

APOLLO TYRES IBÉRICA, S.A.U.

Financial Statements for the year ended March 31st 2022 and Director's Report, together with Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 1 and 18). In the event of a discrepancy, the Spanish-language version prevails.



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Memory of the annual accounts of the exercise finished on the 31st of March 2022 (Expressed in Euros)

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ASSETS	Notes to the report	2022	2021
A) NON-CURRENT ASSETS		129.224	125.299
I. Intangible Fixed Assets		0	0
1. Development			
2. Concessions			
3. Patents, licenses, trademarks & other intangible fixed assets			
4. Goodwill			
5. Computer applications			
6. Re-search			
7. Intellectual property			
8. Greenhouse gas emission allowance trading.			
9. Other intangible fixed assets.			
II. Tangible Fixed Assets	6	115.912	111.987
1. Properties and constructions			
2. Technical installations & other tangible fixed assets		115.912	111.987
3. Fixed assets under construction and advances			
III. Real estate investments.		0	0
1. Properties			
2. Constructions			
IV. Long-Term Investments in Group and Associated Companies		0	0
1. Financial investments			
2. Company loans			
3. Securities representing debt			
4. Derivatives			
5. Other financial assets			
6. Other investments			
V. Long-Term Financial Investments	7.1	13.312	13.312
1. Financial investments			
2. Third party loans			
3. Securities representing debt			
4. Derivatives			
5. Other financial assets		13.312	13.312
6. Other investments			
VI. Deferred Tax Assets			
VII. Non-current trade payables.			
B) CURRENT ASSETS		6.707.285	6.120.133
I. Non-Current Assets Maintained for Sale			
II. Stock	8	850.421	628.901
1. Trade		850.421	628.901
2. Raw materials and other supplies			
3. Products in progress			
4. Finished products			
5. By-products, waste & recovered materials			
6. Advances to suppliers		0	0
III. Trade Debtors and Other Accounts Receivable	7.2	2.681.159	1.505.748
1. Customers, sales and services rendered		2.260.535	1.350.337
2. Customers, group and associated companies		391.423	115.863
3. Sundry debtors		29.152	39.515
4. Personnel.			
5. Assets through current taxes			
6. Other Public Administration Credits	12.b	49	33
7. Stakeholders (partners) through forced disbursement			
IV. Short-Term Investments in Group and Associated Companies	7.3	2.338.696	3.702.252
1. Financial investments			
2. Company loans		2.338.696	3.702.252
3. Securities representing debt			
4. Derivatives			
5. Other financial assets			
6. Other investments			
V. Short-Term Investments in Group and Associated Companies		0	0
1. Financial investments			
2. Company loans			
3. Securities representing debt			
4. Derivatives			
5. Other financial assets			
6. Other investments			
VI. Short-Term installments			
VII. Cash and other equivalent liquid assets		837.009	283.232
1. Cash		837.009	283.232
2. Cash equivalent			
TOTAL ASSETS (A+B)		6.836.509	6.245.432

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EQUITY & LIABILITIES	Notes to the report	2022	2021
A) EQUITY		5.387.343	5.163.127
A-1) Total Equity		5.387.343	5.163.127
I. Capital.	9	3.101.245	3.101.245
1. Stated capital		3.101.245	3.101.245
2. (Non-due capital).			
II. Share premium			
III. Reserves	9		2.062.373
1. Legal and statutory		2.062.373	366.479
2. Other reserves		366.479	1.695.894
2. Revaluation reserve		1.695.894	
IV. (Own equity shares).			
V. Year End P&L		-491	0
1. Balance carried forward			
2. (Negative Year End P&L)			0
VI. Other contributions by partners			
VII. Year End P&L		224.216	-491
VIII. (Interim dividend)			
IX. Other financial investments			
A-2) Value Change Adjustments		0	0
I. Financial assets available for sale			
II. For operation hedges			
III. Non-current liabilities linked assets held for sale.			
VI. Non-current trade payables.			
V. Other			
A-3) Received subsidies, donations and legacies			
B) NON-CURRENT LIABILITIES		0	0
I. Long-Term Provisions		0	0
1. Long-term personnel obligations			
2. Environmental activities			
3. Restructuring provisions			
4. Other provisions.			
II Long-term Debts		0	0
1. Liabilities & other negotiable instruments			
2. Bank loans			
3. Financial leasing creditors			
4. Derivatives			
5. Other financial liabilities			
III. Long-Term Group & Associated Company Debts			
IV. Deferred Tax Liabilities			
V. Long-term installments			
VI. Non-current trade payables.			
VII. Debt Long-term special features.			
C) CURRENT LIABILITIES		1.449.166	1.082.305
I. Liabilities linked to non-current assets maintained for sale			
II. Short-Term Provisions			
1. Provisions for allowances of greenhouse gases.			
2. Other provisions.			
III. Short-Term Debts		0	0
1. Liabilities and other negotiable instruments			
2. Bank loans			
3. Financial leasing creditors			
4. Derivatives.			
5. Other financial liabilities			
IV. Short-term debts with group and associated companies			
V. Trade Creditors and Other Accounts Payable	10	1.449.166	1.082.305
1. Suppliers			
2. Suppliers, group and associated companies		0	0
3. Sundry creditors		683.065	506.553
4. Personnel (outstanding remunerations).		259.479	186.131
5. Current tax liabilities		154.000	102.043
6. Other Public Administration debts	12.b	351.381	287.578
7. Customer advances	12.b	1.241	0
VI. Short-Term installments			
VII. Debts with special features short term.			
TOTAL NET WORTH & LIABILITIES (A+B+C)		6.836.509	6.245.432

Memory of the annual accounts of the exercise finished on the 31st of March 2022 (Expressed in Euros)

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PROFIT AND LOSS ACCOUNT FOR YEAR ENDED MARCH 31st, 2022 and 2021			
	Notes	(Debit) Credit	
		2022	2021
A) ONGOING OPERATING ACTIVITIES			
1. Net turnover	13.a	28.450.382	18.897.127
a) Sales		28.450.382	18.897.127
b) Services rendered			0
c) Income from financial nature of the Holding companies.			
2. Variation in stocks of finished goods & products in progress			
3. Work performed for company's assets			
4. Supplies.	13.b	-22.435.344	-14.368.308
a) Consumption of commodities		-22.385.394	-14.381.374
b) Consumption of raw materials and other consumables			
c) Contracted services			
d) Depreciation of commodities, raw materials and other supplies		-49.950	13.066
5. Other operating income		1.514.987	696.592
a) Non-core and other operating income		1.514.987	684.863
b) Operating subsidies included in the year's P&L		0	11.729
6. Personnel costs	13.c	-2.125.104	-1.275.115
a) Wages, salaries and similar costs		-1.825.925	-1.034.876
b) Social security contributions		-299.179	-240.239
c) Provisions			
7. Other operating expenses	13.d	-5.038.137	-3.869.715
a) External services		-5.036.851	-3.866.758
b) Taxes		-6.799	0
c) Losses, depreciation and variation in provisions for commercial operations		5.513	-2.957
d) Other current operating expenses			
e) Expenses emission of greenhouse gases.			
8. Fixed Asset Amortization	6	-28.792	-24.406
9. Allocation of Non-Financial & Other Fixed Asset Subsidies			
10. Excess Provisions			
11. Depreciation and Fixed Asset Disposal Results		0	0
a) Depreciation & losses		0	
b) Disposal and other results			
c) Depreciation and Fixed Asset Disposal Results of the Holding companies.			
12. Negative goodwill on business combinations			
13. Other Operating Results		0	11
A.1) OPERATING RESULT (1+2+3+4+5+6+7+8+9+10+11+12+13)		337.992	56.186
14. Financial income	14.a	40.224	45.366
a) From shares in financial investments		0	
a ₁) Group and associated companies			
a ₂) Third parties			
b) From marketable securities and other financial instruments		40.224	45.366
b ₁) Group and associated companies		40.224	45.366
b ₂) Third parties			
c) Received subsidies, donations and legacies			
15. Financing costs		0	0
a) For group and associated company debts			
b) For third party debts			
c) For revaluation of provisions			
16. Reasonable value variation of financial instruments		0	0
a) Negotiation portfolio and other			
b) Allocation to P&L of financial assets available for sale			
17. Exchange Rate Differences			
18. Depreciation and results from the sale of financial instruments		0	0
a) Depreciation and losses			
b) Sales results and other results			
19. Other finance income and costs			
a) Addition to assets of financial expenses.			
b) Income from financial arrangements with creditors..			
c) Other income and expenses.			
A.2) INTEREST P&L (14+15+16+17+18+19)		40.224	45.366
A.3) PRE-TAX P&L (A.1+A.2)		378.216	101.552
20. Income Tax	12.c	-154.000	-102.043
A.4) YEAR-END P&L FROM ONGOING OPERATIONS (A.3+20)		224.216	-491
B) DISCONTINUED OPERATIONS			
21. P&L attributed to net discontinued operations			
A.5) YEAR-END P&L (A.4+21)		224.216	-491

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CASH FLOWS FOR YEAR ENDED MARCH 31st, 2022 and 2021

