CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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NUEVA PESCANOVA, S.L. AND SUBSIDIARY COMPANIES
Consolidated Statements of Financial Position at March 31, 2022 and 2021
(In thousands of euros)

ASSETS	Notes	31/03/2022	31/03/2021
NON-CURRENT ASSETS		490,760	449,258
Intangible assets	5	126,595	120,750
Property, plant and equipment	6	312,983	275,974
Right-to-use assets	3.14	5,409	4,942
Investment property		2,743	3,837
Investments in associated companies and joint ventures		5,259	4,777
Long-term investments	7	9,551	10,014
Deferred tax assets	15	28,220	28,964
CURRENT ASSETS		580,074	480,965
Non-current assets held for sale		226	214
Inventories and biological assets	8	337,394	275,071
Trade and other accounts receivable	9	126,468	107,824
Short-term investments	7	11,870	16,486
Receivable from Public Bodies	15	26,109	23,324
Other current assets		26,962	21,319
Cash and cash equivalents	10	51,045	36,727
TOTAL ASSETS		1,070,834	930,223

EQUITY AND LIABILITIES	Notas	31/03/2022	31/03/2021
EQUITY		276,627	267,642
Capital	11	337,469	337,469
Reserves	11	(52,659)	(46,674)
Reserves in companies in the consolidation scope	11	(20,531)	(5,240)
Consolidated result attributted to the Parent Company	11	7,008	(19,875)
Translation differences	11	4,290	1,879
		275,577	267,559
Non-controling interest	11	1,050	83
NON-CURRENT LIABILITIES		282,885	286,683
Long-term provisions	14	28,683	31,216
Long-term liabilities	12	153,089	158,133
Notes and other negotiable securities		6,683	-
Debt with credit institutions		83,023	83,769
Other non-current liabilities		63,383	74,364
Deferred income	17	79,391	77,560
Long-term debt with associated companies	17	76	1,189
Deferred tax liabilities	15	21,646	18,585
CURRENT LIABILITIES		511,322	375,898
Short-term debt	12	238,444	182,393
Notes and other negotiable securities		41,895	8,333
Debt with credit institutions		184,877	171,732
Other financial liabilities		11,672	2,328
Short-term debt with group companies	17	32,058	24,093
Short-term debt with associated companies	17	591	823
Trade and other amounts payable	13	202,929	144,492
Payable to Public Bodies	15	20,132	12,450
Other current liabilities		17,168	11,647
TOTAL EQUITY AND LIABILITIES		1,070,834	930,223

Notes 1 to 21 attached are integral part of the consolidated statement of financial position at March 31, 2022.

NUEVA PESCANOVA, S.L. AND SUBSIDIARY COMPANIES
Consolidated income statements for the twelve-month reporting period ended March 31, 2022 and the three-month reporting period ended March 31, 2021
(In thousands of euros)

	Notes	2022	2021 (*)
CONTINUING OPERATIONS			
Income from sales and services rendered	16.1	1,086,993	206,052
In-house work on non-current assets		2,792	791
Supplies	16.2	(616,345)	(133,131)
Consumption of goods		(625,823)	(127,155)
Damaged goods for resale, raw material and other supplies	8	9,478	(5,976)
GROSS PROFIT		473,440	73,712
Other operating income		11,601	4,199
Personnel expenses	16.3	(202,102)	(40,908)
Other operating expenses	16.4	(205,397)	(43,205)
External services and other current operating expenses		(206,954)	(42,408)
Loss, impairment and variation in provisions for trade transactions	9	1,557	(797)
Non-current assets depreciation	5, 6, 3.14	(32,264)	(8,265)
Impairment of non-current assets	6	(1,277)	-
Result from transactions with non-cuurent assets	5, 6	(21)	7
Other result		(6,549)	89
GROSS OPERATING RESULT		37,431	(14,371)
Financial income		1,465	698
Financial expense	16.5	(28,898)	(8,631)
Foreign exchange differences		4,215	3,080
Impairment loss and result from disposal of financial instruments	7	64	-
FINANCIAL RESULT		(23,154)	(4,853)
Result from companies under the equity method		439	(115)
Result from loss of control of companies in the consolidation scope	3.1, 16.6	(2,707)	-
RESULT FROM CONTINUING OPERATIONS BEFORE TAX		12,009	(19,339)
Corporate income tax	15	(4,176)	(525)
RESULT FROM CONTINUING OPERATIONS AFTER TAX		7,833	(19,864)
CONSOLIDATED RESULT		7,833	(19,864)

