are recognised as an increase in the cost of those assets. Replacements or renewals of items of property, plant and equipment are recognised as assets and the items replaced or renewed are derecognised.

For assets that will not be available for use for at least one year, capitalised costs include borrowing costs accrued prior to the start-up of the asset which have been charged by the supplier or relate to loans or other funds borrowed specifically or generally directly attributable to the acquisition or production of the asset.

Replacements of property, plant and equipment that qualify for capitalisation are recognised as a reduction in the carrying amount of the items replaced. Where the cost of the replaced items has not been depreciated independently and it is not possible to determine the respective carrying amount, the replacement cost is used as indicative of the cost of items at the time of acquisition or construction.

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ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

Self-constructed assets are recorded at the accumulated cost, determined basically as external costs plus internal costs calculated on the basis of own consumption of materials, direct labour costs and manufacturing overheads calculated using absorption rates similar to those used to measure inventories. The related capitalised costs are recognised under self-constructed assets in the income statement.

The Company depreciates property, plant and equipment using the straight-line method over the estimated useful lives of the items or, for certain items, applies the depreciation rates calculated based on actual production compared to the total estimated production for such assets.

The straight-line method is applied to depreciated items as follows:

Type of asset	Estimated years of useful life
Buildings	68
Pressing equipment and accessories	18
Tools	8
Other installations	18
Furniture	20
Information technology equipment	8
Other property, plant and equipment	20

Machinery is depreciated on the basis of the number of tonnes produced.

The estimated useful lives of the items of property, plant and equipment are reviewed on a regular basis with a view to detecting significant changes therein. If changes are detected, the useful lives of the assets are adjusted by correcting the depreciation charge to be recognised in the income statement in future years on the basis of the new useful lives.

(c) Impairment of property, plant and equipment and intangible assets

The Company evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

Recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses or reviews of impairment losses, if the circumstances in which they were recognised no longer exist, are recognised as an expense or income, respectively, in the income statement.

The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

(d) Leases

Leases are classified as finance leases when under the terms thereof the risks and rewards incidental to ownership of the asset are substantially transferred to the lessee. Otherwise they are classified as operating leases.

(i) Finance leases

At the commencement of the lease term, the Company recognises finance leases as assets and liabilities at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Initial direct costs are added to the asset's carrying amount. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Interest is expensed using the effective interest method.

Contingent rents are recognised as an expense when it is probable that they will be incurred.

The accounting policies applied to the assets used by the Company by virtue of finance lease contracts are the same as those set out in sections a) and b). However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the assets are fully depreciated over the shorter of the lease term and their useful lives.

(ii) Operating leases

Lease payments under an operating lease, net of incentives received, are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the lease's benefit.

Contingent rents are recognised as an expense when it is probable that they will be incurred.

(iii) Sale and leaseback transactions

Asset sale and leaseback transactions that meet the conditions for classification as a finance lease are considered as financing operations and, therefore, the type of asset is not changed and no profit or loss is recognised.

(e) Financial instruments

In 2020 the Company recognised and measured financial instruments based on the measurement standard described in the annual accounts for the year ended 31 December 2020. The modifications made to the Spanish General Chart of Accounts have not had a significant impact on the Company. The measurement standards applicable to financial instruments as of 1 January 2021 are as follows:

(i) Recognition and classification of financial instruments

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

The Company recognises financial instruments when it becomes party to the contract or legal transaction, in accordance with the terms set out therein.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

Debt instruments are recognised from the date on which the legal right to receive or legal obligation to pay cash arises. Financial liabilities are recognised at the trade date.

The Company classifies financial instruments into the following categories: financial assets and financial liabilities at fair value through profit or loss, financial assets and financial liabilities measured at amortised cost, and financial assets measured at fair value through equity and financial assets measured at cost.

The Company classifies a financial asset or liability as held for trading if:

- It originates, is acquired, issued or assumed principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- It is a derivative financial instrument, except for a derivative that is a financial guarantee contract or a designated hedging instrument; or
- It is an obligation held by the Company in a short position, to return the financial assets that it has borrowed.

The Company classifies a financial asset at amortised cost, even when it is traded, if it is held within a business model whose objective is to hold the investment in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Company classifies a financial asset as at fair value through equity when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

Upon initial recognition the Company designates equity instruments not held for trading and that need not be measured at cost as measured at fair value through equity.

At any rate, the Company classifies the following financial assets at cost:

- a) Equity investments in Group companies, jointly controlled entities and associates.
- b) Investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or that cannot be estimated reliably.
- c) Any other financial asset that should be initially classified at fair value through profit or loss when it is not possible to obtain a reliable estimate of its fair value.

The Company designates a financial liability at initial recognition as measured at fair value through profit or loss whenever doing so eliminates or significantly reduces an accounting inconsistency or mismatch in the measurement or recognition. The Company classifies all other financial liabilities at amortised cost.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

(ii) Offsetting principles

A financial asset and a financial liability are offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Financial assets and financial liabilities at amortised cost

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

(iv) Financial assets at fair value through equity

Financial assets at fair value through equity are initially recognised at fair value plus transaction costs directly attributable to the acquisition.

After initial recognition, financial assets classified in this category are measured at fair value and any gain or loss is accounted for in income and expenses recognised in equity. On disposal of the financial assets, amounts recognised in equity and any impairment loss are reclassified to profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss.

(v) Financial assets and liabilities carried at cost

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

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

(vi) Investments in Group companies, associates and jointly-controlled entities

Investments in Group companies, associates and jointly controlled entities are initially recognised at cost, which is equivalent to the fair value of the consideration given, including transaction costs in the case of investments in associates and jointly controlled entities, and are subsequently measured at cost net of any accumulated impairment.

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ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

(vii) Interest and dividends

Dividends are recognised as income in the income statement when the investee or any other Group company investing in the latter have generated profits in excess of the equity being distributed.

Moreover, when the dividends are clearly derived from profits generated prior to the acquisition date, they are not recognised as income, and the carrying amount of the investment is reduced.

Judgement as to whether the investee has generated profits will be based exclusively on the profits accounted for in the individual income statement since the acquisition date, unless the distribution of profits can clearly be considered a recovery of the investment from the perspective of the entity receiving the dividend.

Interest is accounted for using the effective interest method, while dividends are recognised when the right to receive payment is established.

(viii) Derecognition of financial assets

The Company applies the financial asset derecognition criteria to a part of a financial asset or a part of a group of similar financial assets, or to a financial asset or a group of similar financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Where the Company retains the contractual rights to receive cash flows, it only derecognises financial assets when it has assumed a contractual obligation to pay the cash flows to one or more recipients.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including any new asset obtained less any new liability assumed, is recorded in profit or loss.

(ix) Impairment of financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company recognises impairment on financial assets at amortised cost when estimated future cash flows are reduced or delayed due to debtor insolvency.

For equity instruments, objective evidence of impairment exists when the carrying amount of an asset is uncollectible due to a significant or prolonged decline in its fair value.

(x) Security deposits

Security deposits paid in relation to supply contracts are measured using the same criteria as for financial assets.

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ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

(xi) Derecognition and modifications of financial liabilities

The Company derecognises all or part of a financial liability when it either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

The exchange of debt instruments between the Company and the counterparty or substantial modifications of initially recognised liabilities are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, provided that the instruments have substantially different terms.

(f) Inventories

Inventories are stated at the lower of cost of acquisition, cost of production or net realisable value. Trade discounts, rebates and other similar items, as well as the interest added to the nominal amount of the consideration, are deducted from the cost of acquisition.

Sales returns are recognised at purchase price or cost of production calculated as the weighted average cost, except where the net realisable value is lower, in which case they are recognised at that amount.

The cost of production includes the direct cost of materials consumed and, where applicable, direct labour costs and other manufacturing overheads.

The Company measures its inventories using the weighted average cost method.

The Company recognises impairment as an expense in the income statement when the net realisable value of inventories falls below their acquisition cost (or cost of production). For these purposes, net realisable value is understood as follows:

- For raw materials and other supplies, replacement cost. Raw materials and other supplies are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost of production;
- For merchandise and finished goods, estimated selling price less costs to sell;
- For work in progress, estimated selling price of the related finished goods, less the estimated costs of completion and the estimated costs necessary to make the sale;

The previously recognised write-down is reversed against profit and loss when the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances. The reversal of the valuation adjustment is limited to the lower of the cost and the revised net realisable value of the inventories.

Write-downs to net realisable value recognised or reversed on inventories are classified under changes in inventories of finished goods and work in progress or supplies, depending on their nature.

The Company takes out insurance policies to cover the possible risks to which its inventories are exposed.

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

(g) Foreign currency transactions

The Company's functional and presentation currency is the Euro. Consequently, operations in currencies other than the Euro are considered to be denominated in foreign currency and are recognised at the exchange rates prevailing at the transaction date.

At year end, monetary assets and liabilities denominated in foreign currencies are translated into Euros at the exchange rates prevailing at the reporting date. Exchange gains and losses are taken directly to the income statement for the year they are incurred.

(h) Income tax

The income tax expense and tax income for the year comprises current and deferred tax.

Current tax reflects income tax settlements payable for the year. Deductions and other tax relief applicable to tax payable, excluding withholdings and payments on account, and tax loss carryforwards effectively applied in the current reporting period are accounted for as a reduction in current tax.

Deferred tax income or expense derives from the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences, which are defined as the amounts which are expected to be paid or recovered in the future for differences between the carrying amount of assets and liabilities and their tax bases, as well as unused tax loss carryforwards and tax deductions. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither taxable profit nor accounting profit.

In the absence of evidence to the contrary, it is not considered probable that the Company will have future taxable profit when the deferred tax assets are expected to be recovered in a period of more than ten years from the end of the reporting period. Nevertheless, it is considered probable that the Company will generate sufficient taxable profit to recover deferred tax assets when there are taxable temporary differences, which are expected to reverse in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from a deductible temporary difference can be carried back or forward.

Deferred tax assets and liabilities deriving from transactions with direct debits or credits to equity accounts are also recognised with a balancing entry in equity.

Tax planning opportunities are only considered when assessing the recoverability of deferred tax assets and if the Company intends to use these opportunities or it is probable that they will be utilised.

At each reporting date, the Company reassesses recognised and previously unrecognised deferred tax assets. The Company then derecognises previously recorded deferred tax assets when recovery is no longer probable, or recognises a previously unrecorded deferred tax asset whenever it is probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

(j) Revenue from the sale of goods

The Company engages in the manufacture and sale of zinc coils. Although the products are manufactured for customers, revenue is recognised when control of the products is transferred and not over time, as the Company does not have an unconditional right to payment for performance completed at the end of each reporting period.

Delivery is considered to have taken place when the products have been sent to the location indicated, the risks of loss and obsolescence have been transferred to the customer and the customer has accepted the products in accordance with the sales agreement, the acceptance clauses have expired or the Company has objective evidence that all the acceptance criteria have been met.

Customers agree to a standard market collection period with the Company. The Company records these sales at the nominal amount, without considering the financial effect thereof, which is not significant.

The Company provides customers with standard warranties, which are recognised in accordance with the accounting policy for provisions.

Once the product has been transferred to the customer, an account receivable is recognised to the extent that an unconditional right to receive payment arises at that time.

The Company does not recognise incremental costs of obtaining contracts with significant customers.

In the year ended 31 December 2020 the Company recognised revenues based on the measurement standard described in the annual accounts for the year then ended. The modifications made to the Spanish General Chart of Accounts have not had a significant impact on the Company.

(k) Provisions and contingencies

When preparing the annual accounts the Company's directors make a distinction between:

(i) Provisions

Provisions are payable balances covering present obligations deriving from past events with respect to which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the amount of which can be reliably estimated.

(ii) Contingent liabilities

Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

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The annual accounts include all the provisions for amounts for which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the annual accounts, but rather are disclosed in the notes.

Provisions are measured at the present value of the best possible estimate of the amount necessary to settle or transfer the obligation, taking into account available information on the event and its consequences, and any adjustments arising from the restatement of these provisions are recognised as a finance cost as they are accrued.

(l) Termination benefits

Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Consequently, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employee's contract is made. There is no provision for this item in the accompanying annual accounts as situations of this nature are not expected to arise.

(m) Environmental assets and liabilities

Expenses derived from environmental activities are recognised as other operating expenses in the year in which they are incurred.

Property, plant and equipment acquired by the Company for long-term use to minimise the environmental impact of its activity and protect and improve the environment, including the reduction and elimination of future pollution from the Company's activities, are recognised as assets applying the measurement, presentation and disclosure criteria described in section b (property, plant and equipment).

(n) Grants

The Company accounts for grants, donations and bequests received from third parties other than the owners as follows:

(i) Non-repayable grants, donations and bequests related to assets

These are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss.

(ii) Operating grants

These are recognised as income as soon as they are awarded, except those earmarked to finance operating losses for a future period, in which case they are recognised as income in that period. If they are awarded to finance specific costs, they are taken to income as the financed costs are accrued.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

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

(iii) Interest-free loans

As receipt of interest-free loans is conditional upon compliance with certain investment requirements, the difference between the sum received and the fair value of the repayable interest-free loan (net present value at market interest rates) is recognised as a grant related to assets. These financial liabilities are recognised initially at fair value and subsequently at amortised cost, and any accrued interest is taken to the income statement using the effective interest method.

In any of the foregoing cases, should an amount be collected before the Company meets the conditions established in the grant or interest-free loan, the amount collected relating to the grant is recognised in other financial liabilities under non-current payables, in other financial liabilities under current payables or in trade and other payables under public entities, other in the accompanying balance sheet until the Company meets such conditions.

Grants received are recognised definitively when the Company is considered to have met and/or expects to meet the conditions for the specific grant.

(o) Related party transactions

All of the Company's related party transactions (whether financial, trading or of any other kind) are carried out at transfer prices established following OECD principles governing transactions with group companies and associates.