	Notes	2022	2021
A) CASH FLOWS FROM OPERATING ACTIVITIES		586.494	-358.826
1. PRE-TAX P&L		378.216	101.552
2. P&L Adjustments		33.005	-31.069
a) Fixed asset amortization (+).		28.792	24.406
b) Value corrections due to depreciation (+/-).		-5.513	2.957
c) Changes in provisions (+/-).		49.950	-13.066
d) Allocation of subsidies (-).			
e) Removal or sale of fixed assets (+/-).		0	0
f) Cancellation or sale of financial investments (+/-).			
g) Income (-).		-40.224	-45.366
h) Expenses (+).			
i) Exchange rate differences (+/-).			
j) Reasonable value changes in financial instruments (+/-).			
k) Other income and expenses (-/+).			
3. Changes in working capital		289.049	-372.632
a) Stocks (+/-).		-271.470	267.963
b) Creditors and other accounts receivable (+/-).		-1.169.898	-277.618
c) Other current assets (+/-).		1.363.556	-203.642
d) Creditors and other accounts payable (+/-).		366.861	-159.335
e) Other current liabilities (+/-).			
f) Other non-current assets and liabilities (+/-)			
4. Other operating cash flows		-113.776	-56.677
a) Interest payments (-).			
b) Accrued dividends (+).			
c) Accrued interest (+).		40.224	45.366
d) Accrued (paid) income tax (+/-).		-154.000	-102.043
e) Other payables (receivables) (-/+)		0	0
5. Cash flows from operating activities (+/--1+/-2+/-3+/-4)		586.494	-358.826
B) CASH FLOWS FROM INVESTMENTS		-32.717	-11.892
6. Investment payments (-).		-32.717	-11.892
a) Group and associated companies			
b) Intangible fixed assets			
c) Tangible fixed assets		-32.717	-11.272
d) Real estate investments			
e) Other financial assets		0	-620
f) Non-current assets for sale			
g) Business unit			
h) Other assets			
7. Accrued disinvestments (+).		0	0
a) Group and associated companies			
b) Intangible fixed assets			
c) Tangible fixed assets			
d) Real estate investments			
e) Other financial assets			
f) Non-current assets for sale			
g) Business unit			
h) Other assets			
8. Cash flows from investments (7-6)		-32.717	-11.892
C) CASH FLOWS FROM FINANCING ACTIVITIES		0	0
9. Financial instrument receivables and payables		0	0
a) Issue of financial investments (+).			
b) Depreciation of financial investments (-).			
c) Purchase of own equity investments (-).			
d) Sale of own equity investments (+).			
e) Subsidies, donations and legacies		0	0
10. Financial instrument receivables and payables		0	0
a) Issue			
1. Liabilities and other negotiable instruments (+).			
2. Bank loans (+).			
3. Group and associated companies debts (+).			
4. Special debts (+).			
5. Other debts (+).			
b) Return and amortization of		0	0
1. Liabilities and other negotiable instruments (-).			
2. Bank loans (-).			
3. Group and associated companies debts (-).			
4. Special debts (-).			
5. Other debts (-).			
11. Other financial instrument receivables and payables			
a) Dividends (-).			
b) Remuneration of other financial instruments (-).			
12. Cash flows from financing activities (+/-9+/-10-11)		0	0
D) Effect of differences in exchange rate			
E) NET CASH INCREASE/DECREASE OR EQUIVALENT (+/-5+/-8+/-12+/-D)		553.777	-370.718
Cash or equivalent at start of fiscal year		283.232	653.950
Cash or equivalent at end of fiscal year		837.009	283.232

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A) STATEMENT OF RECORDED INCOME AND EXPENSES FOR THE YEAR ENDED MARCH 31st, 2022 and 2021

	Notes to the report	2022	2021
A) Profit & Loss Account		224.216	-491
Income & expenditure charged directly to net worth			
I. For valuation of financial instruments.		0	
1. Financial assets available for sale			
2. Other income/expenses			
II. For cash flow hedges			
III. Received subsidies, donations and legacies		0	11.729
IV. For actuarial profits & losses and other adjustments			
V. Non-current liabilities linked assets held for sale.			
VI. Translation differences			
VII. Tax effect			
B) Total income and expenditure charged directly to net worth (I+II+III+IV+V+VI+VII)		0	11.729
Transfers to the P&L account			
VIII. For financial instruments valuation		0	
1. Financial assets available for sale.			
2. Other income/expenses			
IX. For cash flow hedges			
X. Received subsidies, donations and legacies.			
XI. Non-current liabilities linked assets held for sale.			
XII. Translation differences.			
XIII. Tax effect.			
C) Total transfers to the P&L Account (VI+VII+VIII+IX+X+XI+XII+XIII)		0	
TOTAL RECORDED INCOME AND EXPENDITURE (A+B+C)		224.216	11.238

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APOLLO TYRES IBÉRICA, S.A.U.

B) TOTAL CHANGES IN NET WORTH FOR YEAR ENDED MARCH 31st, 2022 and 2021

	Capital		Reserves	(Own shares in net worth)	Previous year P&L	Other partner contributions	Year End P&L (Interim dividend)	Other net worth instruments	Value change adjustments	Subsidies, donations and legacies received	TOTAL
	Stated	Not due									
A. BALANCE FOR YEAR ENDED MARCH 31st, 2020	3.101.245	0	1.956.079	0	0	0	106.295	0	0	0	5.163.619
I. Adjustments due to changes of 2020 and prior criteria											
II. Adjustments due to 2020 and prior errors											
B. ADJUSTED BALANCE AS OF ABRIL 1st, 2020	3.101.245	0	1.956.079	0	0	0	106.295	0	0	0	5.163.619
I. Total recorded income and expenditure							-491				-491
II. Operations with partners or owners	0	0	0	0	0	0	0	0	0	0	0
1. Capital increases											0
2. (-) Capital reductions											0
3. Conversion of financial liabilities into net worth (conversion of obligations, writing off of debts)											0
4. (-) Distribution of dividends											0
5. Operations with own shares (net)											0
6. Net worth increase (reduction) resulting from the combination of businesses											0
7. Other operations with partners or owners											0
III. Other variations in net worth			106.295		0		-106.295				0
1. Movement of the revaluation reserve.											0
2. Other changes.			106.295		0		-106.295				0
C. BALANCE FOR YEAR ENDED MARCH 31st, 2021	3.101.245	0	2.082.373	0	0	0	-491	0	0	0	5.163.127
I. Adjustments due to change of criteria 2021											
II. Adjustments due to errors 2021											
D. ADJUSTED BALANCE AS OF APRIL 1st, 2021	3.101.245	0	2.082.373	0	0	0	-491	0	0	0	5.163.127
I. Total recorded income and expenditure							224.216				224.216
II. Operations with partners or owners	0	0	0	0	0	0	0	0	0	0	0
1. Capital increases											0
2. (-) Capital reductions											0
3. Conversion of financial liabilities into net worth (conversion of obligations, writing off of debts)											0
4. (-) Distribution of dividends											0
5. Operations with own shares (net)											0
6. Net worth increase (reduction) resulting from the combination of businesses											0
7. Other operations with partners or owners											0
III. Other variations in net worth			0		-491		491				0
1. Movement of the revaluation reserve.			0								0
2. Other changes.			0		-491		491				0
E. BALANCE FOR YEAR ENDED MARCH 31st, 2022	3.101.245	0	2.082.373	0	-491	0	224.216	0	0	0	5.387.343

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1 COMPANY'S ACTIVITY

Apollo Vredestein Ibérica, S.A.U. (hereinafter the Company) was incorporated as a public limited company in Spain on December 1st, 1987 under the name Vredestein Ibérica, S.A., for an indefinite period of time. As of December 31st, 2012 it was modified for Apollo Vredestein Ibérica, S.A. On January 30th, 2019, the Extraordinary and Universal General Shareholders Meeting approved the decision of single-shareholder, modifying its name to Apollo Vredestein Ibérica, S.A.U. As of June 30th, 2021 the General Shareholders Meeting approved the modification of the name to Apollo Tyres Ibérica S.A.U.

On October 23th, 2017, the Company meeting at the Extraordinary General Shareholders' Meeting approved the change of registered office until the date established in Carretera de l'Hospitalet, Cityparc Edificio Bruselas, 147, Cornellà de Llobregat (Barcelona) to Carretera de Trasierra nº 29, local 51 (Urbanization Sagrada Familia) of Córdoba.

Its fiscal domicile continues in Carretera de l'Hospitalet, Cityparc, Edificio Bruselas, 147 in Cornellà de Llobregat (Barcelona).

Its corporate object and core business is purchasing, importing and selling all types of industrial products made from rubber, resins and active materials, as well as all types of products made from these materials that are complementary to the trade sector and the industry, and to the goods it manufactures.

The Company belongs to the Vredestein Group through its only shareholder: Apollo Vredestein, B.V. (see Note 9), Group's dominant company. Both companies have their corporate address in The Netherlands.

As of March 31st, 2022 and 2021, Apollo Tyres Ibérica, S.A.U does not form a decision body with other companies located in Spain, in compliance with Rule 13 of the Rules of Preparation of Annual Accounts.

Unless otherwise stated, the amounts in the accounting forms attached here (balance, P&L account, changes in net worth, cash flows and notes to the report) are expressed in euros.

2 BASIS FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

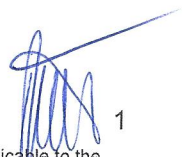
1) True and fair reflection

The annual accounts are based on the company's accounting records and comply with the commercial law in force and the General Accounting Plan defined in Royal Decree of November 16th, 1514/2007 and the modifications made by the Royal Decree of September 17th 1159/2010, and the Royal Decree of December 2nd 602/2016. The objective of these annual accounts is to show a true and fair reflection of the Company's equity, financial situation, bottom line and cash flows incorporate to the Chas-flow statement.

The annual accounts prepared by the Sole Administrator shall be approved by the Shareholders' Meeting. The annual accounts are expected to be approved without any amendments.

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2) Non mandatory accounting principles

There are no significant accounting principles or generally accepted assessment criteria in Spain that have not been applied to these annual accounts.

3) Changes in accounting policies as a result of the Royal Decree 1/2021

The past January 1st, 2021, the RD 1/2021, of January 12th, was published in the Official State Gazette by which the General Accounting Plan, approved by the RD 1514/2007 on November 16th, was modified. Consequently, the past February 13th, 2021, the resolutions of the Accounting and Auditing Institute, which dictates rules of register, valuation and elaboration of annual accounts for the recognition of income from the delivery of goods and the provision of services (hereinafter "Income Resolution"), was published in the Official State Gazette.