(*) 3 month financial reporting period ended March 31, 2021

	Notes	2022	2021 (*)
Attributable to			
Partners of the Parent Company		7,008	(19,875)
Non-controlling interest	11	825	11

Notes 1 to 21 attached are integral part of the consolidated income statement for the 12-month reporting period ended March 31, 2022

NUEVA PESCANOVA, S.L. AND SUBSIDIARY COMPANIES

Consolidated statements of comprehensive income for the twelve-month reporting period ended March 31, 2022 and the three-month reporting period ended March 31, 2021

(In thousands of euros)

	2022	2021 (*)
Result recognized in the income statements	7,833	(19,864)
Income and expenses directly recognized under equity		
Translation differences	5,877	3,690
Por ganancias y pérdidas actuariales y otros ajustes	2,234	2,441
Tax effect	(4,355)	(3,478)
Total income and expenses directly recognized under equity	3,756	2,653
TOTAL RECOGNIZED INCOME AND EXPENSES	11,589	(17,211)

(*) 3 month financial reporting period ended March 31, 2021

Attributed to:		
Partners of the Parent Company	10,639	(17,247)
Non-controlling interest	950	36

Notes 1 to 21 attached are integral part of the consolidated statement of comprehensive income for the 12-month reporting period ended March 31, 2022

NUEVA PESCANOVA, S.L. AND SUBSIDIARY COMPANIES

Consolidated statements of total changes in net equity for the twelve-month reporting period ended March 31, 2022 and the three-month reporting period ended March 31, 2021

(In thousands of euros)

	Capital	Reserves	Reserves in consolidated companies	Consolidated result attributed to the Parent Company	Translation differences	Non-controlling interest	TOTAL NET EQUITY
BALANCE AT 1 JANUARY 2021	69,379	(470)	(9,627)	(39,335)	502	109	20,558
Transactions with shareholders or owners							
Capital Increases (Note 11)	268,090	(1,890)	-	-	-	-	266,200
2018 result distribution	-	(44,314)	4,979	39,335	-	-	-
Removal from the consolidation scope (Note 11) and	-	-	(1,843)	-	-	(62)	(1,905)
Total recognized income and expenses	-	-	1,251	(19,875)	1,377	36	(17,211)
BALANCE AT 31 MARCH 2021	337,469	(46,674)	(5,240)	(19,875)	1,879	83	267,642
BALANCE AT 1 APRIL 2021	337,469	(46,674)	(5,240)	(19,875)	1,879	83	267,642
Transactions with shareholders or owners							
2019 result distribution	-	(5,985)	(13,890)	19,875	-	-	-
Other	-	-	(2,621)	-	-	17	(2,604)
Total recognized income and expenses	-	-	1,220	7,008	2,411	950	11,589
BALANCE AT 31 MARCH 2022	337,469	(52,659)	(20,531)	7,008	4,290	1,050	276,627

(*) 3 month financial reporting period ended March 31, 2021

Notes 1 to 21 attached are integral part of the consolidated statement of total changes in net equity for the 12-month reporting period ended March 31, 2022

NUEVA PESCANOVA, S.L. AND SUBSIDIARY COMPANIES
Consolidated cash-flow statements for the for the twelve-month reporting period ended March 31, 2022 and the three-month reporting period ended March 31, 2021
(In thousands of euros)