Moreover, as the Company has formalised the transfer pricing documentation requirements established by Royal Decree 1793/2008 of 3 November 2008, which came into force on 19 February 2009, the directors do not consider this issue to pose any major risk that might give rise to significant liabilities in the future.

(p) Current/Non-current classification

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realised within twelve months after the end of the reporting period; financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year; and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities held for trading, except for financial derivatives that will be settled in a period exceeding one year; and, in general, all obligations that will mature or be extinguished in the short term. All other liabilities are classified as non-current liabilities.

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ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

(5) Intangible Assets

Details and movement of intangible assets and the most significant information affecting this item are as follows:

Euros	Balance at 01.01.2020	Additions or charges	Balance at 31.12.2020	Additions or charges	Balance at 31.12.2021
Cost	3,340,822	48,092	3,388,914	146,810	3,535,724
Research and development	2,769,303	8,325	2,777,628	7,369	2,784,997
Industrial property	220,627	8,154	228,781	7,197	235,978
Computer software	350,892	31,613	382,505	132,244	514,749
Accumulated amortisation	(2,014,414)	(160,649)	(2,175,063)	(255,865)	(2,430,928)
Research and development	(1,640,637)	(94,976)	(1,735,613)	(199,171)	(1,934,784)
Industrial property	(171,964)	(26,456)	(198,420)	(17,136)	(215,556)
Computer software	(201,813)	(39,217)	(241,030)	(39,558)	(280,588)
Net	1,326,408	(112,557)	1,213,851	(109,055)	1,104,796

At 31 December 2021 and 2020 additions essentially correspond to improvements to the software used by the Company. Expenses were also incurred in respect of various projects to develop new products. In addition, the amounts capitalised include capitalisations credited to self-constructed assets in the accompanying income statement for 2021, amounting to Euros 5,968. No amounts were capitalised in this connection at 31 December 2020.

Details of fully amortised intangible assets at 31 December 2021 and 2020 are as follows:

Euros	31.12.2021	31.12.2020
Research and development	1,661,195	1,408,137
Industrial property	175,110	127,820
Computer software	165,942	105,886
Total	2,002,247	1,641,843

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ASTURIANA DE LAMINADOS, S.A.

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

(6) Property, Plant and Equipment

Details and movement of property, plant and equipment and the most significant information affecting this item are as follows:

Euros	Balances at 01.01.2021	Additions or charges	Disposals	Transfers	Balances at 31.12.2021
Cost	103,886,586	7,367,181	(151,605)	-	111,102,162
Land and natural resources	3,613,873	89,575	-	-	3,703,448
Buildings	13,337,515	4,804,229	-	7,558,112	25,699,856
Technical installations	2,204,284	13,136	-	29,928	2,247,348
Machinery	60,403,766	416,990	(149,498)	17,001,818	77,673,076
Other installations, equipment and furniture	944,555	25,430	-	-	969,985
Other property, plant and equipment	647,461	92,134	(1,007)	-	738,588
Advances for property, plant and equipment and work in progress	22,735,132	1,925,687	(1,100)	(24,589,858)	69,861
Depreciation	(13,290,241)	(1,633,156)	-	-	(14,923,397)
Buildings	(1,556,829)	(251,214)	-	-	(1,808,043)
Technical installations	(921,633)	(119,412)	-	-	(1,041,045)
Machinery	(10,011,737)	(1,185,294)	-	-	(11,197,031)
Other installations, equipment and furniture	(586,485)	(44,416)	-	-	(630,901)
Other property, plant and equipment	(213,557)	(32,820)	-	-	(246,377)
Impairment	(131,274)	-	-	-	(131,274)
Impairment losses	(131,274)	-	-	-	(131,274)
Net	90,465,071	5,734,025	(151,605)	-	96,047,491

Euros	Balances at 01.01.2020	Additions or charges	Disposals	Transfers	Balances at 31.12.2020
Cost	102,127,642	1,758,944	-	-	103,886,586
Land and natural resources	3,613,873	-	-	-	3,613,873
Buildings	13,309,705	3,282	-	24,528	13,337,515
Technical installations	2,204,284	-	-	-	2,204,284
Machinery	59,664,215	71,833	-	667,718	60,403,766
Other installations, equipment and furniture	924,028	20,527	-	-	944,555
Other property, plant and equipment	576,717	70,744	-	-	647,461
Advances for property, plant and equipment and work in progress	21,834,820	1,592,558	-	(692,246)	22,735,132
Depreciation	(11,911,164)	(1,379,077)	-	-	(13,290,241)
Buildings	(1,361,058)	(195,771)	-	-	(1,556,829)
Technical installations	(803,334)	(118,299)	-	-	(921,633)
Machinery	(9,021,929)	(989,808)	-	-	(10,011,737)
Other installations, equipment and furniture	(541,775)	(44,710)	-	-	(586,485)
Other property, plant and equipment	(183,068)	(30,489)	-	-	(213,557)
Impairment	(131,274)	-	-	-	(131,274)
Impairment losses	(131,274)	-	-	-	(131,274)
Net	90,085,204	379,867	-	-	90,465,071

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ASTURIANA DE LAMINADOS, S.A.

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

(a) Main investments

In 2021 and 2020 investments were made to expand the production capacity of the facilities, mainly the finishing line. At 31 December 2021 the Company has since transferred this finishing line as it is now in a production phase in which revenues are regularly being generated. However, work is ongoing to make the final adjustments to achieve the desired quality and finish of the end product. Accordingly, work to be performed by suppliers in this regard is still to be concluded. In 2021 the Company has acquired the warehouse and land adjacent to its facilities in order to continue expanding its production capacity.

Furthermore, additions in 2021 and 2020 include capitalisations credited to self-constructed assets in the accompanying income statement, amounting to Euros 264,504 and Euros 410,582, respectively.

In 2021 the Company capitalised borrowing costs of Euros 212,413 (Euros 413,880 in 2020) under advances for property, plant and equipment and work in progress. These capitalised borrowing costs have been transferred at 31 December 2021.

At 31 December 2021 the Company has commitments to purchase fixed assets amounting to approximately Euros 1.2 million, which are mostly associated with the finishing line (Euros 1.2 million at 31 December 2020 associated with the finishing line).

(b) Fixed assets acquired from related companies

At 31 December 2021 and 2020, the Company has not purchased any fixed assets from related parties.

(c) Grants

At 31 December 2021 and 2020, the Company had recognised grants of Euros 20,059,508 related to assets and awarded by various bodies earmarked for the construction of the industrial building and expansion of the zinc rolling plant in the Villallana industrial park (see note 14).

(d) Guarantees

At 31 December 2020 the Company had arranged a mortgage on certain assets with an appraisal value of Euros 27,676,340, in accordance with the provisions of the 2016 bond issue prospectus. At 31 December 2021 the Company has arranged a mortgage on certain assets with an appraisal value of Euros 99,557,098 in respect of the bond issue carried out in 2021.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

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(e) Fully depreciated assets

Details of fully depreciated property, plant and equipment at 31 December 2021 and 2020 are as follows:

Euros	31.12.2021	31.12.2020
Other installations, equipment and furniture	336,280	246,194
Other property, plant and equipment	85,773	58,232
Total	422,053	304,426

(f) Insurance policies

The Company takes out insurance policies to cover possible risks relating to property, plant and equipment. At 31 December 2021 and 2020 the coverage was considered sufficient for the risks inherent in its activities.

(g) Investment property

In 2021 and 2020, the Company has recognised land amounting to Euros 129,075 that is not used in its ordinary course of business.

(7) Leases

(a) Operating leases

The Company has rented various vehicles under operating leases. The lease payments amounted to Euros 117,578 in 2021 (Euros 101,536 in 2020). In addition, the Company has primarily leased machinery for Euros 2,321 (Euros 23,375 in 2020).

At 31 December 2021 and 2020 the Company has committed the following minimum lease payments to lessors, pursuant to the leases in force, without taking into account the charging of common expenses, future increases in the CPI or future contractual lease payment revisions, amounting to:

Euros	Nominal amount	
Minimum payments	31.12.2021	31.12.2020
Less than one year	43,050	46,669
One to five years	40,194	51,882

(Continued)

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(b) Finance leases

At 31 December 2021 the Company has leased the following types of assets under finance leases:

Euros	Technical installations and machinery	Other property, plant and equipment	Total
Initially recognised at:			
Present value of minimum lease payments	13,274,081	27,060	13,301,141
Accumulated depreciation	(1,443,434)	(13,852)	(1,457,286)
Carrying amount at 31 December 2021	11,830,647	13,208	11,843,855

Euros	Technical installations and machinery	Other property, plant and equipment	Total
Initially recognised at:			
Present value of minimum lease payments	13,274,081	27,060	13,301,141
Accumulated depreciation	(1,277,346)	(11,919)	(1,289,265)
Carrying amount at 31 December 2020	11,996,735	15,141	12,011,876

On 31 March 2018 the Company signed a sale and leaseback agreement, payable in monthly instalments, expiring on 31 March 2023. At 31 December 2021, the balance payable in this regard was Euros 2,328,660 (Euros 3,433,381 at 31 December 2020).

On 21 December 2018 the Company also signed another sale and leaseback agreement, payable in 61 monthly instalments. This agreement was renegotiated in 2021, in respect of which the Company made an early repayment of Euros 1,002,446 and deferred maturity by an additional 29 monthly instalments. The balance payable amounts to Euros 3,319,018 at 31 December 2021 (Euros 5,394,783 at 31 December 2020).

Additionally, the Company has other assets under finance leases amounting to Euros 12,211 (Euros 31,861 at 31 December 2020).

Future minimum lease payments are reconciled with their present value as follows:

Euros	31.12.2021	31.12.2020
Future minimum payments	6,417,254	10,054,592
Unaccrued finance costs	(757,365)	(1,194,567)
Present value	5,659,889	8,860,025

(Continued)

ASTURIANA DE LAMINADOS, S.A.

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

Details of minimum payments under finance leases, by maturity date, are as follows:

Euros	31.12.2021	31.12.2020
Less than one year	1,898,642	2,431,077
One to five years	3,761,247	6,428,948
Total	5,659,889	8,860,025

All purchase options are expected to be exercised upon expiry of the leases. The value of the assets exceeds the amount of minimum lease payments in all cases.

No contingent rents for finance leases have been recognised as expenses.

(8) Investments in Group Companies and Associates

Details of investments in Group companies and associates at 31 December 2021 and 2020 are as follows:

Euros	31.12.2021		31.12.2020	
	Non-current	Current	Non-current	Current
Equity instruments	7,669,753	-	5,273,500	-
Other financial assets (note 19)	14,474,903	233,256	11,211,691	-
Total	22,144,656	233,256	16,485,191	-

(a) Equity instruments

Details of equity instruments, which are measured at cost, at 31 December 2021 and 2020 are as follows:

Euros	31.12.2021		31.12.2020	
	% ownership	Investment	% ownership	Investment
Latem Global Trading, S.A	48.20%	7,657,128	51.64%	5,271,000
Quinta Metálica Factoría de Revestimientos, S.A	50.00%	8,625	50.00%	1,500
elZinc America Corporation	100.00%	1,000	100.00%	1,000
elZinc France	100.00%	3,000	-	-
Total		7,669,753		5,273,500

Latem Global Trading, S.A.

On 27 April 2021 a decision was made to increase the capital of Latem Global Trading S.A. in an amount of Euros 8,900,000 through the creation of 8,900,000 new shares of Euros 1 par value each. Following this increase, the share capital of Latem Global Trading S.A. now stands at Euros 19,108,000. As part of this capital increase, Asturiana de Laminados, S.A. subscribed 3,938,591 new shares, paying a total of Euros 2,386,128 for 61% of the par value of the shares at 31 December 2021.

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At 31 December 2021 Euros 14,456,756 has been paid up for the share capital of this company (Euros 10,208,000 at 31 December 2020), which presents negative reserves of Euros 16,744 (Euros 11,288 at 31 December 2020), prior years' losses of Euros 6,706 and a loss for this year of Euros 1,813 (Euros 3,724 at 31 December 2020). The principal activity of Latem Global Trading, S.A. is the holding of shares. Its registered office is located in the Villadangos industrial park, in León.

As permitted by section 2 of article 43 of the Spanish Code of Commerce, the Company does not prepare consolidated annual accounts as the subgroup is part of the larger Spanish group Laminados del Principado, S.A.

Latem Global Trading, S.A. holds a 60.22% interest in the share capital of Latemaluminium, S.A., incorporated in 2018 and which engages in the rolling and casting of aluminium.

Quinta Metálica Factoría de Revestimientos, S.A.

On 12 March 2021, Raizquinta Architectural Roofing and Cladding, S.L. changed its name to Quinta Metálica Factoría de Revestimientos, S.A. and its share capital was increased to Euros 60,000 through the issuance of 57,000 new shares of Euros 1 par value each. Asturiana de Laminados S.A. subscribed to 50% of these new shares and has paid up 28.75% thereof. At 31 December 2021, the investment amounts to Euros 8,625 thousand (Euros 1,500 thousand at 31 December 2020).

At 31 December 2021 the share capital of this company amounts to Euros 60,000 (Euros 3,000 at 31 December 2020), having paid up Euros 17,250 (Euros 3,000 at 31 December 2020). The company presents negative reserves of Euros 1,167 (Euros 321 at 31 December 2020) and a profit for the year of Euros 69,092 (loss of Euros 229 at 31 December 2020). The principal activity of the Company comprises the procurement and construction and particularly the preparation and metal coating of roofs, façades and all manner of structures. Its registered office is located at La Marina industrial park in Villabrázaro, Zamora.

elZinc America Corporation

On 2 March 2020, the Company subscribed 100 new shares with a par value of USD 10 each, fully paid up for a total amount of Euros 1,000, of the share capital of elZinc America Corporation. At 31 December 2021 and 2020, Euros 1,000 has been fully paid up and subscribed for the share capital of this company, which presents a loss of Euros 238,930 at 31 December 2021 (Euros 253,431 at 31 December 2020).

elZinc France, S.A.S

On 5 June 2021 company elZinc France was incorporated, a wholly owned subsidiary of Asturiana de Laminados, S.A., with a share capital of Euros 3,000. This company was essentially dormant during 2021 and presents a loss of Euros 2,127 at 31 December 2021.