In accordance with section 1) of the First Transitory Provision of the Royal Decree 1/2021, the Company, has opted for the application of the new criteria considering as transition date January 1st, 2021, and the figures corresponding for the year ended March 31st, 2021 that are included for comparison purposes in the annual accounts for the year ended March 31st, 2022, have not been adapted to the new criteria, without prejudice to the reclassification of the items from the previous year of financial instruments to the new presentation in application of the 6th Transitory Provision section 6 e).

The content of the Royal Decree and the Resolution, previously mentioned, must be applied in the Annual Accounts corresponding to the financial years starting from January 2021.

The changes affect the Company mainly in the following items:

- **Financial instruments**
- **Income from sales and provision of services**

The main differences between the accounting and classification criteria used in the financial statements for the year ended March 31st, 2021 and the criteria used in the financial statements for the year ended March 31st, 2022 that have affected the Company are the following:

a) Financial instruments

Financial instruments are now classified depending on our management or business model to manage the financial assets and the contractual terms of their own cash flows.

a.1) The classification of financial assets is falls into the following categories:

- I. **Fair value with changes in the profit and loss account:** In this category all the financial assets, except for those that should be classified in another category, have been included. Groups the previous portfolios of "Financial assets held for trading" and "Other financial assets at fair value with changes in the profit and loss account". Likewise, derivatives have been classified under this category, which were previously classified as "Derivatives and others", as well as certain loans to third parties.

- II. **Amortized cost:** The previous portfolios of "Loans and receivables" and "Held-to-maturity investments" have been included in this category to the extent that they are held with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial assets give rise, on specific dates, to cash flows that are solely collections of principal and interest on the amount of principal outstanding. Likewise, credits for commercial operations and credits for non-commercial operations are also included in this category.
- III. **Cost:** This category mainly comprises the assets referring to the Company's investments in group companies, jointly controlled entities and associates.

The classification of financial liabilities falls into the following main categories:

- I. **Fair value with changes in the profit and loss account:** The previous portfolios of "Financial liabilities held for trading" and "Other financial liabilities at fair value with changes in the profit and loss account" are grouped in this category. The variation in value of the financial instruments that the Company has contracted to hedge operational and business risks is recognized in equity (hedge accounting) until the time of settlement, when said variation in value is classified in the account profit and loss.
- II. **Amortized cost:** All financial liabilities have been included in this category except those that must be valued at fair value with changes in the profit and loss account. Therefore, it includes the previous category of "Debits and items payable" and "Debits and items payable" for both commercial and non-commercial operations.

a.2) The valuation of financial instruments:

On the date of initial application of the RD 1/2021, January, 2021, the Company has opted for the application of the 2nd WP and to include comparative information without expressing it again, reclassifying the items of the financial statements for the year ended March 31st, 2021 to show the balances of said financial year adjusted to the new presentation criteria. Therefore, the Company has applied the new categories of financial instruments in accordance with RD 1/2021 for the year ended March 31st, 2022, and has applied the new categories, only for presentation purposes, for the comparative year ended on March 31st, 2021. Consequently, the reconciliation on the date of first application between each type of financial assets and liabilities is presented below:

Previous category	New category	31/03/2021 Restated	01/04/2021
Loans and receivables	Financial assets at amortized cost	1.389.852	1.389.852
Held-to-maturity investments	Financial assets at amortized cost	13.312	13.312
TOTAL FINANCIAL ASSETS		2.651.467	2.651.467
Commercial creditors and other accounts payable	Financial liabilities at amortized cost	692.684	692.684
TOTAL FINANCIAL LIABILITIES		3.120.885	3.120.885

The application of the second transitory provision of the Royal Decree has not had an impact on the net worth of the Company.

b) Sales and Service Delivery Revenue

The application as of January 1, 2021, of the ICAC Resolution that dictates the rules for registration, valuation and preparation of annual accounts for the recognition of income for the delivery of goods and the provision of services, and the last modification of the PGC and its complementary provisions through RD 1/2021, have brought about changes in NRV 14 "Income from sales and provision of services", as well as in the information to be included in the report on these transactions.

The new regulations are based on the principle that ordinary income is recognized when control of a good or service is transferred to the customer by the tax that reflects the consideration to which the Company expects to have the right - thus the concept of control, as a fundamental principle, replaces the current concept of risks and benefits.

To apply the above fundamental principle, the following successive steps must be followed:

- Identify contracts with customers;
- Identify the obligations to be fulfilled;
- Determine the price or consideration of the contract transaction;
- Assign the price of the transaction between the obligations to be fulfilled, and
- Recognize income when (or to the extent that) the Company satisfies each obligation committed.

The key changes to current practice are:

- The establishment of rules for the identification of the contract and the different goods and services included in it, as well as guidelines for the combination and modification of contracts.
- Setting of requirements to determine when the accrual of income occurs, in particular, to determine whether the income should be recognized at a single time or over time, depending on the percentage of completion of the activity.
- Definition of the price of the transaction and analysis of certain specific aspects such as deliveries to customers of cash, goods free of charge or flag costs; variable consideration for rebates, contingent quantities, ...; the financial component of the contract; and assets transferred by clients.
- Analysis of issues and particular cases such as: incremental costs of obtaining or fulfilling a contract, the right to return the product sold with reimbursement of the price charged, guarantees delivered to customers, indicators on performance on own account vs. Others, customer options on additional goods and services, assignment of licenses, etc.



In the application of the new criteria in terms of revenue recognition, the Company has chosen to apply the following practical solutions contemplated in section 2 of the Fifth Transitory Provision of Royal Decree 1/2021: for contracts that have finished or are beginning and terminate during the year ended March 31, 2021, the Company has not re-expressed such contracts. The impact of these changes has not produced changes in the Company's equity.

4) Comparison of information

For the purposes of the obligation established in article 35.6 of the Commercial Code, and for the purposes derived from the application of the principle of uniformity and the requirement of comparability, the annual accounts corresponding to the year ended March 31, 2022, are presented with the comparative figures from the previous year. After the entry into force of the new General Accounting Plan in January 2021, there are no additional modifications to those already described in Note 1.3 of 3) Changes in accounting policies as a result of Royal Decree 1/2021.

5) Critical Issues of Valuation and Estimation of Uncertainty

The unexpected outbreak of the pandemic occurred in March 2020, together with the successive variants of the virus, continues to affect the goods and services and financial economic markets. The challenges and uncertainty associated with the effectiveness of the vaccine and with the continuous new outbreaks, continued to generate uncertainty throughout 2021 in the valuation of the economy, particularly in the gas and oil sectors.

The Company has prepared its annual accounts based on its current business operations. There are no key assumptions entailing major risks or involving significant changes in the value of the Company's assets and liabilities for the following tax year.

The annual accounts include occasional estimations made by the Sole Administrator to quantify some recorded assets, liabilities, income, expenses and breakdowns. These estimations and hypotheses are based on the Company's experience and other reasonable facts and circumstances used to assess the accounting value of assets and liabilities which cannot be immediately determined in any other way.

Although all estimations are based on the best data available at the time of preparation of the annual accounts, any future changes to these estimations shall be applied prospectively as from that moment and will have an effect on the P&L account of the relevant year.

The main estimations and criteria applied in the preparation of the annual accounts are:

- Life of tangible fixed assets (see Note 4.1).
- Reasonable value of financial instruments (see Note 4.3).
- Value corrections due to stock depreciation (see Note 4.4).
- Provisions (see Note 4.10).

6) Consolidated entries

As to facilitate the comprehension of the balance, P&L, changes in net worth and cash flows, these statements are presented all together, presenting the required analysis in the corresponding notes.

7) Elements reflected in several entries

There are no net worth elements presented in two or more items in the balance.

8) Changes in accounting criteria

No adjustments have been made during the year ended March 31st ,2022 P&L accounts owing to changes in accounting criteria.

9) Correction of errors

The 2022 annual accounts do not include any adjustments resulting from the errors detected during the tax year.

3 PROPOSED DISTRIBUTION OF INCOME

The Sole Administrator will submit to the Shareholders' Meeting for their approval the distribution of income for the fiscal year is as follows:

	2022	2021
Legal Reserves	22.422	0
Voluntary reserves	201.303	0
Negative results from previous exercises	491	-491
Year End P&L	224.216	-491

The Company is obliged to devote 10% of the tax year profits to a legal reserve until it reaches at least 20% of the corporate capital. This reserve must exceed 20% of the corporate capital before it can be distributed among the shareholders (see note 9 of Total Equity).

After all legal provisions or by-laws are met, dividends can only be distributed and charged to profits or free disposition reserves if:

- The relevant legal provisions or by-laws have been met.
- The net worth is not –or will not be after the distribution– lower than the corporate capital. In this regard, profit allocated directly to net worth can't be distributed, neither directly nor indirectly. If any losses from previous years reduce the corporate net worth value below the corporate capital, profit will be used to offset these losses.



4 RECORDING AND VALUATION RULES

The main recording and valuation rules applied by the Company for the preparation of the annual accounts are:

4.1 **Tangible fixed assets**

Tangible fixed assets are shown at acquisition price less depreciation and the accumulated amount of any potential loss of value.

The cost of extending, modernizing or improving the fixed tangible assets is added to the assets as an increased value if it entails increasing their capacity, productivity or life, and provided that it is possible to know or estimate the book value of the items replaced in the inventory.

The financial costs directly attributable to the purchase or construction of tangible fixed assets that require over a year to be used, are added to expenses until they are available for operation.

The cost of major repairs is appraised and depreciated over their estimated life, while repeated maintenance costs are allocated to the P&L account in the year they occur.