	Notes	2022	2021 (*)
CASH FLOW FROM ORDINARY ACTIVITY			
Result before tax		**12,009**	**(19,339)**
Adjustments		**46,836**	**20,976**
Amortization/Depreciation and impairment losses	5, 6	33,541	8,265
Value correction for impairment	7,8,9	(11,099)	6,773
Change in provisions	14	4,972	1,066
Result from disposal of non-current assets	5, 6	21	(7)
Financial income	16	(1,465)	(698)
Financial expense	16	28,898	8,631
Foreign exchange differences	16	(4,215)	(3,080)
Other adjustments (net)		(3,817)	26
Changes in current capital		**(18,638)**	**22,871**
Inventories		(54,370)	(5,361)
Debtors and other amounts receivable		(20,447)	36,389
Other current assets		(9,405)	(12,793)
Creditors and other amounts payable		53,638	(76)
Other current liabilities		12,099	3,895
Other non-current assets and liabilities		(153)	817
Other cash flow from operating activities		**(25,640)**	**(3,068)**
Interest payable		(24,431)	(5,833)
Interest receivable		1,143	597
Payments for income tax		(1,698)	(157)
Other amounts receivable (payable)		(654)	2,325
Cash flow from operating activities		**14,567**	**21,440**
CASH FLOW FROM INVESTMENT ACTIVITY			
Payments for investments		**(71,420)**	**(21,726)**
Property, plant & equipment and intangible assets	5, 6	(67,990)	(20,401)
Other financial assets	7	(3,430)	(1,325)
Collections from disposals		**18,575**	**3,189**
Empresas del grupo y asociadas	3.1 e)	8,163	-
Property, plant & equipment and intangible assets	5, 6	1,868	83
Other financial assets	7.16	8,544	3,106
Cash flow from investment activities		**(52,845)**	**(18,537)**
CASH FLOW FROM FINANCING ACITIVITIES			
Collections and payments for financia liability instruments		**52,142**	**1,586**
Issue of financial debt		**65,689**	**19,268**
Obligaciones y otros valores negociables		40,245	-
Debt with credit institutions		22,302	2,480
Debt with group and associated companies		-	44
Otras deudas		3,142	16,744
Financial debt repayment and amortization		**(13,547)**	**(17,682)**
Debt with credit institutions		(11,806)	(17,682)
Other amounts payable		(1,741)	-
Cash flow from financing activities		**52,142**	**1,586**
INTEREST RATE CHANGE EFFECT		**454**	**416**
NET REDUCTION OF CASH AND CASH EQUIVALENTS		**14,318**	**4,905**
Cash or cash equivalents at the beginning of the financial year		**36,727**	**31,822**
Cash or cash equivalents at the end of the financial year	10	**51,045**	**36,727**

(*) 3 month financial reporting period ended March 31, 2021

Notes 1 to 21 attached are integral part of the consolidated cash flow statement for the 12-month reporting period ended March 31, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

1) ACTIVITY OF THE GROUP AND GENERAL CORPORATE INFORMATION

NUEVA PESCANOVA, S.L. (hereinafter, "the Parent Company" or "Nueva Pescanova"), was incorporated on June 30, 2015 in Vigo.

The current composition of the Group arises from the corporate procedures in 2015 by the former sole partner of Nueva Pescanova, S.L. to comply with the composition with creditors approved in 2014. In this sense, on August 18, 2015, the Board of Directors of the former sole partner of the Parent Company presented the Joint Merger and Double Segregation Project that set the basis and criteria for the merger of certain subsidiary companies of the former Group, and a subsequent segregation of almost all the assets and liabilities of the former sole partner in favor of Pescanova España, S.L.U. and Nueva Pescanova, S.L., companies newly incorporated. This merger and double segregation, together with the capital increase carried out in the financial year 2015 (see note 11.1), gave rise to a business combination as it implied a change in control of the businesses formerly controlled by the former sole partner and afterwards controlled by Nueva Pescanova, S.L. The date of the change in control was November 9, 2015, date on which the above-mentioned segregation became effective.

The above-mentioned merger and double segregation transaction was not subject to any special tax scheme and therefore its taxation treatment was that generally established for this type of transactions in the Consolidated Spanish Corporation Tax Law.

In 2020, ABANCA Corporación Bancaria, S.A. has strengthened its holding in the capital of Nueva Pescanova, S.L. and has become the majority partner, holding at present a more than 97% of its quotas.

Its tax and legal address is Rúa José Fernández López s/n, in Chapela (Pontevedra).