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

Details by company at 31 December 2021 are as follows:

Investee	Capital	Unpaid capital	Reserves	Prior years' losses	Profit/(Loss) for the year	Total equity
ElZinc America Corporation	1,000	-	-	(229,755)	(238,930)	(467,685)
ElZinc France	3,000	-	-	-	(2,127)	873
Latem Global Trading	19,108,000	(4,651,244)	(16,744)	(6,706)	(1,813)	14,431,493
Quinta Metálica Factoria de Revestimientos, S.A.	60,000	(42,750)	(1,167)	(229)	69,092	84,946

None of the investees are listed on the stock exchange. No dividends were received from these companies in 2021 or 2020.

(b) Other financial assets

At 31 December 2021 and 2020, the Company held a current account with its majority shareholder Laminados del Principado, S.A., the balance of which amounted to Euros 8,937,461 (Euros 5,932,231 at 31 December 2020). The balance drawn down from the current account with Laminados del Principado, S.A. was used to meet the cash requirements of Laminados del Principado, S.A. for the payment of share redemptions already formalised and agreed with the founding institutional shareholders upon incorporation of Asturiana de Laminados, S.A. At 31 December 2021 the amount payable for these redemptions is Euros 2.4 million (Euros 5.1 million at 31 December 2020), of which approximately Euros 1.6 million are guaranteed by the Company.

In addition, the Company has a current account with Lufeol Investment, S.L., a shareholder of Laminados del Principado, S.A., the balance of which amounts to Euros 339,460 at 31 December 2021 (Euros 339,460 at 31 December 2020) (see note 19).

At the meeting held on 8 April 2017 the board of directors unanimously approved the extension of a guarantee or loan to the related company Titanzinc, S.A. Consequently, on 27 April 2017 the Company extended a Euros 4,940,000 loan to the related company Titanzinc, S.A., which accrues interest at an annual rate of 3.00%, payable on a half-yearly basis (see notes 9 (a) and 19). The loan has a seven year term and the full amount is payable upon maturity. On 26 July 2019, the Company's board of directors approved the extension of the maturity date by a further five years. This related party transaction was carried out for the purpose of enabling Titanzinc S.A. to meet its obligations to third parties.

All the shares of Laminados del Principado, S.A. held by Titanzinc, S.A. have been pledged to the Company to secure this loan, in addition to the future receivables of Titanzinc, S.A. from the dividends that it might receive from Laminados del Principado, S.A. Titanzinc, S.A. is a shareholder of Laminados del Principado, S.A. with an ownership interest of 57.78%.

In 2021 the Company extended a non-current loan to elZinc America Corporation, which amounts to Euros 257,982 at 31 December 2021.

Additionally, in 2021 the Company extended current loans to Group companies, the balances of which amount to Euros 226,065 to Latem Global Trading, S.A. and Euros 7,191 to other related entities at 31 December 2021 (see note 19).

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

(9) Financial Assets by Category and Investments

(a) Financial assets by category

The Company classifies the financial assets detailed in notes 8, 9 and 12 under financial assets at amortised cost (classified under loans and receivables at 31 December 2020), except for investments in equity instruments, amounting to Euros 66,403 (Euros 41,393 at 31 December 2020), which are considered financial assets at cost given that their fair value cannot be reliably estimated (available-for-sale financial assets at 31 December 2020), and equity investments in Group companies amounting to Euros 7,669,753 (Euros 5,273,500 at 31 December 2020).

Financial assets at amortised cost are initially measured at fair value and subsequently at amortised cost, with their fair values being the same as their carrying amounts. Financial assets at fair value through equity are measured at fair value and investments in Group companies are measured at cost.

Net gains and losses by financial asset category for 2021 amounted to Euros 360,738 of finance income using the amortised cost method from loans and receivables, relating mainly to the loans extended and bank deposits (Euros 156,256 in 2020).

(b) Investments

Movement in 2021 and 2020 in non-current and current investments is as follows:

Euros	Balance at 01.01.2021	Additions and charges	Disposals	Balance at 31.12.2021
Non-current investments	4,741,124	25,010	-	4,766,134
Equity instruments	41,393	25,010	-	66,403
Loans to third parties	75,247	-	-	75,247
Debt securities	138,403	-	-	138,403
Fixed-term deposits	4,467,248	-	-	4,467,248
Non-current security and other deposits extended	18,833	-	-	18,833
Current investments	5,106,902	241,324	(131,572)	5,216,654
Fixed-term deposits	4,743,266	200,000	-	4,943,266
Other financial assets	363,636	41,324	(131,572)	273,388

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ASTURIANA DE LAMINADOS, S.A.

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Euros	Balance at 01.01.2020	Additions and charges	Disposals	Balance at 31.12.2020
Non-current investments	4,740,087	1,037	-	4,741,124
Equity instruments	40,356	1,037	-	41,393
Loans to third parties	75,247	-	-	75,247
Debt securities	138,403	-	-	138,403
Fixed-term deposits	4,467,248	-	-	4,467,248
Non-current security and other deposits extended	18,833	-	-	18,833
Current investments	5,197,898	154,234	(245,230)	5,106,902
Fixed-term deposits	4,943,266	-	(200,000)	4,743,266
Other financial assets	254,632	154,234	(45,230)	363,636

The figures shown in the foregoing tables do not differ substantially from the fair values of the related assets.

At 31 December 2021, fixed-term deposits under non-current assets include six deposits at three banks amounting to Euros 4,467,248 (Euros 4,467,248 at 31 December 2020). In 2021 and 2020 these deposits did not earn interest. In addition, these deposits are tied to the maturity of the guarantees relating to the 2007, 2008, 2013, 2014 and 2016 Reindus loans and 2014 and 2016 Competitiveness loans, which will mature in over 12 months. The maturity of the Reindus and Competitiveness loans is detailed in note 15.

At 31 December 2021, fixed-term deposits under current assets include two deposits at two banks amounting to Euros 4,943,266 (Euros 4,743,266 at 31 December 2020). These deposits did not earn interest in 2021 and mature in less than 12 months. They are mainly linked to guarantees required to supply raw materials.

(10) Risk Management Policy

(a) Qualitative disclosures

Financial risk is centrally managed at the Company by the directors. The main financial risks affecting the Company are as follows:

(i) Credit risk:

The Company takes out insurance policies to mitigate the credit risk derived from sales to third parties.

In 2021 and 2020, the Company intensified its activity in the collections and risks department in order to meet the collection targets set before the crisis caused by the COVID-19 pandemic. However, it has not been necessary to change the policies developed in previous years, since they have been considered sufficient in order to face the new socio-economic reality.

The average collection period has not changed with respect to the average period prior to the pandemic caused by COVID-19 and, likewise, the percentage of debt covered by insurance has not changed.

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(ii) Liquidity risk:

At 31 December 2021 the Company's working capital is positive in an amount of Euros 5,952 thousand (negative working capital of Euros 5,376 thousand at 31 December 2020). In addition, the Company generates positive operating cash flows that are sufficient to meet its obligations.

The Company has the cash presented in its balance sheet and current financial assets (see note 9), as well as undrawn financing facilities of Euros 9.7 million at 31 December 2021 (see note 15) and bill discounting and reverse factoring lines maturing in 2023 to finance working capital (recognised in the short term at Euros 8.7 million) for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities and the major investments that it has made (see notes 1 and 6).

Also, in 2021 the Company was granted an extension of the grace period (one more year) and maturity (two more years) of the loans under the ICO COVID-19 guarantee line arranged in 2020.

The Company has also optimised its financial structure in order to adjust the repayment schedule of certain debts to the reality of the Company's business plan, once the investment in the finishing line has been completed and taking into account the administrative and technical delays that have occurred.

As regards this optimisation process, on 4 November 2021 the Company completed the sixth bond issue in its programme to issue Euros 50,000,000, the first issue of which was on 3 August 2021. This programme involves the issue of 500 guaranteed bonds with a face value of Euros 100,000 each and listed on Bolsas y Mercados Españoles de Renta Fija, the Spanish fixed income market (BME RF or MARF per its Spanish acronym). These bonds accrue an annual coupon rate of 5.75% and are repayable at six years via a bullet payment. These bond issues have been fully subscribed and paid up by Spanish and French institutional investors. The purpose of the second issue on 17 September 2021 for Euros 18,800,000, equivalent to 188 secured bonds with a value of Euros 100,000 each on the Alternative Fixed-Income Market (MARF), and under the same terms and conditions as the other issues, was to exchange 188 bonds issued in 2016 on the EURO MTF market of the Luxembourg stock exchange. This effectively cancelled and redeemed the issue carried out by the Company in that year and incorporated the former bondholders into this new issue.

Consequently, these facilities, together with the cash flows generated by the business and the financing transactions performed, provide the Company with sufficient liquidity in the course of its forecast transactions.

(iii) Market risk (including interest rate, currency and other types of price risk):

Both the cash balances and the financial debt of the Company are exposed to interest rate risk, which could have an adverse impact on its financial results and cash flows.

As regards currency risk, the Company did not perform any significant transactions in foreign currency in 2021 or 2020.

As regards market risks, fluctuations in zinc prices (LME) affect the measurement of certain inventories that are produced for stock purposes and not on order.

The IBOR reform does not affect the Company.

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(b) Quantitative information

- Credit risk:

The Company takes out insurance policies to mitigate the credit risk derived from sales to third parties. At 31 December 2021, the percentage of receivables from third parties secured by credit insurance or non-recourse factoring facilities to total receivables from third parties is 87% (84% at 31 December 2020), and the policies taken out cover 95% of the balance with each insured customer in 2021 and 2020.

- Interest rate risk:

The Company had not arranged any interest rate hedges at 31 December 2021 or 2020. A portion of the Company's loans are arranged at floating rates and, therefore, it is exposed to cash flow risk. In addition, the Company has issued bonds (see note 15) at a fixed interest rate and, accordingly, is exposed to fair value risk.

In 2021, had interest rates been 100 basis points higher or lower, with other variables remaining constant, profit after tax would have been approximately Euros 35,918 higher/lower (Euros 31,740 in 2020), mainly because of higher/lower borrowing costs on floating interest debt.

- Currency risk:

The Company did not perform any significant transactions in foreign currency nor transactions to hedge currency risk in 2021 or 2020.

- Market risk:

Zinc prices continued their upward trend in 2021.

Had zinc prices on the commodities market at 31 December 2021 been 1% higher or lower, with other variables remaining constant, the difference in profit/loss after tax would not be significant.

(11) Inventories

Details of inventories at 31 December 2021 and 2020 are as follows:

Euros	31.12.2021	31.12.2020
Merchandise	77,163	52,633
Raw materials and other supplies	2,285,571	1,458,474
Work in progress	946,437	1,962,764
Finished goods	9,946,931	6,230,106
Total	13,256,102	9,703,977

The volume in tonnes of inventories at 31 December 2021 is 7% higher than at 31 December 2020.

At 31 December 2021 and 2020, the Company did not consider that it had any obsolete, defective or slow-moving products that reduced the cost at which its inventories were measured.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

The Company has taken out insurance policies to cover the risk of damage to its inventories. The coverage of these policies with respect to the carrying amounts of inventories is considered sufficient.

(12) Trade and Other Receivables

The breakdown of trade and other receivables in the accompanying balance sheets at 31 December 2021 and 2020 is as follows:

Euros	31.12.2021	31.12.2020
Group companies	3,026,493	837,575
Trade receivables from Group companies (note 19)	2,533,499	-
Receivables, Group companies (notes 16 and 19)	492,994	837,575
Unrelated parties	10,467,891	8,914,185
Trade receivables	9,319,774	7,805,882
Personnel	23,290	4,385
Public entities, other (note 16)	1,027,281	978,241
Current tax assets (note 16)	82,546	110,677
Other receivables	15,000	15,000
Total	13,494,384	9,751,760

The carrying amounts shown above do not differ substantially from the fair value of these assets.

Euros 4,986,987 were transferred under non-recourse factoring agreements at 31 December 2021 (Euros 2,956,384 at 31 December 2020).

(13) Equity

(a) Subscribed capital

At 31 December 2020 the share capital of the Company is represented by 25,710,333 registered shares of Euros 1 par value each, subscribed and fully paid.

On 10 November 2021, the shareholders of the Company at their Extraordinary General Meeting agreed to split the Company's total share capital, which increased from 25,710,333 shares of Euros 1 par value each to 128,551,665 shares with a par value of Euros 0.20 each, proportionally equivalent to five new shares for every one former share. The purpose of the split was to increase the market availability of the Company's stock and to improve stock trading volumes. Splitting the shareholders' investment in the stock this way can attract new investors.

As a result, at 31 December 2021 the Company's share capital amounts to Euros 25,710,333, represented by 128,551,665 shares of Euros 0.20 par value each, subscribed and fully paid.

At 31 December 2021 and 2020, the Company's shareholders are as follows:

Percentage ownership	31.12.2021	31.12.2020
Laminados del Principado, S.A.	60.37%	60.37%
Own shares	0.54%	0.52%
Other shareholders	39.09%	39.11%
Total	100.00%	100.00%

(Continued)

ASTURIANA DE LAMINADOS, S.A.

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

At 31 December 2021, Laminados del Principado S.A. is the only shareholder that holds an interest of 5% or more.

On 19 June 2017, Asturiana de Laminados, S.A. began trading on BME Growth (the Spanish stock exchange regulated market for small and medium-sized companies previously called the MAB). The listing of 100% of the Company's share capital on this market is one of the most important moments in the Company's history, offering solvency, transparency and prestige to investors, customers, suppliers and financial intermediaries and enabling the Company to continue growing and to achieve its main objective, which is to be a global benchmark in the production of rolled zinc products.