With the exception of land, which is not depreciated, tangible fixed assets are systematically subject to a linear amortization according to their estimated life, less their effective depreciation due to their operation and use. The estimated lives of the tangible fixed assets are:

	Estimated life (years)
Technical installations and machinery	10 - 16.5
Other installations, tools and furniture	10
Other tangible fixed assets	4 - 7

In the case of leased properties, the relevant endowment criterion is applied so that the tangible fixed assets are completely written-off at the end of the contract. Likewise, the residual value and life of the assets is revised and adjusted on the date of the balance.

If the accounting value of an asset is higher than the estimated recoverable amount, its value is immediately reduced to its recoverable amount.

The profit and loss resulting from the sale of tangible fixed assets is calculated comparing the income obtained from the sale at the accounting value which is recorded in the P&L account.

At the end of each balance, the Company determines whether there are any signs of depreciation of any assets. Should there be any sign of depreciation, the Company shall estimate the recoverable amount of the asset as the highest value between its reasonable value less its sale cost and its value in use.

In order to determine the value in use of an asset, its estimated future cash flow is deducted from its current value by applying a discount rate that reflects the current value of money in the long term and the specific risks associated with the asset.



Memory of the annual accounts of the exercise finished on the 31st of March 2022 (Expressed in Euros)

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain. In the event of a discrepancy, the Spanish-language version prevails

If the analyzed asset does not produce a cash flow by itself regardless of other assets, the reasonable value or the value in use of the item producing the cash flow (smallest group of identifiable assets that produce a cash flow and are separately identifiable from other assets or asset groups) in which the asset is included. Should there be losses due to depreciation in an asset producing cash flow, its value in the books will be reduced proportionally to the value of all other related assets.

Losses due to depreciation (excessive value in the books versus the recoverable value) are stated in the P&L account.

If the Company has experienced losses due to depreciation in previous years, it shall assess at the end of each fiscal year whether the losses have disappeared or decreased. In any case, the recoverable value of the depreciated asset is considered.

Any losses due to depreciation stated in previous years may only be reverted through a change in the estimations used to determine the recoverable amount of the asset since identifying the last loss due to depreciation. In this case, the value of the asset in the books will be increased to its recoverable value and it shall not exceed the value recorded in the books, less amortization, unless the loss due to depreciation from previous years is identified. This reversion will be duly recorded in the P&L account.

4.2 Leases

a) If the Company is the lessee – Financial lease

The Company leases some tangible fixed assets. A financial lease is the lease of tangible fixed assets where the Company bears most of the risk and profit resulting from the property. Financial leases are capitalized at the start of the lease at the reasonable value of the leased property or at the current value of the minimum payments agreed for the lease, whichever is the lowest. The current value is calculated at the interest rate implicit in the agreement and, if it cannot be determined, at the interest rate applied by the Company in similar operations.

Every lease payment is distributed between assets and financial charges. The total financial charges are distributed throughout the lease period and allocated to the P&L account of the year with the applicable interest rate. Contingencies are allocated as expense in the year they occur. The relevant lease obligations, less financial charges, are included in "Creditors for financial leases". Fixed assets acquired through financial leases are depreciated through their life or duration of the contract, whichever is shortest.

b) If the Company is the lessee – Operating lease

Lease contracts where the lessor preserves a substantial part of all risks and profit attached to the ownership of assets are classified as operating leases. The operating lease payments (less incentives received from the lessor) are charged to the P&L account and are linearly recorded during the term of the lease.

c) If the Company is the lessor

The Company has not engaged in any operations as lessor.



4.3 Financial assets

a) Financial assets at fair value with changes in the profit and loss account

This category includes equity instruments that are not held for trading, nor that must be valued at cost, and on which the irrevocable choice has been made at the time of their initial recognition to present subsequent changes in fair value directly in equity.

Additionally, it includes those financial assets that were irrevocably intended, at the time of initial recognition as a measure of fair value with changes in the profit and loss account, and that would otherwise have been included in another category, to eliminate or significantly reduce a valuation inconsistency or accounting asymmetry that would otherwise arise from the valuation of assets or liabilities on different bases.

Initial assessment

The financial assets included in this category will initially be valued at their fair value, which, unless there is evidence to the contrary, will be the transaction price, which will be equivalent to the fair value of the consideration delivered. Transaction costs directly attributable to them shall be recognized in the profit and loss account for the financial year.

Subsequent assessment

After initial recognition, the Company will value the financial assets included in this category at fair value with changes in the profit and loss account.

b) Financial assets at amortized cost

Included in this category are those financial assets, including those admitted to trading on an organized market, in which the Company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only collections of principal and interest on the amount of the outstanding principal.

Contractual cash flows that are only charges of principal and interest on the amount of the outstanding principal are inherent in an agreement that has the nature of an ordinary or common loan, without prejudice to the fact that the operation is agreed at a zero or below market interest rate.

This category includes credits for commercial operations and credits for non-commercial operations:

- Credits for commercial operations: are those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with deferred collection.
- Credits for non-commercial operations: are those financial assets that, not being equity instruments or derivatives, have no commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company.



Initial assessment

Financial assets classified in this category shall initially be valued at their fair value, which, unless there is evidence to the contrary, shall be the transaction price, which shall be equal to the fair value of the consideration delivered, plus the transaction costs directly attributable to them.

However, credits for commercial transactions with a maturity not exceeding one year and which do not have an explicit contractual interest rate, as well as loans to staff, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, are valued at their nominal value to the extent that it is considered that the effect of not updating cash flows is not significant.

Subsequent assessment

Financial assets included in this category shall be valued at their amortized cost. Accrued interest shall be accounted for in the profit and loss account, applying the effective interest rate method.

However, loans with a maturity not exceeding one year that, in accordance with the provisions of the previous section, are initially valued at their nominal value, continue to be valued at that amount, unless they have deteriorated.

When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company analyzes whether it is appropriate to account for an impairment loss.

Impairment

The necessary valuation corrections are made, at least at closing and provided that there is objective evidence that the value of a financial asset, or of a group of financial assets with similar risk characteristics valued collectively, has deteriorated as a result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the debtor's insolvency.

In general, the impairment loss of these financial assets is the difference between their carrying value and the present value of future cash flows, including, where appropriate, those arising from the enforcement of the collateral and personal guarantees, which are expected to be generated, discounted at the effective interest rate calculated at the time of their initial recognition. For variable interest rate financial assets, the effective interest rate corresponding to the closing date of the annual accounts is used in accordance with the contractual conditions.

Impairment value adjustments, as well as their reversal when the amount of such loss decreases for reasons related to a subsequent event, are recognized as an expense or an income, respectively, in the profit and loss account. The reversal of impairment is limited to the carrying value of the asset that would be recognized on the date of reversal if the impairment had not been recorded.



c) Financial assets at cost

In any case, the following are included in this valuation category:

- Investments in the assets of group companies, multigroup and associates.
- Other investments in equity instruments whose fair value cannot be determined by reference to a price quoted on an active market for an identical instrument, or cannot be reliably estimated, and derivatives underlying these investments.
- Hybrid financial assets whose fair value cannot be reliably estimated unless the requirements for accounting at amortized cost are met.
- Contributions made as a result of a joint account contract and the like.
- Participatory loans whose interest is contingent, either because a fixed or variable interest rate is agreed conditional on the fulfillment of a milestone in the borrowing company (for example, the obtaining profits), or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company.
- Any other financial asset that was initially classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value.

Initial assessment

Investments included in this category shall initially be valued at cost, which is equivalent to the fair value of the consideration delivered plus transaction costs directly attributable to them, the latter not being incorporated into the cost of investments in group companies.

However, in cases where there is an investment prior to its classification as a group, multigroup or associated company, the cost of said investment is considered the book value that it should have immediately before the company becomes qualified.

Part of the initial valuation is the amount of preferential subscription rights and the like that, if applicable, have been acquired.

Subsequent assessment

Equity instruments included in this category are valued at their cost, less, where appropriate, the cumulative amount of impairment valuation corrections.

When these assets must be assigned value due to balance sheet loss or other reason, the method of the average cost weighted by homogeneous groups is applied, these being understood as the values that have equal rights.

In the case of sale of preferential subscription and similar rights or segregation thereof to exercise them, the amount of the cost of the rights decreases the book value of the respective assets.



Impairment

At least at the end of the financial year, the necessary valuation corrections are made whenever there is objective evidence that the carrying value of an investment will not be recoverable. The amount of the valuation correction is the difference between its carrying value and the recoverable amount, understood as the largest amount between its fair value minus the costs of sale and the present value of the future cash flows derived from the investment, which in the case of equity instruments is calculated, either by estimating those expected to be received as a result of the distribution of dividends made by the investee company and the disposal or withdrawal from accounts of the investment in it, or by estimating its participation in the cash flows that are expected to be generated by the investee company, from both its ordinary activities and its disposal or withdrawal from accounts.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss of this asset class is calculated based on the equity of the investee and the tacit capital gains existing at the date of valuation, net of the tax effect. In determining this value, and provided that the investee company has invested in another, the net worth included in the consolidated annual accounts prepared applying the criteria of the Commercial Code and its implementing rules is considered.

The recognition of impairment valuation corrections and, where appropriate, their reversal, is recorded as an expense or income, respectively, in the profit and loss account. Impairment reversal is limited to the carrying value of the investment that would be recognized on the date of reversal if the impairment had not been recorded.

However, in the event that there has been an investment in the company, prior to its classification as a group, multigroup or associated company, and prior to that rating, valuation adjustments directly imputed to the net worth derived from such investment have been made, these adjustments are maintained after the qualification until the disposal or withdrawal of the investment, at which time they are recorded in the profit and loss account, or until the following circumstances occur:

- (a) In the case of prior valuation adjustments for increase in value, impairment valuation adjustments shall be recorded against the equity item reflecting the valuation adjustments previously made up to the amount thereof, and the excess, if any, is recorded in the profit and loss account. The valuation correction for impairment directly imputed to the equity is not reversed.
- (b) In the case of previous valuation adjustments for value reductions, when subsequently the recoverable amount is higher than the book value of the investments, the latter is increased, up to the limit of the indicated value reduction, against the item that has collected the previous valuation adjustments and from that moment the new amount arising is considered the cost of the investment. However, when there is objective evidence of impairment in the value of the investment, losses accumulated directly in equity are recognized in the profit and loss account.