The corporate object of the Parent Company is:

1. the industrial exploitation of all business activities relating to food for human or animal consumption, including its production, processing, distribution and marketing;
2. the subscription, acquisition, holding and disposal of any kind of fixed or variable income securities and shares of any kind in companies and particularly in companies whose object is related to that of the Parent Company;
3. the holding, benefit, general administration and management of securities and other financial assets;
4. the acquisition or use of any tenure and the administration of movable or immovable property destined to the implementation of services that constitute its corporate object; and
5. the provision of services and advisory activities, administration, and support to the management of the companies that are part of the same corporate group to which the Parent Company belongs.

The activities that are part of the corporate object may be undertaken by the Parent Company total or partially indirectly by way of participation in other companies, both domestic and foreign.

The Parent Company is the holding company of the Nueva Pescanova Group whose main activity consists in the industrial exploitation of all business activities relating to food for human or animal consumption, as well as the development of supplementary activities of both an industrial and commercial nature.

On February 23, 2021, the Extraordinary General Meeting of the Company approved the change of the financial reporting period from December 31 to March 31.

The individual accounts of Nueva Pescanova, S.L., as well as the Consolidated Accounts of the Nueva Pescanova Group of Companies are filed with the Companies Registration Office in Pontevedra.

2) BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

A) True and fair view and accounting standards

These Consolidated Financial Statements were authorized for issue on March 31, 2022, in accordance with the International Financial Reporting Standards (hereinafter "IFRS") adopted by the European Union, pursuant to Regulation (EC) Number 1606/2002 of the European Parliament and of the Council, effective for financial years starting on or after 1 January 2015, as well as the Commercial Code, the Companies Law and other applicable provisions of the regulatory framework on financial reporting.

These consolidated annual accounts are prepared to give a fair view of the consolidated equity and consolidated financial position of the Group at March 31, 2022, the consolidated results of their operations, the changes in net consolidated equity and the consolidated cash flows in the Group for the twelve-month period ended March 31, 2022.

These consolidated annual accounts of the Nueva Pescanova Group have been prepared based on the accounting records kept by the Parent Company and by the other Group companies. Each company prepares its financial statements in accordance with the accounting principles and standards in force in the country in which it operates and, therefore, the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with IFRS.

These consolidated annual accounts of the Nueva Pescanova Group and the individual annual accounts of the companies that make up the Nueva Pescanova Group, for the 12-month reporting period ended March 31, 2022, are still to be ratified by the respective General Meetings of Partners and/or Shareholders. The consolidated annual accounts for the 3-month period ended March 31, 2021, were approved by the General Meeting of Partners of Nueva Pescanova, S.L. held on July 16, 2021, and were filed with the Companies Registration Office in Pontevedra.

All figures in these consolidated annual accounts are shown in thousands of euros, except where noted, since the euro is the functional currency in the main economic context where the Nueva Pescanova Group operates.

There is no accounting standard or valuation criteria that, having a significant effect on the consolidated annual accounts for the financial year ended March 31, 2022, has not been applied in the preparation of the same.

B) Responsibility for the information and accounting estimates and judgements made

The Directors of the Parent Company are responsible for the information contained in these consolidated annual accounts. Certain accounting estimates have been made based on objective information to measure some of the assets, liabilities, income, expenses, and commitments therein contained. The main estimates and criteria relate to the appraisal of impairment losses of certain assets (see Notes 3.4, 3.5 and 3.6), the useful life of non-current assets (see Notes 3.2 and 3.3), the estimated fair value of the financial debt acquired on the date of change of control, and to the probability of occurrence and valuation of provisions (see Note 3.8) and the recoverability of the deferred tax assets (sea Note 3.11).

Risks and other contingencies

At the date of the formulation of these consolidated annual accounts, the Management of the Parent Company has no knowledge of any risk or other contingencies and therefore has not recognized any liability arising from risks or contingencies other than those that, having their origin in the former sole partner of the Parent Company and the companies that made up its group of companies prior to the effective date of the structural modifications carried out in 2015, which are incorporated as an integral part of the "mirror account" (See Note 12.3) as well as those risks for contingent liabilities recognized under the heading "Long-term Provisions" in the liabilities side of the accompanying consolidated statement of financial position (see Note 14). The Directors of the Parent Company have made the best quantification of these liabilities based on the information available at the time of formulation these consolidated annual accounts.