Following its aforementioned admission to listing on BME Growth, the Company formalised a liquidity contract with the liquidity provider, whereby the latter commits to offering liquidity to investors. In order to enable the liquidity provider to meet the commitments of this contract, Asturiana de Laminados, S.A. provided the former with Euros 300,000 in cash and a certain number of shares.

(b) Legal reserve

Under Royal Legislative Decree 1/2010 of 2 July 2010 approving the Spanish Companies Act, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase share capital provided that the balance left on the reserve is at least equal to 10% of the nominal value of the total share capital after the increase.

Except as indicated above, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The legal reserve amounts to Euros 914,144 at 31 December 2021 (Euros 738,075 at 31 December 2020).

At 31 December 2021 and 2020, the balance of this reserve had not reached the legally required minimum.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

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(c) Own shares

At 31 December 2021 the Company holds 692,191 own shares valued at Euros 232,656, which represent 0.54% of the Company's share capital (the Company held 134,409 own shares valued at Euros 120,864, which represented 0.52% of the Company's share capital, at 31 December 2020). In 2021, the Company has carried out the following transactions with own shares, through the operations of its liquidity provider:

Euros	Number of shares	Nominal amount	Average purchase price
Balance at 01.01.2021	134,409	120,864	0.90
Purchases prior to stock split	254,651	420,907	
Sales prior to stock split	(259,403)	(324,441)	
Stock split	518,628	-	
Purchases after stock split	104,316	35,633	
Sales after stock split	(60,410)	(20,307)	
Balance at 31.12.2021	692,191	232,656	0.34

(*) The amount obtained from the sale of the shares totalled Euros 453,583, which represents an increase in reserves of Euros 108,835.

Euros	Number of shares	Nominal amount	Average purchase price
Balance at 01.01.2020	174,999	320,873	1.83
Acquisitions	1,007,375	889,721	0.88
Disposals	(1,047,965)	(1,089,730)	1.04
Balance at 31.12.2020	134,409	120,864	0.90

(*) The amount obtained from the sale of the shares totalled Euros 895,876, which represents a decline in reserves of Euros 193,853.

(Continued)

(14) Capital grants

Euros				31 December 2020							31 December 2021		
Grantor	Grant	Related loan (****)	Year awarded	Amount extended	Balance at 31 December 2019	Transfers to the income statement in 2020	Tax effect of allocation to profit or loss	Additions	Tax effect of additions	Balance at 31 December 2020	Transfers to the income statement in 2021	Tax effect of allocation to profit or loss	Balance at 31 December 2021
MITC (*)	Reindus 2007	2,000,000	2,007	720,994	451,886	(8,998)	2,250	-	-	445,138	(11,547)	2,887	436,478
MITC (*)	Reindus 2008	1,800,000	2,008	595,508	349,070	(10,376)	2,594	-	-	341,288	(13,181)	3,295	331,402
MITC (*)	Reindus 2009	1,500,000	2,009	551,470	347,210	(8,704)	2,176	-	-	340,682	(10,392)	2,598	332,888
MITC (*)	Reindus 2010	1,800,000	2,010	671,063	357,397	(13,272)	3,318	-	-	347,443	(13,272)	3,318	337,489
MITC (*)	Reindus 2011	1,000,000	2,011	404,650	202,325	(22,480)	5,620	-	-	185,465	(22,480)	5,620	168,605
MITC (*)	MINER Phase I grant		2,007	6,900,000	4,001,825	(157,995)	39,499	-	-	3,883,329	(182,696)	45,674	3,746,307
IDEPA (**)	IDEPA Phase I grant		2,008	2,952,862	1,749,988	(61,768)	15,442	-	-	1,703,662	(72,045)	18,011	1,649,628
MEH (***)	LIR Phase I grant		2,007	1,668,038	945,939	(36,129)	9,032	-	-	918,842	(41,916)	10,479	887,405
MITC (*)	MINER Phase II grant		2,010	5,480,008	-	(259,868)	64,967	5,480,008	(1,370,002)	3,915,105	(535,600)	133,900	3,513,405
CDTI (****)	CDTI-CEIT		2,019	114,915	77,567	(22,984)	5,746	-	-	60,329	(22,982)	5,745	43,092
Total				20,059,508	8,483,207	(602,574)	150,644	5,480,008	(1,370,002)	12,141,283	(926,111)	231,527	11,446,699

MITC (*) Ministry of Industry, Tourism and Trade

IDEPA (**) Asturias regional government Institute for Economic Development

MEH (***) Ministry of Economy and Finance

CDTI (****) Centre for the Development of Industrial Technology

(*****) The Company recognised as a capital grant the difference between the amounts received and the fair values of these loans (present value of amounts payable discounted at market interest rates). See loans - note 15

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(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)(a) Grants recognised as non-repayable

Information on non-repayable capital grants received by the Company, which form a part of equity, as well as amounts taken to the income statement, are shown in the foregoing table. The requirements for receiving these grants have been met and certified. As regards the MINER Phase II grant, the Company must hold the investment until 31 December 2022.

(15) Financial Liabilities

All financial liabilities are classified under financial liabilities at amortised cost and are measured at amortised cost. Their fair value does not differ significantly from their carrying amount at 31 December 2021 and 2020.

(a) Non-current and current payables

Details of non-current and current payables in the balance sheet at 31 December 2021 and 2020 are as follows:

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

Euros	31 December 2021						
	Date granted	Maturity date	Nominal interest rate	Initial loan/limit	Total amount	Long-term maturity	Short-term maturity
Bonds and other marketable securities					48,638,027	47,432,890	1,205,137
Non-convertible bonds	03/08/2021	02/08/2027	5.75%	50,000,000	47,432,890	47,432,890	-
Accrued interest					1,205,137	-	1,205,137
Loans and borrowings					22,544,641	10,333,247	12,211,394
Caixabank export discounting line	14/09/2020	14/09/2023	1.65% to 2.10%	3,500,000	1,185,914	-	1,185,914
Cajamar reverse factoring	27/11/2017	27/11/2024	2%	3,000,000	1,915,900	-	1,915,900
Sabadell factoring	07/07/2017	07/07/2022	Legal interest rate + 0.1%	1,500,000	69,572	-	69,572
Liberbank ICO export discounting line	04/06/2020	04/06/2028	3.405%	1,000,000	1,000,000	-	1,000,000
Caixabank loan	16/03/2018	16/03/2023	2.65%	513,000	134,682	27,294	107,388
Caja Laboral ICO reverse factoring	16/05/2018	25/06/2023	Euribor + 1.85%	400,000	394,536	-	394,536
Liberbank ICO reverse factoring	13/09/2020	04/06/2026	3-month Euribor + 1.95%	1,500,000	1,465,657	-	1,465,657
BBVA ICO reverse factoring	17/10/2020	24/07/2023	3-month Euribor + 4.10%	1,000,000	997,836	-	997,836
Cajamar loan	26/12/2018	26/12/2023	1.60%	1,100,000	450,176	227,062	223,114
Sabadell ICO reverse factoring	14/05/2018	17/09/2023	1.40%	750,000	759,610	-	759,610
Santander loan	27/11/2019	27/11/2022	12-month Euribor + 3.30%	970,000	306,123	-	306,123
Caixabank ICO loan	20/04/2020	20/04/2028	2.75%	2,000,000	1,973,368	1,772,349	201,019
Deutsche Bank ICO loan	20/04/2020	20/04/2028	1.95%	2,000,000	1,976,965	1,776,127	200,838
Cajamar ICO loan	30/04/2020	30/04/2028	1.95%	1,500,000	1,483,480	1,328,662	154,818
Caixabank ICO credit account	17/12/2016	20/04/2026	2%	4,000,000	1,161,841	1,161,841	-
BBVA ICO loan	08/05/2020	06/03/2026	4.6%	500,000	499,775	421,003	78,772
BBVA ICO credit facility	19/06/2021	19/06/2024	2.31%	1,000,000	685,474	685,474	-
Liberbank ICO loan	15/06/2020	04/06/2028	2.25%	1,000,000	990,317	916,139	74,178
Deutsche Bank ICO credit account	26/06/2020	26/06/2025	1.60%	2,400,000	1,612,237	1,612,237	-
Deutsche Bank reverse factoring	09/06/2021	09/06/2024	6-month Euribor + 2.55%	500,000	495,246	-	495,246
Banco Santander reverse factoring	01/06/2021	01/06/2022	12-month Euribor	500,000	500,000	-	500,000
Banco Santander export discounting line	21/03/2018	10/05/2024	2.50%	500,000	498,500	-	498,500
Caja Laboral loan	14/06/2021	17/02/2025	2.65%	600,000	558,927	405,059	153,868
CajaMar credit facility	03/09/2021	03/09/2022	Euribor	2,000,000	560,108	-	560,108
Santander loan	20/10/2021	20/01/2022	4.95%	225,000	75,233	-	75,233
Santander, customer advances	26/07/2021	26/07/2022	2.17%	800,000	793,164	-	793,164
Other payables					26,277,537	20,031,996	6,245,541
2007 reindustrialisation loan	31/10/2007	01/10/2023	4.97%	2,000,000	394,264	194,264	200,000
2008 reindustrialisation loan	15/12/2008	01/10/2024	4.49%	1,800,000	525,163	345,163	180,000
2009 reindustrialisation loan	17/08/2009	01/10/2025	4.96%	1,500,000	571,389	421,389	150,000
2010 reindustrialisation loan	15/09/2010	01/10/2026	5.10%	1,800,000	410,976	322,821	88,155
2011 reindustrialisation loan	31/08/2011	01/10/2027	5.70%	1,000,000	542,619	442,619	100,000
2012 reindustrialisation loan	10/12/2012	30/09/2024	3.95%	4,417,500	1,893,214	1,262,143	631,071
2013 reindustrialisation loan	31/12/2013	31/12/2023	4.93%	5,475,750	797,133	533,133	264,000
2014 reindustrialisation loan	31/12/2014	31/12/2026	4.53%	3,360,000	2,203,176	1,762,541	440,635
2014 competitiveness loan	31/12/2014	31/12/2026	4.53%	747,750	534,107	427,286	106,821
2016 competitiveness loan	29/12/2016	31/12/2028	2.29%	5,015,850	6,750,463	5,786,111	964,352
2016 reindustrialisation loan	29/12/2016	31/12/2028	2.29%	7,475,596	3,979,576	3,411,065	568,511
2017 reindustrialisation loan	27/11/2017	31/12/2029	4.00%	1,123,427	1,123,427	1,123,427	-
CDTI loan	27/01/2017	31/05/2028	0.00%	362,544	227,565	188,893	38,672
Finance leases (note 7)					5,659,889	3,761,247	1,898,642
Accrued interest					76,619	-	76,619
Suppliers of fixed assets					587,957	49,894	538,063
Total					97,460,205	77,798,133	19,662,072

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Euros	31 December 2020						
	Date granted	Maturity date	Nominal interest rate	Initial loan/limit	Total amount	Long-term maturity	Short-term maturity
Bonds and other marketable securities					17,925,820	17,874,903	50,917
Non-convertible bonds	20/07/2016	20/07/2025	6.50%	18,800,000	17,874,903	17,874,903	-
Accrued interest					50,917	-	50,917
Loans and borrowings					24,150,355	12,429,054	11,721,301
Caixabank export discounting line	14/09/2020	14/09/2023	1.65% to 2.10%	3,500,000	3,365,469	-	3,365,469
Cajamar reverse factoring	27/11/2017	27/05/2021	2.00%	3,000,000	1,844,987	-	1,844,987
Sabadell factoring	07/07/2017	07/07/2021	Legal interest rate + 0.1%	2,100,000	75,062	-	75,062
Liberbank ICO export discounting line	04/06/2020	04/06/2023	3-month Euribor + 1.95%	1,000,000	997,875	-	997,875
Caixabank loan	16/03/2018	16/03/2023	2.65%	513,000	239,268	134,684	104,584
Caja Laboral ICO reverse factoring	25/06/2020	25/06/2023	Euribor + 1.85%	400,000	-	-	-
Liberbank ICO reverse factoring	05/06/2020	05/06/2023	3-month Euribor + 1.95%	1,000,000	997,811	-	997,811
BBVA ICO reverse factoring	24/07/2020	24/07/2023	90-day Euribor + 4.10%	1,000,000	998,485	-	998,485
Cajamar loan	26/12/2018	26/12/2023	1.60%	1,100,000	669,593	450,238	219,355
Sabadell ICO reverse factoring	17/09/2020	17/09/2023	1.40%	750,000	746,948	-	746,948
Santander loan	27/11/2019	27/11/2022	12-month Euribor +3.30%	970,000	628,672	306,123	322,549
Caixabank ICO loan	20/04/2020	20/04/2025	2.75%	2,000,000	1,996,517	1,679,280	317,237
Deutsche Bank ICO loan	20/04/2020	20/04/2025	1.95%	2,000,000	1,994,535	1,673,552	320,983
Cajamar ICO loan	30/04/2020	30/04/2025	1.95%	1,500,000	1,494,329	1,254,057	240,272
Caixabank ICO credit account	20/04/2020	20/04/2023	2%	4,000,000	3,246,425	3,246,425	-
BBVA ICO loan	08/05/2020	08/05/2025	4.60%	500,000	500,000	431,108	68,892
BBVA ICO credit facility	19/06/2020	19/06/2021	2.31%	1,000,000	980,880	-	980,880
Liberbank ICO loan	15/06/2020	15/06/2025	2.25%	1,000,000	999,417	879,505	119,912
Deutsche Bank ICO credit account	26/06/2020	26/06/2025	1.60%	2,400,000	2,374,082	2,374,082	-
Other payables					38,957,920	29,085,303	9,872,617
2007 reindustrialisation loan	31/10/2007	01/10/2023	4.97%	2,000,000	390,011	390,011	-
2008 reindustrialisation loan	15/12/2008	01/10/2024	4.49%	1,800,000	697,221	517,221	180,000
2009 reindustrialisation loan	17/08/2009	01/10/2025	4.96%	1,500,000	559,482	559,482	-
2010 reindustrialisation loan	15/09/2010	01/10/2026	5.10%	1,800,000	400,859	400,859	-
2011 reindustrialisation loan	31/08/2011	01/10/2027	5.70%	1,000,000	526,284	526,284	-
2012 reindustrialisation loan	10/12/2012	30/09/2024	3.95%	4,417,500	2,524,285	1,893,214	631,071
2013 reindustrialisation loan	31/12/2013	31/12/2023	4.93%	5,475,750	4,401,430	1,376,400	3,025,030
2014 reindustrialisation loan	31/12/2014	31/12/2026	4.53%	3,360,000	2,683,176	2,203,176	480,000
2014 competitiveness loan	31/12/2014	31/12/2026	4.53%	747,750	640,928	534,107	106,821
2016 reindustrialisation loan	29/12/2016	31/12/2028	2.29%	5,015,850	5,015,850	5,015,850	-
2016 competitiveness loan	29/12/2016	31/12/2028	2.29%	7,475,596	7,475,596	7,475,596	-
2017 reindustrialisation loan	27/11/2017	31/12/2029	4.00%	1,123,427	1,123,427	1,123,427	-
CDTI loan	27/01/2017	31/05/2028	0.00%	362,544	258,856	220,184	38,672
Other payables					350,478	-	350,478
Finance leases (note 7)					8,860,025	6,428,948	2,431,077
Accrued interest					966,696	-	966,696
Suppliers of fixed assets					2,083,316	420,544	1,662,772
Total					81,034,095	59,389,260	21,644,835

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The amount relating to the limits of the 2007, 2008, 2009, 2010 and 2011 reindustrialisation loans is the total amount awarded without discounting the grant associated with them (see note 14).