4.3.1 Accounting policies on financial assets applicable until March 2021

a) Loans and receivables

Loans and receivables were non-derivative financial assets with fixed or determinable collections that are not listed on an active market. They were included in current assets, except for maturities greater than 12 months from the balance sheet date which were classified as non-current assets. Loans and receivables were included in "Corporate Credits" and "Commercial Debtors and Other Accounts Receivable" on the balance sheet.

These financial assets were initially valued at fair value, including transaction costs directly attributable to them, and then at amortized cost recognizing the interest accrued according to their effective interest rate, understood as the discount rate that equals the carrying value of the instrument with all its estimated cash flows until maturity. However, the foregoing, credits for commercial operations with a maturity not exceeding one year were valued, both at the time of initial recognition and later, at their nominal value provided that the effect of not updating the flows was not significant.

At least at the end of the year, the necessary valuation adjustments for impairment were made if there was objective evidence that not all amounts due were collected.

The amount of impairment loss is the difference between the carrying value of the asset and the present value of estimated future cash flows, discounted at the effective interest rate at the time of initial recognition. The value adjustments, as well as, where appropriate, their reversal, were recognized in the profit and loss account.

b) Investments held to maturity

Financial assets held to maturity were debt securities with fixed or determinable collections and fixed maturity, which were traded on an active market and which the Company's management had the effective intention and ability to hold until maturity. If the Company were to sell a not insignificant amount of the financial assets held to maturity, the entire category would be reclassified as available for sale. These financial assets were included in non-current assets, except those with a maturity of less than 12 months from the balance sheet date that were classified as current assets.

The valuation criteria for these investments were the same as for loans and receivables.

c) Financial assets held for trading and other financial assets at fair value with changes in the profit and loss account.

Financial assets held for trading that are acquired for the purpose of being sold in the short term or are part of a portfolio of instruments identified and managed jointly for short-term gains, as well as the financial assets designated by it, are considered financial assets at fair value with changes in the profit and loss account. The Company at the time of initial recognition for inclusion in this category for resulting in more relevant information. Derivatives were also classified as held for trading as long as it was not a financial collateral contract or designated as hedging instruments.



These financial assets were valued, both at the initial time and at subsequent valuations, at their fair value, imputing the changes that occurred in that value in the profit and loss account for the year. Transaction costs directly attributable to the acquisition are recognized in the profit and loss account for the year.

d) Investments in the assets of group, multi-group and associated companies+

They were valued at cost minus, where appropriate, the cumulative amount of impairment adjustments. However, where there was an investment prior to its classification as a group, multi-group or associated undertaking, its book value was considered as the cost of the investment before it was classified. Previous valuation adjustments accounted for directly in equity were maintained in equity until they were cancelled.

If there was objective evidence that the carrying amount was not recoverable, appropriate valuation corrections were made for the difference between its carrying value and the recoverable amount, understood as the largest amount between its fair value minus the costs of sale and the present value of the cash flows derived from the investment. Unless there is better evidence of the recoverable amount, the estimate of the impairment of these investments considered the net worth of the investee company corrected for the tacit capital gains existing at the date of valuation. The value adjustment and, where appropriate, its reversal was recorded in the profit and loss account for the year in which it occurred.

e) Financial assets available for sale

This category included debt securities and equity instruments that were not classified in any of the above categories. They were included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

They were valued at fair value, recording changes that were directly in equity until the asset was disposed of or impaired, at which point the gains and losses accumulated in equity were charged to the profit and loss account, provided that it was possible to determine the said fair value. Otherwise, fewer impairment losses were recorded at cost.

In the case of financial assets available for sale, valuation corrections were made if there was objective evidence that their value deteriorated as a result of a reduction or delay in estimated future cash flows in the case of acquired debt instruments or due to the lack of recoverability of the carrying value of the asset in the case of investments in equity instruments. The valuation correction was the difference between its amortized cost or cost minus, where applicable, any valuation correction previously recognized in the profit and loss account and the fair value at the time the valuation was made. In the case of equity instruments that were valued at cost because their fair value could not be determined, the value adjustment was determined in the same way as for investments in the assets of group, multi-group and associated companies.

If there was objective evidence of impairment, the Company recognized in the profit and loss account the accumulated losses previously recognized in the net worth due to a decrease in fair value. Impairment losses recognized in the profit and loss account for equity instruments were not repaid through the profit and loss account.



The fair values of the listed investments were based on current purchase prices. If the market for a non-active financial asset (and for unlisted securities), the Company established fair value using valuation techniques that included the use of recent transactions between interested and duly reported parties, references to other substantially equal instruments, methods of discounting estimated future cash flows, and option pricing models using maximum observable market data and relying as little as possible on subjective considerations of the Company.

Financial assets were written off the balance sheet when substantially all the risks and benefits inherent in asset ownership were substantially exceeded. In the specific case of accounts receivable, it was understood that this event generally occurred if the risks of insolvency and default were transferred.

Assets that were designated as covered items were subject to the valuation requirements of hedging accounting.

4.4 Stock

Stock is appraised at its cost value or net realizable value, whichever is lowest. When the net realizable value is lower than its cost, it will be amended accordingly and included as cost in the P&L account. If the circumstances causing the value correction to cease to exist, the corrected amount will be reversed and included as income in the P&L account.

The cost is determined by the weighted average cost. The net realizable value is the sale price estimated in the normal course of business, less the estimated costs that would apply if the sale was carried out.

4.5 Total Equity

The share capital is represented by ordinary shares.
The cost of issuing new shares or options is set against the net worth as minor reserves.

4.6 Financial liabilities

Financial liabilities, for the purposes of their valuation, shall fall into one of the following categories:

a) Financial liabilities at amortized cost

In general, debits for commercial operation and debits for non-commercial operations are included in these categories:

- a) Debits for commercial operations: are those financial liabilities that originate in the purchase of goods and services for traffic operations of the company with deferred payment, and
- b) Debits for non-commercial operations: are those financial liabilities that, not being derivative instruments, have no commercial origin, but come from loan or credit operations received by the company.

Participatory loans that have characteristics of an ordinary or common loan are also included in this category without prejudice to the agreed interest rate (zero or below market).

Initial assessment

Financial liabilities included in this category are initially valued at their fair value, which is the transaction price, which is equivalent to the fair value of the consideration received adjusted for transaction costs directly attributable to them.

However, debts for commercial transactions with a maturity not exceeding one year and which do not have a contractual interest rate, as well as disbursements required by third parties on shares, the amount of which is expected to be paid in the short term, are valued at their nominal value, when the effect of not updating cash flows is not significant.

The subsequent assessment

Financial liabilities included in this category are valued at their amortized cost. Accrued interest is accounted for in the profit and loss account, applying the effective interest rate method.

However, debts with a maturity not exceeding one year that are initially valued at their nominal value continue to be valued at that amount.

b) Financial liabilities at fair value with changes in the profit and loss account

This category includes financial liabilities that meet any of the following conditions:

- a) Liabilities held for trading
- b) Those irrevocably designated from the time of initial recognition to account for fair value with changes in the profit and loss account, given that:
 - An inconsistency or “accounting asymmetry” with other instruments at fair value with changes in losses and profits is significantly eliminated or reduced; or
 - A group of financial liabilities or financial assets and liabilities is managed, and its performance is assessed on the bases of its fair value in accordance with a documented risk management or investment strategy and group information is also provided on the basis of fair value to management staff.
- c) Non-segregable hybrid financial liabilities included optionally and irrevocably.

Initial and subsequent assessment

Financial liabilities included in this category are initially valued at fair value, this being the transaction price, which is equivalent to the fair value of the consideration received. Transaction costs directly attributable to them are recognized in the profit and loss account for the period.

After initial recognition, financial liabilities falling under this category are valued at fair value with changes in the profit and loss account.



In the case of convertible bonds, the fair value of the liability component is determined by applying the interest rate for similar non-convertible bonds. This amount is accounted for as a liability based on the cost amortized until its settlement at the time of its conversion or maturity. The rest of the income obtained is allocated to the conversion option that is recognized in the net worth.

In the event of renegotiations of existing debts, it is considered that there are no substantial changes in financial liabilities when the lender of the new loan is the same as the lender who granted the initial loan and the present value of the cash flows, including net commissions, does not differ by more than 10% from the present value of the unpaid cash flows from the original liability calculated under the same method.

4.6.1 Accounting policies on financial liabilities applicable until March 2021

a) Debits and items to be paid

This category included debits for commercial operations and debits for non-commercial operations. These third-party resources were classified as current liabilities unless the Company has an unconditional right to defer their liquidation for at least 12 months after the balance sheet date.

These debts were originally recognized at their fair value adjusted for directly chargeable transaction costs and were subsequently recorded by their amortized cost according to the effective interest rate method. This effective interest is the discount rate that matches the carrying value of the instrument with the expected flow of expected future payment until the maturity of the liability.

However, the foregoing, debits for commercial transactions with a maturity not exceeding one year and that do not have a contractual interest rate were valued, both at the initial time and later, at their nominal value when the effect of not updating cash flows was not significant.

4.7 Income tax

The expenditure (income) resulting from income tax is accrued during the year and includes both current and deferred tax.

Both the current and deferred tax expenditure (income) are recorded in the loss account. However, the net worth includes taxes related to items that are directly recorded in the net worth.