Also, despite of the fact that the estimates made by the Directors of the Company have been made with the best information available at March 31, 2022, it is possible that events which may occur in the future require modification in the coming years. The effect on the consolidated annual accounts of such modifications, if any, arising out of the adjustments to be carried out during the next few years would be recorded prospectively.

C) Comparison of information

As mentioned in Notes 1 and 16, in February 2021, the Group changed the date for closing the financial reporting period, from December 31 to March 31. It is for this reason that the consolidated income statements for the financial year 2022 shows the results from operations carried out in the 12-month period starting on April 1, 2021 and ended on March 31, 2022, whilst the figures for 2021, included for comparison purposes, shows the results from operations carried out in the 3-month period starting on January 1 and ended on March 31, 2021.

D) Accounting standards adopted for the first time

The Group has adopted for the first time the following standards and interpretations in the preparation of its 2022 annual accounts.

- Amendments to IFRS 16 to extend the time period over which the practical expedient of IFRS 16 that provide lessees with an exemption from assessing whether a COVID-19-related rent concession is available for use, effective for annual reporting periods beginning on or after April 1. 2021. This modification does not affect lessors.
- The application of this standard has had no effect on the consolidated annual accounts for the 12-month financial reporting period ended March 31, 2022.

The Group has adopted for the first time the following standards and interpretations in the preparation of its 2021 annual accounts:

- Amendment to IFRS 16 "Leases" to help lessees accounting for covid-19-related rent concessions effective for annual periods beginning on or after June 1, 2020. This amendment does not affect lessors.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 that address issues that arise during the reform of an interest rate benchmark and amendment to IFRS 4 related to the deferral of effective date of IFRS 9 until 2023, and effective for annual reporting periods beginning on or after January 1, 2021.

The application of these standards had no effect on the consolidated annual accounts for the 3-month financial reporting period ended 31 March 2021.

E) New accounting standards and their impact on future consolidated annual accounts

At the date of formulation of these consolidated annual accounts the adoption by the European Union of the following standards, amendments, and interpretations whose effective dates of entry into force are subsequent to the financial reporting period staring on April 1, 2022, was still pending:

- Amendment to IFRS 3 regarding reference to the conceptual framework to align the definition of assets and liabilities in a business combination and clarifying the recognition of contingent assets and liabilities, effective for annual reporting periods beginning on or after January 1, 2022.
- Amendment to IAS 16 that prohibits the deduction from the cost of an item of property, plant, and equipment any proceeds from selling items produced while making that item of property, plant, and equipment available for its intended use, effective for annual reporting periods beginning on or after January 1, 2022.
- Amendment of IAS 37 that explains that the direct cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts, effective for annual reporting periods beginning on or after January 1, 2022.
- Improvements to IFRS 1, IFRS 9, IFRS 6 and IAS 41 with minor amendments, effective for annual reporting periods beginning on or after January 1, 2022.
- Amendments to IAS 1 to clarify the classification and recognition of liabilities as current or non-current, effective for annual reporting periods beginning on or after January 1, 2023.
- Amendments to IAS 1 that allows entities to properly identify the information on material accounting standards that must be disclosed in the financial statements, effective for annual reporting periods beginning on or after January 1, 2023.
- Amendments to IAS 8 to clarify what should be understood as a change in accounting estimates, effective for annual periods beginning on or after January 1, 2023.
- Amendments to IAS 12 “Income Taxes”, effective for annual periods beginning on or after January 1, 2023, to clarify how companies must recognize deferred tax on transactions such as leases and decommissioning provisions.
- IFRS 17 “Insurance Contracts” and the amendments to the same, effective for annual periods beginning on or after January 1, 2023. Replaces IFRS 4 and establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts to ensure that an entity provides relevant information that faithfully represents those contracts and serves as a basis for users of financial statements to assess the effect that insurance contracts have on the company's financial statements.

At present the Group is analyzing the potential impact of these new standards, however, it is expected that the application of the same will not have significant effects on the Group’s consolidated annual accounts.