The effective interest rate on loans and borrowings at 31 December 2021 and 2020 was between an annual rate of 3.73% and 2.89%.

All the finance costs recognised in 2021 and 2020, amounting to Euros 4,339,987 and Euros 3,744,138, respectively, related to financial debts accounted for using the amortised cost method.

Details of non-current payables at 31 December 2021 and 2020, based on the related maturity, are as follows:

Euros	31.12.2021
2023	7,304,639
2024 (*)	6,186,785
2025 (*)	6,306,350
2026 (*)	5,191,703
2027 and subsequent years	52,808,656
Total	77,798,133

(*) 2024, 2025 and 2026 include amounts of Euros 0.7 million, Euros 1.6 million and Euros 1.2 million, respectively, corresponding to credit facilities maturing in the long term. The Company's directors intend to renew these facilities at maturity.

Euros	31.12.2020
2022	9,562,379
2023	11,971,554
2024	6,721,120
2025	24,079,200
2026 and subsequent years	7,055,007
Total	59,389,260

(b) Bonds and other marketable securities

On 20 July 2016 the Company issued 188 non-convertible bonds with a face value of Euros 100,000 on the EURO MTF market of the Luxembourg stock exchange, which initially matured on 20 July 2023. These bonds had an annual coupon rate of 6.50%, payable annually. At 31 December 2020 the Company had arranged a mortgage on its assets with an appraisal value of Euros 27,676,340, in accordance with the provisions of the bond issue prospectus (see note 6). At 31 December 2020, the outstanding balances relating to this issue amounted to Euros 17,874,903, which correspond to the amortised cost of the issue recognised as non-current, and Euros 50,917, which correspond to the accrued interest, recognised as current, that had not fallen due at that date. The annual effective interest rate was 7.69%. At 31 December 2020 the fair value of the debt did not differ significantly from its carrying amount.

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On 26 December 2018 an amendment to the terms and conditions of the memorandum was agreed so as to change the maturity date of the issue to 20 July 2025, and provide the in rem guarantee for the issue, comprising a real estate mortgage and a chattel mortgage (see note 6).

On 25 March 2021, the Company's board of directors approved a debt restructuring programme through a bond issue for a maximum amount of Euros 50 million, of which Euros 40 million will be allocated to refinancing debt and Euros 10 million to new investments.

On 3 August the first issue of the Asturiana de Laminados Bond Programme was subscribed and paid up in an amount of Euros 21.7 million. The bond issue was subscribed by institutional investors of various nationalities. Furthermore, through Euroclear and Clearstream, the Company notified holders of the bonds issued on 12 August 2016 on the EURO MTF market in Luxembourg that, within a maximum period of 15 working days starting from 6 September 2021, a second bond issue in an amount of Euros 18.8 million would be carried out to exchange these former bonds, as agreed at the assembly of bondholders and reflected in the Other Relevant Information bulletin of 18 June 2021.

On 17 September 2021 the second and third issues of the Asturiana de Laminados Bond Programme were subscribed and paid up in amounts of Euros 18.8 million and Euros 4.5 million, respectively. The second issue constitutes the full refinancing of the 2016 issue on the EURO MTF market in Luxembourg, which has been exchanged for this new issue, as agreed at the assembly of bondholders and reflected in the Other Relevant Information bulletin of 18 June 2021.

On 13 October 2021, 26 October 2021 and 4 November 2021 the fourth, fifth and sixth issues of the Asturiana de Laminados Bond Programme were subscribed and paid up in amounts of Euros 2 million, Euros 2.2 million and Euros 0.8 million, respectively, thereby completing in full the Company's entire Euros 50 million bond issuance programme.

The cash inflows from these issues, net of arrangement fees, amount to Euros 29.2 million.

The issues mature at six years via a bullet repayment, are secured by a mortgage guarantee (see note 6) and earn a coupon of 5.75%. The effective interest rate is an annual 6.92%.

The Company has two bond buyback options, one on 3 August 2026 at 101.475% and another six months prior to their maturity, i.e. 3 February 2027 at 100% (for further details on the issue and bond programme please refer to the MARF website).

As with the previous issue, the bond prospectus sets out a series of obligations to be met by the Company, including reporting obligations, the arrangement of an in rem guarantee (see note 6), restrictions on additional debt and on dividend distribution to shareholders, provided that the net financial debt to EBITDA ratio is lower than 2.5. If, as a consequence of taking on additional debt, the net financial debt to EBITDA ratio were to exceed 2.5, the issuer would have a maximum of six months, starting from the moment it becomes aware of this situation, to reduce the ratio to 2.5x or lower. In the event the ratio has not been reduced to 2.5x or lower after this six-month period has elapsed, it is understood that there are grounds for early redemption.

The prospectus also provides certain early redemption clauses, which include defaults relating to the issue, the failure to meet the obligations assumed in the prospectus, the failure to meet payment obligations vis-à-vis third parties greater than 8% of the total value of the asset, substantial changes to the Company's statutory activity, auditor's reports containing a disclaimer of opinion and the failure to arrange an in rem guarantee.

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ASTURIANA DE LAMINADOS, S.A.

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At 31 December 2021, the Company meets all obligations set forth in the prospectus and has not triggered any of the early redemption clauses.

At 31 December 2021 the fair value of the debt does not differ significantly from its carrying amount.

(c) Loans and borrowings

The Company has various financing facilities at 31 December 2021 and 2020, the terms and outstanding balance of which are detailed in section a) of this note.

(d) Reindustrialisation and CDTI loans

The main terms and outstanding balances at 31 December 2021 and 2020 are shown in section a) of this note.

(i) 2007, 2008, 2009, 2010 and 2011 reindustrialisation loans

The Company received five reindustrialisation loans, the terms of which are detailed in section a) of this note.

The Company recognises the debts relating to the fair value (net present value) of the loan repayments. The difference between the amount awarded and present value was recognised as a capital grant (see note 14).

(ii) 2012, 2013, 2014, 2016 and 2017 reindustrialisation loans

The Company received five reindustrialisation loans from the MITC, the terms of which are detailed in section a) of this note.

(iii) 2014 and 2016 competitiveness loan

The Company received two reindustrialisation loans to boost competitiveness from the Spanish Ministry of Industry, Energy and Tourism, which are detailed in section a) of this note.

(iv) CDTI loan

On 27 January 2017, the Centre for the Development of Industrial Technology (CDTI) announced its final decision to award the Company an interest-free loan of Euros 362,544 to carry out a project, repayable in six-monthly instalments of Euros 19,336 each between 2021 and 2028. At 31 December 2021, the Company had satisfied the initial requirements of the CDTI.

(e) Other payables

The Company had other payables amounting to Euros 350,478 at 31 December 2020, which included a loan received from the fixed asset supplier Reingeniería, Desarrollos e Innovaciones en la Tecnología de los Metales, S.L. This amount was settled in 2021.

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

(16) Taxation

(a) Current balances with public entities

At 31 December 2021 and 2020 the Company has the following balances with public entities:

Euros	31.12.2021	31.12.2020
Assets	1,109,827	1,088,918
Current tax assets	82,546	-
Taxation authorities, income tax recoverable	-	110,677
Grants receivable	-	440,008
Value added tax	1,027,281	538,233
Liabilities	248,506	207,508
Withholdings on account of personal income tax	110,895	98,454
Social Security contributions payable	137,611	109,054

(b) Reconciliation of accounting profit/loss and taxable income/tax loss

Income tax for the year is calculated based on the accounting profit/loss obtained under generally accepted accounting principles, which is not necessarily the same as taxable income/tax loss.

The reconciliation between the accounting profit/loss before tax at 31 December 2021 and 2020 with the taxable income/tax loss for the year is as follows:

Euros	Income statement			Income and expense recognised directly in equity			Total
	Increases	Decreases	Net	Increases	Decreases	Net	
Income and expenses for the year	-	-	4,090,150	-	-	694,584	4,784,734
Income tax	-	-	1,366,968	-	-	231,527	1,598,495
Profit/(loss) before income tax	-	-	5,457,118	-	-	926,111	6,383,229
Permanent differences	10,753	-	10,753	-	-	-	10,753
Temporary differences	979,219	(3,412,135)	(2,432,916)	-	(926,111)	(926,111)	(3,359,027)
Taxable income/(Tax loss)	989,972	(3,412,135)	3,034,955	-	(926,111)	-	3,034,955
Offset of tax loss carryforwards							(633,161)
Taxable income							2,401,794
Tax payable							600,449
Tax deductions							(150,111)
Withholdings and payments on account							(532,883)
Total amount recoverable							(82,546)

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Euros	Income statement			Income and expense recognised directly in equity			Total
	Increases	Decreases	Net	Increases	Decreases	Net	
Income and expenses for the year	-	-	1,760,685	-	-	3,658,076	5,418,761
Income tax	-	-	590,511	-	-	1,219,358	1,809,869
Profit/(loss) before income tax	-	-	2,351,196	-	-	4,877,434	7,228,630
Permanent differences	10,847	-	10,847	-	-	-	10,847
Temporary differences	1,379,680	(3,741,723)	(2,362,043)		(4,877,434)	(4,877,434)	(7,239,477)
Taxable income/(Tax loss)	1,390,527	(3,741,723)	-		(4,877,434)	-	-
Capitalised tax credits							-
Withholdings and payments on account							(82,487)
Total amount recoverable							(82,487)

Permanent and temporary differences between the accounting profit/loss and taxable income/tax loss are:

- Positive permanent difference of Euros 10,753 at 31 December 2021 relating to expenses and taxes that are not deductible for tax purposes (Euros 10,847 in 2020).
- Positive adjustment of Euros 244,476 in 2021 (Euros 144,821 in 2020) due to the reversal of the accelerated depreciation applied in prior years provided in additional provision eleven of the Revised Spanish Income Tax Law as worded in Royal Decree-Law 13/2010 of 9 April 2010, and in accordance with transitional provision 34 of the Spanish Income Tax Law.
- Positive adjustment of Euros 730,694 at 31 December 2021 (positive adjustment of Euros 1,199,942 in 2020) due to the limit to the deductibility of finance costs in accordance with article 16 of the Spanish Income Tax Law.
- Positive adjustment of Euros 4,049 due to application of article 106 of the Spanish Income Tax Law relating to finance leases (negative adjustment of Euros 2,344 in 2020).
- Negative adjustment of Euros 20,319 at 31 December 2021 (a positive adjustment of Euros 34,917 in 2020) in connection with the tax recognition of income from grants in accordance with the inspection criterion.
- Negative adjustment of Euros 74,026 in 2021 and 2020 relating to the reversal of the 30% limitation on the tax deductibility of the amortisation and depreciation charge in accordance with article 7 of Law 17/2012 of 27 December 2012.
- Negative adjustment of Euros 3,317,790 at 31 December 2021 (negative adjustment of Euros 3,614,757 at 31 December 2020) due to the reversal of the accelerated depreciation provided in additional provision eleven of the Revised Spanish Income Tax Law as worded in Royal Decree-Law 13/2010 of 9 April 2010, and in accordance with transitional provision 34 of the Spanish Income Tax Law.
- Negative adjustment of Euros 50,596 in 2020 relating to the reversal of other provisions.

(Continued)

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At 31 December 2021 the Company had a balance payable of Euros 130,483 to Laminados del Principado, S.A. relating to income tax for 2014 (Euros 133,423 at 31 December 2020). In 2014 the Company formed a consolidated tax group with Laminados del Principado S.A. The consolidated tax group was dissolved in 2017.