Current tax assets and liabilities are valued according to the amounts expected to be paid to or recovered from the tax authorities, in compliance with the law in force or a law that has been passed and is pending publication at the closing of the year.

Deferred taxes are calculated with the liability method and are based on the temporary differences emerging between the asset and liability tax base and their book value. However, if deferred taxes arise from the initial identification of an asset or liability in a transaction different from a business combination, and they do not affect the accounting result or the tax base, then the deferred taxes are not recognized. Deferred taxes are based on the applicable regulations and on the approved tax rates –or to be approved on the date of the balance- and they are applied when the relevant asset for deferred taxes is received, or the liability paid.

Assets resulting from deferred taxes are recognized if it is expected that future tax profits will offset the temporary differences.

Deferred taxes are recognized on the temporary differences arising from investments in dependent, associated or combined business, except when the Company can control the reversion moment of the temporary differences and no reversion is expected in a foreseeable future.

4.8 Criteria used for recording and appraising personnel costs

In the case of defined benefit remuneration, the contributions to be made give rise to a liability for long-term remuneration to personnel when, at the end of the financial year, unpaid accrued contributions appear.

Except in the case of just cause, companies are obliged to indemnify their employees when their services cease.

In the absence of any foreseeable need for abnormal termination of employment and since employees who retire or voluntarily terminate their services do not receive severance payments, severance payments, when they arise, are charged to expense at the time the decision is made. decision to dismiss.

4.9 Income recognition

Income is recorded at the reasonable value of the compensation to be received and refers to the income to be received in exchange for the goods and services rendered when performing the Company's activities, less returns, discounts, rebates and VAT.

The Company recognizes income when its amount can be reliably established when future profits will have an impact on the Company and when the specific conditions described below for each activity are met. Income amounts cannot be established in a reliable manner until the sale contingencies are solved. The Company makes its estimations on the basis of historical results taking into account the type of client and transaction, as well as the terms and conditions of every agreement.

a) Sales

Income from the sale of goods or services is recognized at the reasonable value of the compensation to be received in exchange. Advance payment discounts, large volume rebates or other discounts, as well as the interest payable on credits, are deducted from the income.

Notwithstanding the above, the Company includes the interest rate applicable to commercial credits that expire in a maximum period of one year and have no contractual interest rate, provided that not updating the cash flow does not have a significant effect.

Discounts to clients are recognized at the moment that the discount conditions are likely to be met and are recorded as a reduction of the income from sales.



b) Income from interest rates

Income from interest rates is recognized by applying the effective interest rate method. When the value of an account receivable is depreciated, the Company reduces its book value from the recoverable amount, discounts future cash flows at the estimated original interest rate and records the discount as a reduced income due to interest rate. Income from interest rates resulting from depreciated loans is recognized by applying the effective interest rate method.

4.10 Provisions and contingent liabilities

Provisions are recognized when the Company has a current legal or implicit obligation resulting from past actions, when it is likely that it will require resources to pay the obligation and when the amount thereof can be reliably established.

Provisions are estimated at the current value of the disbursements that are expected to pay the obligation applying an interest rate before taxes that reflects the current temporary market value of money and the specific risks of the obligation. Any adjustments applied after updating the provisions are recorded as expenditure when they are accrued.

Provisions that expire within a year and whose financial impact is not significant are not discounted.

When a part of the amount required to pay the provision is reimbursed by a third party, it is recorded as an independent asset, provided that it is virtually secured.

Additionally, potential obligations resulting from past actions whose materialization is subject to one or more future events out of the Company's control are recorded as contingent liabilities. These contingent liabilities are not recorded in the books but are described in full in the report (Note 11).

4.11 Environment

Costs resulting from business actions addressed to protect and improve the environment are recorded as expenditure in the year they occur. When these costs are due to the purchase of new tangible fixed assets that minimize the Company's environmental impact and protect and improve the environment, they are recorded as tangible fixed assets.

4.12 Group and associated companies

As of its financial statements, it is considered that the group companies are part of it if they are associated to the Company within a control relationship. Control means having more than half of the vote rights of the Company or, even better, if it exists other motives or facts that show off the existence of control (as an example, shareholders agreements).

Associated companies are considered to be those in which the Company exercises significant influence. Significant influence means owning between 20% and 50% of the voting rights or, if less, if there are other reasons of facts that demonstrate the existence of significant influence.



4.13 Transactions with associated companies

In general, transactions with Group companies are recorded at the initial moment at their reasonable value. Should the agreed price differ from the reasonable value, the difference will be recorded according to the actual value of the transaction. Subsequent appraisals are subject to the regulation in force.

4.14 Transactions in foreign currency

Transactions in foreign currency are converted into the Company's currency (euros) by applying the exchange rates in force at the time of the transaction. All profits and losses in the foreign currency due to the payment of transactions in a foreign currency and their conversion into the Company's currency are recorded in the P&L account.

5 MANAGEMENT OF FINANCIAL RISK

5.1 Financial risk factors

The Company's activities are exposed to several financial risks: credit risks, interest rate risk for cash flows and reasonable values and liquidity risks. The Company's global risk management program is focused on the uncertainty of the financial markets and tries to minimize the potential adverse effects on its profit.

Risk management is controlled by the Company's Administrative-Financing Department.

a) Credit risk

The credit risk emerges from cash and cash equivalents, as well as from commercial debtors and other debts, including outstanding accounts receivable and transactions that the Company has engaged in.

The Company does not concentrate a significant credit risk. The Company has policies in place to ensure that wholesales are made to clients with a solid credit history. The Company evaluates the credit solvency of clients based on their financial position, past experience and other factors. The individual credit limits are based on internal criteria.

The Company establishes strict criteria when correcting values due to client insolvency, the review of individual balances based on the client's credit solvency, the current market trends and the historical analysis of accumulated insolvencies.

Regarding the financial investments made by the Company in financial entities until their maturity, the Company invests its funds in entities with a renowned solvency.

b) Cash-flow interest rate risk

As the Company does not hold significant assets remunerated with a variable interest rate, the income and cash-flows from their operating activities are quite independent from the market interest rates.



Likewise, the Company does not have any credits with financial entities or other entities that are subject to variable interest rates, so its cash-flows are barely conditioned by the evolution of interest rates in the market.

c) Liquidity risk

The Company is cautious in the management of its liquidity risk, which means that it maintains adequate cash and negotiable values, that it has funding available through enough credit instruments and can settle market positions. The Company has Group's financial support.

The Management Board monitors the liquidity reserves based on the expected cash-flows. During the fiscal year ended on March 31st, 2022, and until the date of these annual accounts, the Company has settled all payments resulting from debts with third parties.

5.2 Estimation of reasonable value

The reasonable value of financial investments not listed in an active market is calculated through appraisal techniques. The Company applies several methods and develops hypotheses that are based on the existing market conditions at the dates stated in the balance.

It is assumed that the book value of credits and debits related to commercial transactions is its approximate reasonable value.



6 TANGIBLE FIXED ASSETS

The details and movements of the tangible fixed assets is as follows:

	Technical installations and other tangible fixed assets	Total
As of April 1st, 2020		
Cost	215.237	215.237
Accumulated amortization	-90.116	-90.116
Net book value	125.121	125.121
2020		
Initial net book value	125.121	125.121
Additions	11.272	11.272
Disposals	0	0
Transfers	0	0
Amortization charges	-24.406	-24.406
Accumulated amortization	0	0
Net book value	111.987	111.987
As of March 31st, 2021		
Cost	226.509	226.509
Accumulated amortization	-114.522	-114.522
Net book value	111.987	111.987
2021		
Initial net book value	111.987	111.987
Additions	32.717	32.717
Disposals	0	0
Transfers	0	0
Amortization charges	-28.792	-28.792
Accumulated amortization	0	0
Net book value	115.912	115.912
As of March 31st, 2022		
Cost	259.226	259.226
Accumulated amortization	-143.314	-143.314
Net book value	115.912	115.912

Tangible fixed assets are amortized systematically during its estimated lifetime.

No events have occurred that significantly affect the residual value, life or amortization methods of tangible fixed assets in the current year or future years.

6.1 Depreciation losses

No events have occurred that significantly affect the life or amortization methods of intangible fixed assets in the current year or future years.

6.2 Disposals tangible fixed assets

During the year ended March 31st,2022 there haven't been disposals of fixed assets (same situation in the year ended March 31st,2021).

6.3 Goods purchased from Group and associated companies

No significant fixed assets were purchased from Group and associated companies during the year ended March 31st, 2022 (or during the year ended March 31st, 2021).

6.4 Fully amortized goods

As of March 31st,2022 some tangible fixed assets that are still in use have already been fully amortized. They amount to 38,924 euros (38,924 euros as of March 31st, 2021), as shown below:

	<u>2022</u>	<u>2021</u>
Other fixed assets	<u>38.924</u>	<u>38.924</u>
	<u>38.924</u>	<u>38.924</u>

6.5 Tangible fixed assets as guarantee

The Company does not have any assets used as guarantee for debts.

6.6 Goods subject to operating leases

The P&L account includes as expenditure the operating leases corresponding to the renting of vehicles, offices and the renting of the warehouse. The cost amounts to 364,856 euros (334,236 euros in the year ended March 31st, 2021) (See Note 13.d).

6.7 Insurance

The Company has taken out several insurance policies to cover the risks relevant to tangible fixed assets. Their coverage is considered sufficient.



7 FINANCIAL INVESTMENTS AND TRADE DEBTORS

7.1 Financial investments

Other financial assets as of March 31st, 2022, and 2021 for a total amount of 13,312 euros, correspond to guarantees and long-term deposits resulting from operating leases. (See Note 6.5 of tangible fixed assets).

7.2 Trade debtors and other receivables

The book values of debtor balances and other accounts receivable are expressed in euros.