3) ACCOUNTING STANDARDS AND VALUATION PRINCIPLES

The principal accounting standards and valuation principles used in preparing the accompanying consolidated financial statements were as follows:

3.1. Consolidation principles

a) Subsidiary Companies

"Subsidiary Companies" are those over which the Parent Company has control, i.e., those companies over which the Parent Company has the power to manage the relevant activities of the company and thus influence their returns. In general, this circumstance is given, though not only in this case, when the Parent Company controls the majority of the voting rights. The full consolidation method has been used for all the companies in which the Parent Company has a higher than 50% shareholding. The full consolidation method has also been used in those companies on which the Group has control over their relevant activities. Appendix I includes a list of subsidiary companies.

The operations of the Parent and of the subsidiaries are consolidated in accordance with the following basic principles:

1. On acquisition, the assets, liabilities, and contingent liabilities of a subsidiary are measured at fair value. Non-controlling ownership interest is recognized for the respective proportion of the fair value of identified assets and liabilities.

2. The non-controlling interest in the equity and results of the fully consolidated subsidiary companies is presented under "Equity – Non-controlling interest" in the consolidated statement of financial position and under "Consolidated result attributed to Non-controlling interest" in the consolidated income statement, respectively.

   When the losses attributable to non-controlling interest are higher than their share in the equity of the parent company, such loss is allocated to non-controlling interest even in the case of giving rise to a debit balance.

3. Financial statements of foreign companies with a functional currency other than the euro are translated to euros as follows:

   i. Assets and liabilities are translated to euros at the exchange rates prevailing on the date of the consolidated annual accounts.

   ii. Items in the Statement of Comprehensive Income are translated at the average weighed exchange rates for the year.

   iii. Equity items are translated using the historical exchange rate at acquisition date or at the average exchange rate of the year in which they were generated, (either as retained earnings or contribution made), as appropriately.

   iv. Foreign exchange differences arising from the translation of financial statements are recorded under the heading "Equity – translation differences". (see Note 11.6).

4. The results from subsidiary companies acquired or disposed of in the reporting period are recognized in the consolidated income statement from the effective date of acquisition or until the effective date of disposal.

5. Significant transactions and balances between fully consolidated companies have been eliminated in the consolidation process. Capital gains from the disposal of subsidiary companies within the Group are also eliminated.

6. Whenever necessary, the Annual Accounts of the subsidiary companies are adapted taking into consideration the uniformity of the respective accounting policies with those of the Group.

b) Business Combinations

An acquisition by which the Parent Company obtains the control of a subsidiary company constitutes a business combination which is to be accounted using the acquisition method. In subsequent consolidations, the elimination of the investment-net equity of the subsidiary companies shall be made, in general, based on the measurements resulting from applying the acquisition method described below on the date when control is obtained.

Business combinations are accounted using the acquisition method, for which it is necessary to determine the date of acquisition and the consideration provided in the combination, recognizing the identifiable acquired assets, and assumed liabilities (including contingent liabilities) at fair value at acquisition date.

Expenses related to the issue of equity instruments or financial liabilities in exchange of elements acquired are not part of the cost of the combination.

If at closing date of the reporting period in which the business combination takes place the required valuation procedures to apply the acquisition method above described cannot be concluded this accounting is considered provisional and such interim measurements are reviewed over the time necessary, but never longer than one year, to obtain the required information. The effect of the review carried out in this period is accounted for retrospectively, if necessary, the information included for comparison purposes shall be amended.

c) Investments accounted for using the equity method of consolidation

An associated company is an entity over which the Group has significant influence, in taking decisions about the relevant activities of the company (investee) but does not have control or joint control over those policies. Significant influence is generally presumed to exist when the Group owns (directly or indirectly) between 20% and 50% of the voting rights of the company.

Investments in associated companies are accounted for using the equity method of consolidation, initially measured at acquisition cost. In case the acquisition cost is higher than fair value of identifiable net assets, the excess is called goodwill and is recorded as a higher value under the heading “Investments in associated companies and joint ventures”. In case the acquisition cost is lower than fair value of identifiable net assets, the difference is recorded as profit in the consolidated income statement of the reporting period.

Pursuant to the equity method of consolidation, the investment is initially recorded at acquisition cost, periodically these values are adjusted for the measurement of the share in the result, profit or loss, from associated companies and other changes in their equity (as a counterpart to free disposal reserves), as well as for the recognition of impairment losses.