(c) Details of the income tax expense/income

Details of income tax at 31 December 2021 and 2020 are as follows:

Euros	31.12.2021	31.12.2020
Current tax:		
Present year	758,739	-
Offset of tax loss carryforwards	(158,291)	-
Deductions	(150,112)	-
Deferred tax:		
Source and reversal of temporary differences		
Property, plant and equipment	786,835	885,991
Non-deductible finance costs	(182,673)	(299,985)
Tax recognition of income from grants	5,080	(8,729)
Other provisions	-	12,649
Tax credits applied	158,291	-
Derecognition of deductions	150,112	-
Others	(1,013)	585
Total income tax expense/(income) recognised in the income statement	1,366,968	590,511

(d) Deferred tax assets and liabilities

Details of deferred tax assets and liabilities and movement at 31 December 2021 and 2020 are as follows:

31 December 2021						
Euros	Opening balance	Income statement		Equity		Closing balance
		Additions	Disposals	Additions	Disposals	
Deferred tax assets						
Finance costs	1,330,892	182,673	-	-	-	1,513,565
Limitation on depreciation and amortisation	107,221	-	(18,506)	-	-	88,715
Impairment of fixed assets	32,819	-	-	-	-	32,819
Tax losses capitalised	158,291	-	(158,291)	-	-	-
Deductions capitalised	762,354	-	(150,112)	-	-	612,242
Total	2,391,577	182,673	(326,909)	-	-	2,247,341
Deferred tax liabilities						
Accelerated depreciation/amortisation	(2,574,096)	(829,447)	61,119	-	-	(3,342,424)
Finance lease	(14,929)	-	1,013	-	-	(13,916)
Tax effect of grants	(4,046,286)	-	-	-	231,527	(3,814,759)
Tax recognition of income from grants	350,169	(5,080)	-	-	-	345,089
Total	(6,285,142)	(834,527)	62,132	-	231,527	(6,826,010)

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

31 December 2020						
Euros	Opening balance	Income statement		Equity		Closing balance
		Additions	Disposals	Additions	Disposals	
Deferred tax assets						
Finance costs	1,030,907	299,985	-	-	-	1,330,892
Limitation on depreciation and amortisation	125,727	-	(18,506)	-	-	107,221
Impairment of fixed assets	32,819	-	-	-	-	32,819
Tax losses capitalised	158,291	-	-	-	-	158,291
Deductions capitalised	762,354	-	-	-	-	762,354
Provisions	12,649	-	(12,649)	-	-	-
Total	2,122,747	299,985	(31,155)	-	-	2,391,577
Deferred tax liabilities						
Accelerated depreciation/amortisation	(1,706,612)	(903,689)	36,205	-	-	(2,574,096)
Finance lease	(14,344)	(585)	-	-	-	(14,929)
Tax effect of grants	(2,826,927)	-	150,643	(1,370,002)	-	(4,046,286)
Tax recognition of income from grants	341,440	-	8,729	-	-	350,169
Total	(4,206,443)	(904,274)	195,577	(1,370,002)	-	(6,285,142)

Based on the best estimate of the Company's future profits, including certain tax planning initiatives, there are no reasonable doubts that the above deferred tax assets will be recovered, hence they have been recognised in the accompanying balance sheet.

At 31 December 2021 the Company does not have any unused tax loss carryforwards.

At 31 December 2021 the Company had unused deductions amounting to Euros 612,242 and (Euros 762,354 at 31 December 2020). These deductions arose from research and development activities and, therefore, they may be used within 18 years as from their generation, in accordance with Spanish Income Tax Law 27/2014 of 27 November 2014.

Details of deferred tax assets and liabilities that are expected to be realised or reversed in periods exceeding 12 months are as follows:

Euros	31.12.2021	31.12.2020
Finance costs	1,513,565	1,330,892
Limitation on depreciation and amortisation	70,209	88,715
Impairment of fixed assets	32,819	32,819
Tax losses capitalised	-	158,291
Deductions capitalised	612,242	762,354
Total assets	2,228,835	2,373,071
Accelerated depreciation/amortisation	(3,342,424)	(2,574,096)
Finance leases	(13,916)	(14,929)
Tax effect of grants	(3,238,144)	(3,687,388)
Total liabilities	(6,594,484)	(6,276,413)
Net	(4,365,649)	(3,903,342)

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ASTURIANA DE LAMINADOS, S.A.

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

(e) Years open to inspection

At the date these annual accounts were authorised for issue, the Company has all applicable taxes for 2018 to 2021 open to inspection, in addition to income tax for 2017 to 2020.

In accordance with prevailing legislation, taxes cannot be considered definitive until they have been inspected by the taxation authorities or the inspection period has elapsed. However, the Company's directors do not expect any additional significant liabilities to arise as a result of an inspection of the years open.

(17) Guarantees to Third Parties

Details of the Company's guarantees to third parties at 31 December 2021 and 2020 are as follows:

Euros	31.12.2021	31.12.2020
Raw material purchases	9,440,000	9,440,000
Pola de Lena municipal council	435,600	435,600
Reindustrialisation and competitiveness loans (note 15)	7,184,611	7,685,556
Total	17,060,211	17,561,156

The Company has arranged a mortgage in respect of these assets at 31 December 2021 and 2020 (see note 6 (d)).

(18) Income and Expenses

(a) Revenues

Details of revenues by geographical market and activity in 2021 and 2020 are as follows:

Euros	31.12.2021	31.12.2020
Geographical markets		
Spain	4,634,860	2,476,485
Exports	104,764,773	73,696,854
Total	109,399,633	76,173,339
Type of product		
Spherical anodes	32,333	13,149
Flat products	101,825,934	71,192,024
Profiled products	3,679,124	3,466,775
Zinc foam and other products	3,862,242	1,501,391
Total	109,399,633	76,173,339

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ASTURIANA DE LAMINADOS, S.A.

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

(b) Supplies

Details of supplies in the income statements for 2021 and 2020 are as follows:

Euros	31.12.2021	31.12.2020
Raw materials purchased	84,368,938	57,863,416
Merchandise purchased	1,086,359	495,660
Purchases of other supplies	2,788,867	2,156,109
Carriage	306,967	254,788
Subcontracted work	42,774	300,426
Changes in inventories	(851,627)	(268,590)
Total	87,742,278	60,801,809

The Company has signed a long-term contract with Asturiana de Zinc, S.A. (a Glencore Group company) to supply all the zinc required for its production process.

(c) Personnel expenses

Details of personnel expenses in the income statements at 31 December 2021 and 2020 are as follows:

Euros	31.12.2021	31.12.2020
Salaries and wages	5,131,212	4,348,460
Employee benefits expense	1,417,819	1,201,588
Termination benefits	34,727	11,113
Total	6,583,758	5,561,161

Personnel expenses in the accompanying income statement total Euros 5,186,902 at 31 December 2020. The Euros 374,259 difference is related to the delay in the entry into operation of the special-width finishing line. As a result, this amount has been recognised in other expenses in the accompanying income statement for 2020. No additional expenses were incurred in this regard in 2021.

(d) Average number of employees

The average headcount of the Company in 2021 and 2020 is as follows:

Category	31.12.2021	31.12.2020
Senior management personnel	11	12
Technicians	15	13
Administrative staff	21	19
Manual workers	96	76
Total	143	120

Three is the average number of employees in 2021 and 2020 that have a disability rating equal to or higher than 33%, one of whom is a senior executive and two of whom are manual workers.

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(e) Distribution by gender

At 31 December 2021 and 2020 the distribution by gender of the Company's members of the board of directors and employees is as follows:

Category	31.12.2021		31.12.2020	
	Male	Female	Male	Female
Senior management personnel	8	3	9	2
Technicians	10	7	7	5
Administrative staff	5	18	3	16
Manual workers	99	7	72	7
Total	122	35	91	30

The board of directors comprised eight men and one woman at 31 December 2021 and 2020.

(f) Other operating expenses - External services

Details of this item in the accompanying income statements for the years ended 31 December 2021 and 2020 are as follows:

Euros	31.12.2021	31.12.2020
Leases and royalties	119,898	124,911
Repairs and maintenance	575,299	520,527
Independent professional services	1,235,446	1,208,002
Transport	2,212,735	1,690,651
Insurance premiums	298,191	221,975
Banking and similar services	262,821	244,993
Advertising, publicity and public relations	253,456	253,465
Utilities	3,017,535	1,523,832
Other services	477,885	374,832
Total	8,453,266	6,163,188

(g) Other operating income

(i) Non-trading and other operating income

At 31 December 2021 and 2020 this line item mainly includes various services rendered to the Group company Latemaluminium, S.A.

(ii) Operating grants

At 31 December 2021 operating grants mainly include two grants received in 2021, the first to offset indirect greenhouse gas emissions costs, and the second within the framework of the Spanish mechanism to compensate electro-intensive industries. Both grants were awarded and disbursed by the Spanish Ministry of Industry, Trade and Tourism.

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

(h) Audit Fees

KPMG Auditores, S.L., the auditor of the Company's annual accounts, has invoiced the Company the following fees for professional services during the years ended 31 December 2021 and 2020:

Euros	31.12.2021	31.12.2020
Audit services	38,625	36,390
Other assurance services	14,256	14,081
Total	52,881	50,471

Audit services detailed in the above table include the total fees for services rendered in the years ended 31 December 2021 and 2020, irrespective of the date of invoice.

Other assurance services include agreed-upon procedures for the review of financial ratios and the limited review of the interim financial statements at 30 June 2021 and 2020.

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(19) Balances and Transactions with Group Companies, Associates and Related Parties

Details of balances with Group companies at 31 December 2021 and 2020 are as follows:

Euros	Balances receivable/(payable)					
	31.12.2021			31.12.2020		
	Parent	Other related parties	Total	Parent	Other related parties	Total
Other non-current financial assets (note 8)	8,937,461	5,537,442	14,474,903	5,932,231	5,279,460	11,211,691
Laminados del Principado, S.A.	8,937,461	-	8,937,461	5,932,231	-	5,932,231
Titanzinc, S.A.	-	4,940,000	4,940,000	-	4,940,000	4,940,000
Lufeol Investment, S.L.	-	339,460	339,460	-	339,460	339,460
elZinc America Corporation	-	257,982	257,982	-	-	-
Trade receivables from Group companies (note 12)	-	2,533,499	2,533,499	-	-	-
Latemaluminium S.A.	-	1,112,767	1,112,767	-	-	-
elZinc America Corporation	-	537,810	537,810	-	-	-
Quinta Metálica Factoria de Revestimientos, S.A.	-	882,921	882,921	-	-	-
Receivables - Group companies (note 12)	-	492,994	492,994	2,990	834,585	837,575
Laminados del Principado, S.A.	-	-	-	2,990	-	2,990
Titanzinc S.A.	-	492,994	492,994	-	372,952	372,952
Latemaluminium S.A.	-	-	-	-	26,140	26,140
elZinc America Corporation	-	-	-	-	435,493	435,493
Other current financial assets (note 8)	-	233,256	233,256	-	-	-
Lufeol Investment, S.L.	-	41	41	-	-	-
Latem Global Trading, S.A.	-	226,065	226,065	-	-	-
elZinc France	-	3,621	3,621	-	-	-
Titanzinc S.A.	-	3,529	3,529	-	-	-
Total receivables	8,937,461	16,466,943	25,404,404	5,935,221	11,387,545	17,322,766
Group companies and associates, current	(130,483)	-	(130,483)	(133,473)	-	(133,473)
Laminados del Principado, S.A. (note 16)	(130,483)	-	(130,483)	(133,473)	-	(133,473)
Total balances payable	(130,483)	-	(130,483)	(133,473)	-	(133,473)

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

Details of transactions with Group companies and/or related parties at 31 December 2021 and 2020 are as follows:

Euros	Income/(expenses)					
	31.12.2021			31.12.2020		
	Parent	Other related parties	Total	Parent	Other related parties	Total
Sales						
Latemaluminium, S.A.	-	1,945,929	1,945,929	-	991,880	991,880
Elzinc America Corporation	-	317,724	317,724	-	-	-
Quinta Metálica Factoria de Revestimientos, S.A.	-	905,147	905,147	-	-	-
Other operating income						
Latemaluminium, S.A.	-	345,075	345,075	-	333,965	333,965
Finance income						
Titanzinc, S.A.	-	148,200	148,200	-	148,606	148,606
Laminados del Principado	203,412	-	203,412	-	-	-
Total income	203,412	3,662,076	3,865,488	-	1,474,451	1,474,451
Expenses						
elZinc France	-	95,199	95,199	-	-	-
Latemaluminium, S.A.	-	7,351	7,351	-	-	-
Total expenses	-	102,550	102,550	-	-	-
Investment						
Latemaluminium, S.A.	-	141,473	141,473	-	43,629	43,629
Total investment	-	141,473	141,473	-	43,629	43,629

All transactions with related companies in 2021 and 2020 were performed on an arm's length basis.

(20) Information on the Board of Directors and Senior Management Personnel

(a) Information on the Company's directors and senior management personnel

At 31 December 2021 and 2020 the Company's directors and senior management personnel have not received loans or advances. The Company has no pension or life insurance obligations with its former or current directors or senior management personnel.

In 2021 the members of the board of directors of the Company have received remuneration amounting to Euros 400,000 in their capacity as directors (Euros 385,772 in 2020). Total remuneration accrued in 2021 by the Company's senior management including certain directors amounted to Euros 936,000 (Euros 886,159 in 2020), of which Euros 122,423 was for members of the board of directors. It is understood that senior management includes all personnel of equal or superior rank to a head of department. Also, public liability insurance premiums of Euros 23,725 were paid for damage or loss arising from acts or omissions in 2021 (Euros 15,553 in 2020).

The Company's directors and persons related thereto have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

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

(21) Other information

(a) Environmental Information

The Company's environmental commitment is not confined to a mere assessment of its impact, rather it makes an effort on a daily basis to continually improve its environmental performance. To this end, in 2021 the Company implemented an environmental management system based on the ISO 14001 international standard and also developed an entire programme of measures aimed at optimising consumption and reducing waste, based on:

- Its responsible procurement policy and the fact that its most important supplier is located just 40 km away from its facilities, thereby ensuring a minimal environmental impact in terms of greenhouse gas emissions from transport.
- Its production technology uses equipment that boasts minimal energy consumption and a better harnessing of raw materials. If production in itself of rolled zinc sheets requires less energy than other construction materials, the technological efficiency of zinc reduces energy requirements even further.

ISO 14001 certification

elZinc strives every day to improve the sustainability of its processes. To this end, it has a management system in place that analyses improvement opportunities, sets goals and designs and executes action plans to guarantee an efficient ongoing improvement. This environmental management system has been certified by Lloyd's Register in accordance with the requirements of ISO 14001.