The client balance and other receivables is as follows:

	2022	2021
Clients, sales and services rendered	2.278.230	1.373.545
Clients, group and associated companies (Note 14)	391.423	115.863
Other debtors	29.152	13.996
Other debtors group (Note 14)	0	25.519
Other Public Administration Credits (Note 12.b)	49	33
Provisions for value depreciation	-17.695	-23.208
Final balance	2.681.159	1.505.748

There are no significant differences between the carrying amounts and fair values in trade and other receivables.

The provisions for depreciation losses of receivables are as follows:

	2022	2021
Initial balance	-23.208	-29.769
Provision for receivables depreciation	-1.746	-7.566
Payment of doubtful receivables during the year	7.259	4.609
Reversal of provisions of doubtful receivables	0	9.518
Final balance	-17.695	-23.208

Reversion of the value not used. Values in the depreciation account are canceled when there are not expectations of recovering more cash.

The maximum credit risk exposure at the date the information was submitted is the reasonable value of each of the above-mentioned receivables. The Company does not have any guarantees as insurance.

7.3 Short-Term Investments in Group and Associated Companies

The amount of 2,338,696 euros (3,702,252 euros in the year ended March 31st, 2021) corresponding to short-term investments in group and associated companies are short time loans with the parent company Apollo Vredestein, B.V., as showed in Note 14 of balances and transactions with group companies and associates.

8 STOCK

The stock is classified as follows:

	2022	2021
Trade	917.155	645.685
Value adjustments due to depreciation	-66.734	-16.784
Final balance	850.421	628.901

The movement in the provision for impairment of inventories is as follows:

	2022	2021
Initial balance	-16.784	-29.850
Reversion for stock depreciation	0	13.066
Stock deterioration	-49.950	0
Final balance	-66.734	-16.784

9 TOTAL EQUITY

a) Capital

As of March 31st, 2022 and 2021 the share capital amounted to 3,101,245 shares with a par value of 1 euro each, fully subscribed and paid up. These shares have equal political and economic rights.

As of December 20th, 2018 it was formalized a purchase-sale contract of shares, where the shareholder Apollo Vredestein, B.V. acquired all the remaining shares of the other shareholders. As of March 31st, 2022, and 2021 the shareholders of Apollo TYRES Ibérica, S.A.U. are as follow:

Partners	Number of shares	Participation percentage
Apollo Vredestein, B.V.	3,101,245	100.00%
	3,101,245	100.00%

No restrictions apply to the free transfer of shares.

b) Reserves

The reserves are the following:

	<u>2022</u>	<u>2021</u>
Legal and statutory:		
Legal reserve	366.479	366.479
Other reserves:		
Voluntary reserves	1.695.894	1.695.894
	<u>2.062.373</u>	<u>2.062.373</u>

Legal reserve

Companies are forced to devote 10% of each year's profits to a reserve until it reaches at least 20% of the corporate capital. This reserve cannot be distributed among the shareholders and can only be used if there are no other reserves available to cover the P&L debt. It can also be used in some cases to increase the corporate capital when the reserve exceeds in 10% the previous capital increase. On 31st March 2022 this reserve isn't at the minimum level stated by law.

10 FINANCIAL LIABILITIES

Analysis per categories

The analysis per category of the financial liabilities as of March 31st, 2022 and 2021 is the following:

	<u>2022</u>	<u>2021</u>
<i>Group</i>		
Suppliers (note 14)	0	0
<i>Non-linked</i>		
Creditors	683.065	506.553
Personnel	259.479	186.131
Current tax liabilities (Note 12.b)	154.000	102.043
Other debts with Public Administrations (Note 12.b)	351.381	287.578
Advance Customers	1.241	0
FINAL BALANCE	<u>1.449.166</u>	<u>1.082.305</u>

Information regarding the payment of suppliers based on the Law 15/2010

The breakdown of payments for commercial operations carried out during this financial year and pending payment at its close, in relation to the maximum legal deadline anticipated in the law of 5th July 15/2010 on the “right to information”, is the following:

	2022	2021
	days	days
PMPE (days) payments	31	31
Ratio paid operations	14,00%	7,55%
Ratio of pending operations	1,56%	2,44%
	Amount (euros)	Amount (euros)
Total Payments	26.563.441	20.748.548
Total outstanding payments	683.065	506.553

The Law of December 3rd, 31/2014 modified the Law of 5th July 15/2010 about the information to provide in the financial statements to apply the average payment for commercial operations. Later, the ICAC Resolution of January 1st, 2016, explains the methodology for its calculation and requirements of information in the financial statements. This Resolution came into force on February 5th, 2016, for the all the financial statements ended as of January 1st, 2015.

11 CONTINGENCIES AND AGREEMENTS

a) Contingent assets

There are no contingent assets as of March 31st, 2022 and 2021.

b) Contingent liabilities

The Company has no guarantees. The Company has some contingent liabilities resulting from litigations related to the normal performance of its activities. No significant liabilities are expected in the future.

c) Purchase agreements

As of the date of the balance, the Company has not signed any purchase contracts to acquire tangible fixed assets.

d) Operating lease agreements (when the Company is the lessee)

The minimum future payments (not recorded) for non-convertible operating leases amount to the following:

	2022	2021
Less than 1 year	78.855	126.873
1 to 5 years	299.221	300.161
	378.076	427.034

12 TAX POSITION

a) Tax information

The Company has pending the inspection by the tax authorities of the last four years of the main taxes it is subject to, except Corporate Tax of which year 2017 prescribes on October 25th, 2022.

Therefore, the different interpretations of the current tax law, among other factors, could give rise to additional contingent liabilities that are difficult to quantify. In any case, the Sole Administrator considers that if there were any additional liabilities, they would not significantly impact the current annual accounts.

b) Balance with Public Administrations

As of March 31st, 2022 and 2021, the credit and debit balance with Public Administrations is the following:

	Debtors		Creditors	
	2022	2021	2022	2021
Public Treasury, VAT debtor	49	33		
Public Treasury, VAT creditor	0	0	300.149	238.543
Corporate Tax			154.000	102.043
Public Treasury, withholding tax creditor			20.421	20.927
Social Security			30.811	28.108
FINAL BALANCE	49	33	505.381	389.621

c) Income Tax

The reconciliation of the net income/expenses and Corporate Tax is as follows:

	2022		
	Increase	Reduction	Total
Year's income and expenditure	224.216	0	224.216
Corporate Tax	154.000		154.000
Permanent differences	237.784		237.784
Temporary differences	0		0
Offset negative taxable base from previous years			
Taxable base (result)	616.000	0	616.000

	2021		Total
	Increase	Reduction	
Year's income and expenditure	0	491	-491
Corporate Tax	102.043		102.043
Permanent differences	306.618		306.618
Temporary differences	0		0
Offset negative taxable base from previous years			
Taxable base (result)	408.661	491	408.170

13 INCOME AND EXPENSES

a) Net turnover and other operating income

The Company sells almost all its products (rubber products, resins and active materials) in the domestic market.

	2022	2021
Domestic market	27.492.379	18.776.904
Sales in Andorra	226.264	120.223
Sales in Portugal	731.739	0
Total sales	28.450.382	18.897.127

Other operating income from imports of 1,514,987 euros in 2022 and 684,683 euros in 2021 mainly corresponded to the turnover for tyre recycling and rebills to Apollo B.V. and Apollo France for personnel expenses hired in Apollo Tyres Ibérica that work for different group companies.

b) Supplies:

Consumption of goods

	2022	2021
Domestic purchases	22.656.864	14.649.337
Changes in stocks	-271.470	-267.963
Impairment of goods	49.950	-13.066
Total	22.435.344	14.368.308

The transfer pricing policy of Apollo Vredestein BV ("AVBV") was revised in collaboration with the specialists and in harmony with transfer pricing guide of the OECD for its application in the years 2018 and 2019 and subsequent years for all the European subsidiaries.

The TNMM (Transaction Net Margin method) method has been applied, which compares the net profit margin realized by an arm's length transaction with the net profit margin obtained by independent parties of similar transactions. In accordance with the application of this method, EBIT will correspond to maximum of 3% of the sales figure.

For this concept, the Company has received a credit note from AVBV in this year for an amount of 1,548,159 euros (1,342,736 euros in 2021)

c) The personnel costs are distributed as follows:

	<u>2022</u>	<u>2021</u>
Wages, salaries and similar costs	1.825.925	1.034.876
Social security contributions	299.179	240.239
	<u>2.125.104</u>	<u>1.275.115</u>

The average number of employees sorted by gender and professional categories is the following:

POSITION	2022			2021		
	Male	Female	Total	Male	Female	Total
Sole Administrator	1	0	1	1	0	1
Managers	1	0	1	1	0	1
Technicians and scientific experts	14	0	14	11	0	11
Office workers	2	7	9	0	6	6
Total	18	7	25	13	6	19

d) Other operating expenses

The Other operating expenses costs are distributed as follows:

	<u>2022</u>	<u>2021</u>
Leases	364.856	334.236
Repair, preservation and maintenance	2.920	2.814
Independent professional services	35.708	38.997
Transport expenses	1.774.488	1.508.110
Insurance premiums	61.643	37.162
Bank charges	26.125	15.336
Advertising, publicity and PR	501.791	430.953
Supplies	32.393	30.896
Other services	2.236.927	1.468.254
Total external services	<u>5.036.851</u>	<u>3.866.758</u>
Taxes	6.799	0
Losses, depreciation and variation in provisions for commercial operations	-5.513	2.957
	<u>1.286</u>	<u>2.957</u>
Total other operating expenses	<u>5.038.137</u>	<u>3.869.715</u>

e) Miscellaneous information

The accrued auditing fees for the year ended as of March 31st,2022 amounts to 14,000 euros (2021: 13,200 euros) by A.B.L. Auditores, S.L. for the financial statements auditing services rendered to the Company. For the year ended March 31st,2022 and 2021 the Company has not paid nor accrued any amounts for any other service to A.B.L. Auditores, S.L.