LEED certification

Sustainable and ecological buildings and alternative energies. LEED ® (Leadership in Energy and Environmental Design) certification developed in 1998 by the U.S. Green Building.

LEED ® is made up of a series of pre-requisites and rating systems across eight categories. It is based on the analysis and validation of a series of aspects linked to sustainable and ecological buildings and alternative energies.

Each building is classified according to its use and can opt to attain one of the four levels of excellence (Certified, Silver, Gold and Platinum), which reflect the number of points accumulated by the project or the degree to which it meets the requirements.

elZinc's products, thanks to their numerous benefits, such as their high recyclability and durability, contribute to three areas to score points in LEED building projects.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

EPDs

elZinc has Environmental Product Declarations (EPDs), a tool that provides relevant, transparent and comparable information on the sustainable features of its products. Sustainable development is one of the priorities for elZinc; it is intertwined with the Company's DNA, translating into the implementation of innovative processes and products that respect the environment.

We have registered an Environmental Product Declaration (EPD) for elZinc Natural, as well as for our entire pre-weathered elZinc Alkimi® range as part of the GlobalEPD programme launched by prestigious international certification body AENOR.

ISO 50001 certification

Energy efficiency forms an integral part of elZinc's commitment to sustainable development. In addition to using the latest cutting-edge technology, which in itself means a better use of materials and a reduction in the energy requirements of the manufacturing process, we have decided to go one step further in our policies to improve energy efficiency at our facilities and to make our activity even more sustainable.

Securing ISO 50001 Energy Efficiency certification, validated by Lloyd's Register, signifies that we have a system in place to manage energy consumption. This system lays the foundations of our commitment to reach various future goals, such as using energy more efficiently by making improvements to our facilities, for instance conserving natural resources and facing the climate change challenge by reducing our carbon footprint.

This certification aligns the Company with the international energy requirements that aim to achieve a circular economy and that foster sustainable construction.

The Company is also committed to an industrial model that is low in CO2 emissions, a concept that is fully in line with its policy to seek a drastic reduction in its carbon footprint. In this regard, the Company will embark upon a project that will see the installation of solar panels on the roof of its industrial facilities at Pola de Lena, enabling the Company to harness 100% of the renewable energy generated.

The implementation of this solar project is part of the low environmental impact policy that the Company has been applying through other initiatives, such as securing ISO 50001 -Energy Efficiency- or the utilisation of technologies that better harness raw materials and energy.

No investments were made or costs incurred to prevent or remedy environmental impacts and no grants or income was received relating to the environment.

The directors consider that no environmental contingencies exist.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

(b) Late payments to suppliers in commercial transactions

Final provision two of Law 31/2014 of 3 December 2014, amending the Spanish Companies Act to introduce improvements to corporate governance, amends additional provision three of Law 15/2010 of 5 July 2010, which in turn amended Law 3/2004 of 29 December 2004 establishing measures to combat late payment, to require that all commercial companies expressly disclose the average supplier payment period in the notes to their annual accounts. The following table shows the average supplier payment period, transactions paid ratio, transactions payable ratio, total amount paid and total amount outstanding at 31 December 2021 and 2020:

Days	31.12.2021	31.12.2020
Average payment period for suppliers	41	49
Transactions paid ratio	42	48
Transactions payable ratio	38	28
Amount	31.12.2021	31.12.2020
Total payments made	103,033,987	68,464,039
Total payments outstanding	10,748,181	8,571,412

(c) International Financial Reporting Standards

Companies that have issued securities listed on a regulated market of any European Union Member State, as defined in article 1.13 of Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field, and that, pursuant to current legislation, only publish individual annual accounts, must disclose the main changes that would have arisen in capital and reserves in the notes to the annual accounts and in the income statement had International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") been applied.

Under Spanish GAAP, grants were recognised in equity as income, net of the related tax effect, when they had been officially awarded, the conditions attached to them had been met and there was reasonable assurance that the grants would be received.

Under IFRS-EU, grants are recognised as a liability when it is reasonably certain that the grant conditions will be met and the funds will be received. This entails the recognition of a liability from the date on which the grants are awarded until they qualify for recognition in the income statement.

In accordance with IFRS-EU increases in value of land and buildings are voluntarily recognised, which would offset the reduction in equity as a result of the reclassification of grants.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

The impact on the balance sheet at 31 December 2021 and 31 December 2020 is as follows:

Equity and liabilities	31.12.2021			31.12.2020		
	Spanish GAAP	Reclassification	IFRS-EU	Spanish GAAP	Reclassification	IFRS-EU
Capital and reserves	36,321,108		36,321,108	32,233,915	-	32,233,915
Grants, donations and bequests received	11,446,699	(11,446,699)	-	12,141,283	(12,141,283)	-
Total equity	47,767,807	(11,446,699)	36,321,108	44,375,198	(12,141,283)	32,233,915
Non-current payables	77,798,133		77,798,133	59,389,260	-	59,389,260
Government grants		15,262,265	15,262,265	-	(16,188,377)	16,188,377
Deferred tax liabilities	6,826,010	(3,815,566)	3,010,444	6,285,142	(4,047,094)	2,238,048
Total non-current liabilities	84,624,143	11,446,699	96,070,842	65,674,402	12,141,283	77,815,685

The following standards came into force on 1 January and do not have a significant impact on equity and the income statement if IFRS were applied at the Company:

Standards and amendments to standards adopted by the European Union	Effective date
Amendments to IFRS 4, deferral of IAS 9.	1 January 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform: Phase 2".	1 January 2021

Other standards and standard amendments will come into force on or after 1 January 2022 and subsequent years. The Company does not consider that the application of these standards and interpretations will have a significant impact on the equity and income statement when they come into force. Nevertheless, the Company is analysing the impacts with a view to potentially detailing them in the annual accounts for the coming years.

Standards and amendments to standards adopted by the European Union	Effective date
Amendments to IFRS 3, IAS 16 and IAS 37 "Annual Improvements 2018-2020".	1 January 2022
Amendment to IFRS 16 "COVID-19-Related Rent Concessions beyond 30 June 2021".	1 April 2021
Various minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 "Annual Improvements 2018-2020 Cycle".	1 January 2022
Standards and amendments to standards pending adoption by the European Union	Effective date
Amendment to IAS 1 "Presentation of Financial Statements" / Amendment to IAS 1 "Disclosure of Accounting Policies".	1 January 2023
Amendment to IAS 8 "Definition of Accounting Estimates".	1 January 2023
Amendment to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction".	1 January 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 Comparative Information".	1 January 2023

(Continued)

ASTURIANA DE LAMINADOS, S.A.

Notes to the Annual Accounts

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

(22) Events after the reporting period

The Russian government launched a military invasion of Ukraine on 24 February 2022. In response to this military action, a series of countries implemented substantial economic sanctions against Russia, and a growing number of major public and private companies have voluntarily embarked upon action to limit business activities with Russia.

Trading of various Russian listed entities has been suspended on certain stock exchanges and they have been excluded from market indices. The Russian central bank has temporarily suspended trading in shares and derivatives, while local authorities have also provisionally prohibited foreign investors from selling Russian assets, imposing significant limitations on payments to foreign entities.

The conflict in Ukraine and its consequences come at a time of significant global economic uncertainty and volatility, and it is likely that the impacts will interact with and even compound current market conditions. This situation also gives rise to a considerable series of knock-on effects for the economy and companies which should be assessed.

The consequences derived from this new crisis are considered an event after the reporting period that does not require an adjustment in the annual accounts for 2021, although they should be recognised in the annual accounts for 2022, if applicable. Although it is not possible to estimate with any accuracy the present and future impacts of this crisis on the Company at the date the annual accounts were authorised for issue, the principal consequences expected for the Company are detailed below.

In view of the incessant rise in the cost of energy, raw materials and transport, coupled with the uncertainty sparked by the armed conflict in Ukraine, it is important to underline that the Company is still satisfying all market demand, securing new sales opportunities, and meeting the forecasts projected for the first few months of the year. In this respect, the Company has built its strategy around the following points:

- Planning at factories in order to shift production to the hours of the day when energy is cheapest.
- Strengthening its focus on securing energy from renewable sources. On 12 November 2021 the Company entered into an agreement with EDP Clientes, S.A. to install photovoltaic panels at its manufacturing plant at Pola de Lena. The first phase of this project, which will be rolled out in 2022, will see the installation of over 6,500 solar panels on roofs spanning 13,000 square metres at Asturiana de Laminados, S.A.'s facilities. Providing a 2.8-megawatt peak, the panels will replace with renewables 17% of the traditional energy used to power the plant and prevent the emission of almost 900 tonnes of CO₂ into the atmosphere, a positive impact on air quality that is equivalent to planting 65,000 new trees. The implementation of this solar project is part of the low environmental impact policy that the Company has been applying through other initiatives, such as securing ISO 50001 -Energy Efficiency- or the utilisation of technologies that better harness raw materials and energy.
- The use of annual contracts for the supply of raw materials ensures the supply chains of these same consumables.
- The countries directly involved in the conflict are not markets of the Company.
- The backdrop of rising raw material prices has not triggered a decline in demand. The Company continues to operate in line with the forecasts in place at the beginning of the year.

(Continued)

DIRECTORS' REPORT
FOR THE YEAR ENDED
31 DECEMBER 2021

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

THE COMPANY

Asturiana de Laminados, S.A. was incorporated on the basis of the experience and sector know-how of its founding shareholders, who detected the need for a new competitive manufacturer of the highest level in terms of technological development in the rolled zinc for the construction sector, which was very concentrated, with only two players with a wide presence and product offer.

With the knowledge acquired in the European zinc sector, and taking advantage of the difficulties, and at the same time, the opportunities brought about by the concentration of its producers, and the presence of the biggest raw material manufacturer in Asturias, Spain (Asturiana de Zinc, S.A.), it was the perfect setting to embark on a highly ambitious project that is Asturiana de Laminados, S.A., a company founded in 2006.



In terms of trade, the Company's continuous market analysis has detected that although Central Europe is a mature market (consuming 70% of the world's zinc production), there are business opportunities in emerging markets, understood to be those that may not currently be large consumers of zinc but whose consumption is rising sharply, with future demand expected to soar. The most relevant of these new geographical regions are as follows: Asia (China, South Korea, Japan), North America (USA, Canada), Oceania and other (Australia, New Zealand, India), Africa and the Middle East. In Europe there are also emerging markets in which the Company is carrying out relevant marketing campaigns such as the UK and Russia.

Asturiana de Laminados, S.A. is constantly innovating, permanently researching in its laboratories to improve the processes and searching for new products. The Company also benefits from the collaboration of various universities and qualified metal institutes in Spain, France or Germany for the

ASTURIANA DE LAMINADOS, S.A.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

purpose of product certification, such as Ceit-IK4-Universidad de Navarra, Itma-Centro Tecnológico del Principado de Asturias, Universidad de Oviedo-Escuela de Ingenieros de Minas, ZID Zinkberatung Ingenieurdienste GmbH, Institut Bauen und Umwelt and Q-Lab.

BUSINESS PERFORMANCE

Asturiana de Laminados, S.A. has faced this difficult economic period caused by COVID-19 head-on, relying on the weight of its exports to different continents, the robustness of its supply chain and its low dependence on the domestic market, which has enabled it to maintain its production and commercial activity at all times, having been declared an essential industry by the Government of Asturias.

Testament to this is the fact that the Company has increased the tonnes brought onto the market by 20% compared to the previous year, despite the 28% rise in zinc prices on international markets (LME) with respect to 2020.

Since it started selling in 2010, Asturiana de Laminados, S.A. has been constantly increasing the range of its products and finishes, which is reflected in the growth in sales over the years, enabling the Company to become the third biggest market player in terms of tonnes sold, offering a full range of products. With the launch of the special-width line, the Company has become the sole manufacturer in the world offering rolled products with a width of 1,400 mm (special width). The market share estimated by the Company (there are no official statistics) is approximately 12% of the world's rolled zinc market, although this is expected to rise in the coming years.

The progressive launch of different products in the market, together with the rise in the number of tonnes of special products sold with respect to natural zinc products, and the increase in the price premium of each product, have resulted in a sharp rise in the average price premium over the years.

The Company has designed an ambitious plan focused on special-width production that will enable it to supply products with a width of over 1,100 mm, and up to 1,400 mm, which is unique in the sector, with which it expects a rapid penetration into the market in the USA.

Investing in R&D&i and in the development of new products is an essential characteristic of Asturiana de Laminados, S.A.'s strategy, as it enables the Company to keep a highly-competitive profile. Thus, the Company is in the initial stage of commercialising new solutions and adapting its current product portfolio to open new markets.

The strategy of Asturiana de Laminados, S.A. is aimed at the markets in central Europe and in emerging markets (China, South Korea, Japan, USA, UK, Russia, North Africa and Middle East) that require new products, finishes and formats which allow an architectural design capable of combining the old and the new, and ensuring quality and durability through time. The new pre-weathered products developed by the Company have led the way to the rapid penetration into these emerging markets.

The elZinc brand is expected to consolidate in the coming years and become a reference brand worldwide, for both traditional sector products (natural and pre-weathered zinc), the launch of new highly-innovative products with added value (elZinc Rainbow and elZinc Advance product range), new developments (Cossmo, composite and honeycomb panels), and products already in the market such as zinc for ornamentation. The following new products are also expected to consolidate their position in the market in the coming years: elZinc Rainbow, elZinc Lava, elZinc Oliva, elZinc Crystal, elZinc Rosa, elZinc Advance finishes and also the special-width line of products.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Despite the global pandemic and its effects on the real economy, the commercial agreements reached have pushed the Company's volume of activity in 2021 far above that of the previous year, posting product dispatch figures never before seen in the Company's history.



Another priority for the current year has been to develop the demand for widths exceeding 1,000 mm, and to continue adding to the range of product profiles and accessories. To do so, the Company has worked hard to increase its presence in Europe and in the other countries where there is a closer technical collaboration with our distributors–collaborators.

Similarly, progress continues in pre-weathered and Rainbow brand products as well as attracting new customers and the development of new geographical markets, in which elZinc is positioned as a market leader.

The elZinc brand is present and recognised worldwide, and the reputation of elZinc is becoming consolidated together with its values: Quality, Range, Flexibility and Innovation. The efforts as regards made-to-order work are reflected in the numerous projects that have either already been performed or are in the execution stage using elZinc material.

The start-up of the new finishing line and the consolidation of the agreements reached with major European distributors for the sale of premium products have enabled us to overcome the negative expectations brought on by the COVID-19 pandemic. This has translated into a 20% rise in sales in tonnes, a 40% increase in the gross margin and a 34% hike in the net margin compared to the previous year. In addition, this performance is reflected in a 49% increase in EBITDA and a 67% rise in operating income.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Incorporation of elZinc France, S.A.S.

In 2021 elZinc France, S.A.S. was incorporated as a wholly-owned subsidiary of Asturiana de Laminados, S.A. and with the aim of building a local presence in one of the most important markets for the Company. This is another step forward in the consolidation of the elZinc brand in the French market and a clear sign of its ongoing desire to remain in one of the markets where our products have been best received; a discerning and knowledgeable market when it comes to the use of rolled zinc for construction purposes.

To this end, a new sales network of French nationals who are technical specialists has been rolled out to provide support on the ground to both current and potential customers.

Incorporation of elZinc Deutschland GmbH.

The first quarter of 2022 saw the incorporation of this new subsidiary, for which the personnel in charge have already been recruited.

OUTLOOK FOR 2022

2022 has started very positively, with strong demand that confirms the growth the Company is seeing. In this connection, the growth forecast for 2022 is set to remain in double digits.

Together with the increase in tonnes committed by new and existing customers, the agreements signed at the end of 2019 are making it possible to achieve very significant growth in the tonnes placed on the market by elZinc and a better mix of products sold, by increasing the weight of premium products, which will contribute to improving the Company's gross margin. All of this is against the backdrop of the rise in raw material and energy costs since 2021 and their consequent impact on prices.

The presence and sound performance of elZinc in traditional markets has inspired trust among our main customers, translating into growth in tonnes produced across the entire product range. This is not only testament to the buoyant activity in the market, but also to the rapport and trust we have built up with our customers, coupled with our ability to supply any of our products in a swift, quality, competitive and flexible manner, despite the circumstances and restrictions imposed in the wake of the pandemic.

In this regard, work will continue in 2022 to build upon the foundations laid in 2021 within the Company's strategic plan, such as:

- Incorporation of a subsidiary in the German market in order to offer our products much more locally in what is one of the leading traditional markets for rolled zinc for construction purposes.
- The five-year contract entered into with a major German distributor at the end of 2019, which will involve more than 4,000 tonnes each year, with annual increases of 500 tonnes.
- Agreements with French and Italian distributors that will increase the number of tonnes committed to for the year.
- Cooperation with a new distributor for England and Ireland that will enable our sales in those markets to grow considerably.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

- Hiring of new sales personnel.
- Growth in new geographical markets in which elZinc is already a market leader.
- Growth in the USA through the forging of alliances with professionals with extensive sector experience.
- Promotion of premium products in markets where elZinc is positioned.



The Company aims to grow significantly in the coming years, relying on elZinc's differentiating features such as:

- Operationally, with the start-up of the 1600 width pre-weathering and painted line, unique in the zinc market, the Company can access projects that were previously impossible in our market due to a lack of supply. This ensures greater profitability from premium products due to lower operating costs as well as greater efficiency in processes added to lower costs derived from outsourcing.
- The ever-present price pressure in all markets is greatly alleviated when the proposed industrial solutions are exclusive.
- The consistent message over these past 11 years of activity, as well as our flexibility and guaranteed quality, have shifted our market image away from being "a new player" to a company that is steadfast in its commitment to customers. This in itself has a knock-on effect that enables us to continue expanding our market share vis-à-vis the competition.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

However, elZinc is also working on creating new demand in markets that are currently very underserved but have great potential in the medium- and long-term. The main examples are:

- USA and Canada with the creation of an American company and dealer and local sales structure.
- China, through an alliance with an expert in the sector that has strengthened its sales network since mid-2019, leading to significant volume growth in this market that almost exclusively consumes premium products.
- France and Germany through the incorporation of local subsidiaries. These countries are trailblazers when it comes to the use of rolled zinc; these subsidiaries will firmly cement the image and physical presence of elZinc in these markets.

Since the beginning of 2021, the Company has been undertaking two parallel strategic projects to consolidate growth without the need for equivalent growth in the structure, while also providing much more immediate information for proper decision-making:

- The functionality of the ERP used (SAP) is being expanded into the production and process control area, together with a direct plant data collection system that provides better control of operations and quality.
- The implementation of SALESFORCE, the most reputed CRM, offers much more up-to-the-minute information on commercial flows for distribution, as well as in the made-to-order work for projects, thereby giving us a better commercial overview in the short- and medium-term. In addition, after an initial stabilisation period, it makes it possible to integrate our customers at the Company, a key consideration in B2B or B2C relationships and with those who are key decision-makers and who do not need to have a direct commercial relationship.

Adding these systems will allow us to work in a more dynamic and optimised way from a centralised technical sales department that supports customers and commercial personnel in a widely dispersed field in terms of geography. This will lower sales costs by providing added value and flexibility, while also allowing for a swifter adaptation to changes that occur in different markets.

We will continue to expand our commercial initiatives worldwide to cement growth and elZinc's hallmarks (Quality – Flexibility - Innovation) and to take another step towards excellence.

PAYMENTS TO SUPPLIERS

Pursuant to Law 15/2010 of 5 July 2010, amending Law 3/2004 of 29 December 2004, which introduces measures to combat late payments in commercial transactions, the information on late payments to suppliers is indicated in note 21 to the annual accounts. Practically all the payments to suppliers are made within the payment periods indicated in the law and/or agreed with these suppliers.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

**SIGNIFICANT EVENTS IN THE YEAR ENDED 31 DECEMBER 2021**

During this period progress was made in developing and assembling the initiatives foreseen in the investment plan to increase the production capacity and develop new products and finishes.

R&D ACTIVITIES

The Company's intense research and development work has continued on new products and on production improvements, which will enable the Company to cater to the demands of a market that is increasingly global, albeit highly disparate based on the geographical region in which the market is located. In addition, new finishes are being sought to provide greater product stability and a lengthening of life, and to offer even better qualities.

OWN SHARES

Asturiana de Laminados, S.A. shares are listed on BME Growth (formerly called "Mercado Alternativo Bursátil"), forming part of the Ibex Growth Market® 15 index.

At 31 December 2021 the Company holds 692,191 own shares valued at Euros 232,656, which represent 0.5% of the Company's share capital. In 2021 the Company carried out transactions with own shares as follows:

(Continued)

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Number of shares
Balance at 01.01.2021	134,409
Purchases prior to stock split	254,651
Sales prior to stock split	(259,403)
Stock split	518,628
Purchases after stock split	104,316
Sales after stock split	(60,410)
Balance at 31.12.2021	692,191

All the sales of own shares made by the Company in 2021 relate to transactions performed exclusively by the liquidity supplier pursuant to the operational guidelines established by the market regulator.

During the year ended 31 December 2021 a total of 113 million shares were traded on the market for a total amount of almost Euros 40 million. Capitalisation totalled Euros 42.3 million at 31 December 2021.

RISK MANAGEMENT POLICY

Financial risk is centrally managed at the Company by the directors. The main financial risks affecting the Company are as follows:

(i) Credit risk:

The Company takes out insurance policies to mitigate the credit risk derived from sales to third parties.

In 2021, the Company intensified its activity in the collections and risks department in order to meet the collection targets set before the crisis caused by the COVID-19 pandemic. However, it has not been necessary to change the policies developed in previous years, since they have been considered sufficient in order to face the new socio-economic reality.

The average collection period has not changed with respect to the average period prior to the pandemic caused by COVID-19 and, likewise, the percentage of debt covered by insurance has not changed.

(ii) Liquidity risk:

The cash presented in the balance sheet, the financing facilities disclosed in the notes to the annual accounts, the new financial transactions performed and the expected increase in cash flows from ordinary activities as a result of the current growth in sales are all factors that ensure the Company's liquidity and capacity to meet all payment commitments derived from its substantial and ongoing expansion.

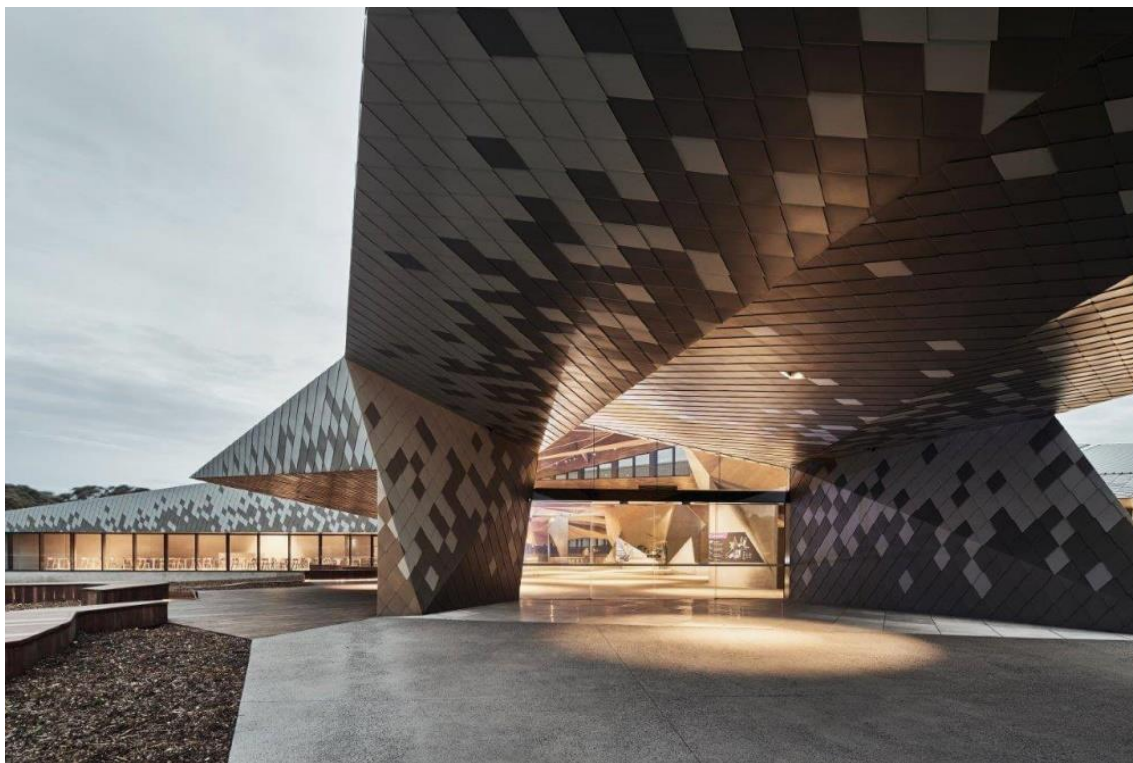
At 31 December 2021 the Company's working capital is positive in an amount of Euros 5,952 thousand (negative working capital of Euros 5,376 thousand at 31 December 2020).

(Continued)

ASTURIANA DE LAMINADOS, S.A.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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Additionally, the Company has undrawn financing lines at 31 December 2021 amounting to Euros 9.7 million and bill discounting and reverse factoring lines for financing working capital, which mature in the long term and are recognised in the short term at an amount of Euros 8.7 million.

Also, in 2021 the Company arranged an extension of the grace period (one more year) and maturity (two more years) of the loans under the ICO COVID-19 guarantee line arranged in 2020.

Moreover, the Company has also issued bonds during the year in order to optimise its financial structure and adjust the repayment schedule of certain debts to the reality of the Company's business plan, once the investment in the finishing line has been completed and taking into account the administrative and technical delays that have occurred.

In addition, the Company generated positive operating cash flows in 2021 that are sufficient to meet its obligations in the short term as a result of the increase in sales it is witnessing.

Consequently, these facilities, together with the cash flows generated by the business and the financing transactions performed, provide the Company with sufficient liquidity in the course of its forecast transactions.

(iii) Market risk:

Both the cash balances and the financial debt of the Company are exposed to interest rate risk, which could have an adverse impact on its financial results and cash flows.

(Continued)

ASTURIANA DE LAMINADOS, S.A.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

As regards currency risk, the Company did not perform any significant transactions in foreign currency in 2021 or 2020.

(iv) Hedges

Given the unique possibility of fixing metal purchases in advance, it has not been and is not expected to be necessary to arrange derivatives to hedge exposure to zinc price fluctuations.

SIGNIFICANT EVENTS AFTER THE ANNUAL REPORTING PERIOD ENDED 31 DECEMBER 2021

No significant events have occurred since 31 December 2021 that would require disclosure, except for the matters indicated in note 22 to the accompanying annual accounts.

(Continued)

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

On 31 March 2022 the Directors of Asturiana de Laminados, S.A. authorised for issue the annual accounts and directors' report for the year ended 31 December 2021.

Signed:

Macario Fernández Fernández
Chairman and CEO

Macario Fernández García
Board Member

Luis Tejuca Suarez
Board Member

José Troteaga Fernández
Board Member

Agustín Azparren Lucas
Board Member

Manuel José del Dago Fernández
Board Member

Carlos J. Álvarez Fernández
Board Member

Maria Elvira Fernández Hevia
Board Member

Salvador Garriga Polledo
Board Member

Certificate: To attest that the annual accounts, authorised for issue by the Board of Directors at its meeting on 31 March 2022, are those attached and signed by the Secretary of the Board.

Pablo Álvarez de Linera Granda
Non-Executive Secretary