14 RELATED PARTY TRANSACTIONS

a) Balances and transactions with associated companies

The associated companies are the shareholders of the company Apollo Vredestein, B.V., as well as their dependent companies. The annual accounts include the assets and liabilities of the Company with Group and associated companies.

The detail of account balances with Group and associated companies is as follows (those account balances are also included in the notes 7.2, 7.3 and note 10):

	Financial assets		Current Asset		Liabilities	
	Credit		Customers		Debts	
	2022	2021	2022	2021	2022	2021
Apollo Vredestein, B.V.	2.338.696	3.702.252	374.495	127.136	0	0
Others	0	0	16.928	14.246	0	0
	2.338.696	3.702.252	391.423	141.382	0	0
	Note 7.3		Note 7.2		Note 10	

The balance with companies of the group corresponds to a contribution to bank accounts of the group related to advance payments for future responsibilities in the buying of goods and services offered by the parent company (See Note 7.3).

The Company has conducted the following transactions with the Group and associated companies:

	2022			2021		
	Purchases	Received services	Services provided	Purchases	Received services	Services provided
Apollo Vredestein, B.V.	22.656.864	882.004	372.550	14.364.494	1.809.496	185.483
Apollo Vredestein France S.A.S			169.277			14.830
Apollo Tyres Global R&D B.V			820			1.090
	22.656.864	882.004	542.647	14.364.494	1.809.496	201.403

The purchase order includes the payment of Apollo Vredestein BV (the parent company of the Group) for the purchases of tires made during the year and which is part of what has been established in the transfer pricing policy of the Group, such and as mentioned in note 13.b.

The services received include the expenses for logistic, telecommunications and advertising services invoiced by the Company's majority shareholder.

	2022	2021
	Interest	Interest
Apollo Vredestein, B.V.	40.224	45.366
	40.224	45.366

At the end of the fiscal year, interest settlement is made by the Company for the contributions to group bank accounts. The amount for the year ended March 31st 2022, is 40,224 euros (2021: 45,366 euros), with an interest rate of 0.83 % (2021: 0.83 %).

b) Remuneration of Administrators and Managers

In the year ended March 31st, 2022, the Sole Administrator did not receive any salaries, allowances or remunerations. Likewise, the Sole Administrator has not received any advances or credits and the Company had not paid for any specific pension plans or life insurance for the Administrators (identical situation as in 2021).

In the Company, the Senior Management corresponds to the General Management. During the years ended March 31, 2022, and March 31, 2021, Senior Management personnel received 478,803 euros and 123,812 euros, respectively, as compensation for salaries and wages. No advances or credits of any kind have been granted to members of Senior Management, nor have obligations been contracted in terms of pensions or life insurance (the same situation in the year ended March 31, 2021).

c) Other information on the Administrators

In order to avoid conflict with the interest of the Company, during the year the Sole Administrator has complied with its obligations under Article 228 of the revised text of the Corporations Act. Also, he and those related to them, have refrained from engaging in the alleged conflict of interest under section 229 of the Act, except in cases where it has been obtained proper authorization.

The Sole Administrator of the Company has no shares but holds positions or develops functions in companies whose corporate purpose is identical, similar or complementary to that of the Company in Austria, Italy, Britain, Holland, Germany, Switzerland, Sweden, Denmark, Finland, Belgium, France, Hungary, Poland and the US.



15 INFORMATION ON THE ENVIRONMENT

An environmental activity is any activity the purpose of which is to minimize the environmental impact and protect and improve the environment.

In the year ended of March 31st,2022 and 2021 the Company did not make any significant environmental investments or incurred in any expenses with the aim of protecting or improving the environment.

As of March 31st,2022 the Sole Administrator considers that there are no significant contingencies related to the protection and improvement of the environment and does not consider necessary to include a provision for environmental risks or expenses (identical situation as of March 31st, 2021).

On the other hand, the Company has not received any subsidies or income for environmental activities.

16 INFORMATION ON ALLOWANCES OF GREENHOUSE GASES

On August 27, 2004, Royal Decree Law 5/2004, establishing the system of trading allowances of greenhouse gases, which aims to help meet the obligations under the convention and the Kyoto Protocol.

Because of the activity to which the company is engaged, it will not be allocated allowances for greenhouse gases, which could be significant in relation to the assets, financial position and results of it.

17 EVENTS SUBSEQUENT TO YEAR'S END

The Company has continued to develop its activity normally at the beginning of the new fiscal year on April 1,2022, and until the date of formulation of these annual accounts there have been no extraordinary events that could mark its evolution and that could have a significant impact in the annual accounts.

18 EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

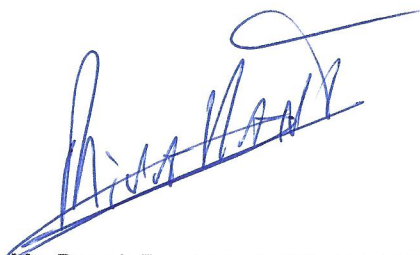
These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 2-1). Certain accounting practices applied by the Company that conform to that regulatory framework may not conform with other generally accepted accounting principles and rules.



APOLLO TYRES IBÉRICA S.A.U.

FORMULATION OF THE FINANCIAL STATEMENTS AND MANAGEMENT REPORT OF THE COURSE 2022

The sole administrator of the APOLLO TYRES IBÉRICA, S.A.U. company, on date April 29, 2022, and in compliance of the requirements established in the article 253 of the Capital Company's Law and the article 37 of the trade code, proceeds to formulate the financial statements and the management report of the annual course ended on March 31st 2022, which come constituted for the annexed documents that precede this document.



Mr. Benoit René Marie RIVALLANT

MANAGEMENT REPORT YEAR 2022

Previous considerations

The year ended March 31, 2022, presents a positive result before taxes of 378,216 euros and a turnover of 28,450,382 euros, achieving a 50.5% increase in sales compared to the previous year.

The main activity of the company is concentrated on the sale of passenger car tires under the two brands Vredestein and Apollo. Sales of Vredestein car tires reached % of the company's total turnover this year, thus exceeding expectations.

Business economical evolution

The most important product line is still the passenger car tyres a segment in which they have their two brands: Vredestein and Apollo.

The all-season tire segment has grown by 52% compared to the previous year and reflects the good reception of this type of tire in the domestic market. The products that most attract customers are mid-range and high-end products that help improve the product mix in the domestic market.

Likewise, the line of tourism tires of the Apollo brand maintains a stable line.

Agricultural tire sales maintain an upward trend. This product is well accepted in the domestic market, with radial construction tractor tires being the brand's outstanding product in this sector.

Since April 2018, the company has been selling the Apollo brand truck tire range. For the development of this activity, the company has a specialist in this type of product at the national level.

Sales of this tire segment have grown substantially this year compared to the previous one.

The new tire models, both for passenger cars and for agricultural and truck use, introduced during the year have been well received in the market.

It should be noted that the company has maintained its cost containment and control policy as it has been doing in recent years, adhering to the guidelines of the parent company.

The detailed company's main indicators are described in the following box:

	2022	2021
EBITDA	407,008.00	127,957.57
WORKING CAPITAL	5,258,119.00	5,037,828.71
GROSS MARGIN	21.00%	23.97%
ECONOMIC PROFITABILITY	3.28%	-0.01%
FINANCIAL PROFITABILITY	4.16%	-0.01%

Fixed assets

In the year ended March 31, 2022, the Company has made investments worth 32,717 euros to refurbish the offices.

R&D

No operations on R&D during exercise closed on March 31st, 2022.

Events that occurred after the close of the financial year.

There have been no relevant events

Share acquisition

There has been no acquisition of own shares.

Main risks and uncertainties

FY22 has been a year of changes at the structure and distribution model level, which has brought great benefits and progress in terms of volumes sold, especially in the PCT line of business.

The main axes of work have been:

The opening of new significant accounts of the Regional Distribution channel, in areas not covered, VREDESTEIN brand.

The strengthening of the relationship with key national actors,

For Apollo, the signing of a nationwide contract with a group that specializes in automotive spare parts.

In order to achieve these results, the configuration of the commercial conditions by channel (horizontal and vertical ramping) has been restructured, as well as the mechanics of the promotions (both price and marketing support).

In continuation of the work done in FY22, for FY23 considerable progress is expected in PCT volumes, VREDESTEIN brand, thanks to:

- New structure of the commercial team (re-sectorization)
- Implementation of marketing plans with national and regional wholesalers
- revitalization of the retail channel thanks to a new structure of the "PREMIUM" partnership

Key indicators and foreseeable evolution of the company.

The company has launched a series of changes both at a structural and operational level, thus seeking to achieve the new objectives set by the group.

As of April 1, 2021, the Southwest Europe Cluster is established in Barcelona, which includes Spain, Portugal, Andorra, Italy and France. A Customer Care Service is created to serve customers in this geographical area of the entire Southwest Europe Cluster.

For the next financial year, it expects to increase sales in the truck tire sector of the Apollo and Vredestein brands. The manufacture of this type of tires is carried out in the factory in Hungary, which is achieving an increasingly important level of production and serving the European subsidiaries. The company trusts in the good evolution of the product in the national market.

To activate the agricultural tire sector, it is planned to make product presentations in some workshops in favorable areas and favor direct contact with the actors in this sector.

One of the objectives for the coming year is to increase sales of the passenger tire sector in the Vredestein brand. Actions have been planned with our best products, which we trust will contribute to achieving the new objective.



The company aims to achieve customer satisfaction, improve the efficiency and quality of its services and reduce costs, in a way that allows it to maintain the competitiveness that the market is increasingly demanding.

Córdoba, April 29, 2022.

A handwritten signature in blue ink, consisting of several stylized, overlapping loops and lines, positioned to the right of the date.