Losses in associated companies higher than the investment made in the said entities are not recognized, except when the Group has assumed commitments with the said associated company.

Also, dividends received from these companies are recorded by decreasing the value of "Investments in associated companies and joint ventures".

Unrealized gains arising from transactions with associated companies are eliminated proportionally to the share in the associated company. Unrealized losses are equally eliminated but only if there is no evidence that the loss from the transferred assets arises from impairment.

At closing of the financial reporting periods ended March 31, 2021 and 2022, the value of investments accounted for using the equity method of consolidation refers to the investment in Abad Overseas Private Ltd and certain subsidiaries in the Novanam subgroup.

d) Companies in the consolidation scope

The detail of the most significant subsidiary companies included in the consolidation scope is included in Appendix I.

Below is a list of small sized companies which at March 31, 2022 and 2021 were part of the Group or represented little significance indirect participation, and whose impact on the consolidated is not relevant:

Financial year 2022

Company name	Country	Shareholding %	Activity
Pescafina Tampico, S.A.	Mexico	99%	Inactive
Porvenir S.A.	Chile	59%	Inactive
Companhia de Pesca do Oceano Indico Limitada	Mozambique	70%	Inactive
Pomona Lobster Packers (Pty) LTD	Namibia	18%	Fishing

Financial year 2021

Company name	Country	Shareholding %	Activity
Pescafina Tampico, S.A.	Mexico	99%	Inactive
Porvenir S.A.	Chile	59%	Inactive
Companhia de Pesca do Oceano Indico Limitada	Mozambique	70%	Inactive
Atushe Rock Lobster Company (PTY) LTD	Namibia	12%	Fishing
Aloe Fishing (PTY) LTD	Namibia	12%	Fishing
Pomona Lobster Packers (Pty) LTD	Namibia	25%	Fishing

e) Changes in the consolidation scope.

Changes in the consolidation scope in the financial reporting period ended March 31, 2022 were the following:

1. On June 17, 2021, it was incorporated the company Alisos Sea Farm S.L., domiciled in Spain, whose main corporate object is the rearing of fish and subsequent processing and sale.
2. On October 2021, the Group recognized the sale of 100% of its share in the Uruguayan company, Pesquerías Belnova, S.A., which meant the recognition of a loss amounting to 4.7 million euros recognized under "Result from loss of control of companies" in the accompanying consolidated income statement for the financial year 2022 (see Note 16.6).

Changes in the consolidation scope in the 3-month financial reporting period ended March 31, 2021 were the following:

1. In January 2021 the subsidiary companies Novaguatemala, S.A and Novapesca trading S.L. acquired 66.67% and 33.33%, respectively of the shares in the Guatemalan company GPM, S.A.

3.2 Intangible assets

Costs related to software maintenance are recorded when incurred as expense in the consolidated income statement, but not if those costs are associated to projects which future economic benefits for the Group are likely. In these cases, those costs are capitalized as intangible assets.

Intangible assets' useful lives can be finite or indefinite.

For intangible assets with a finite useful live amortization is allocated on a systematic basis over the useful life. The amortization method used reflects the pattern in which the assets are expected to be consumed by the Group. If such pattern cannot be reliably determined, the asset is amortized on a straight-line basis. The amortization charge for each period is recognized as an expense.

Intangible assets from which no foreseeable limit to the period over which the asset is expected to generate economic benefits are called indefinite useful life intangible assets. These assets are not amortized and are subject to annual impairment tests in accordance with Note 3.4.

At the closing date of reporting periods for 2022 and 2021, the Group had the following intangible assets:

Brands

In the measurement process resulting from the business combination mentioned in Note 1, which was concluded in 2016, the Group recognized and valued the "Pescanova" brand name owned by the subsidiary company Pescanova España, S.L.U. The value of this brand name that was determined following the "Relief from Royalty Method", amounted to 64,359 thousands of euros.

Based on the analysis of all relevant factors, including the market penetration of the brand, and its significance in the long-term business plans of the Group, the Management of the Group has estimated that the useful life of the brand is indefinite and therefore is not amortized.

Clients Portfolio

In the measurement process resulting from the business combination mentioned in Note 1, which was concluded in 2016, the Group recognized and valued the clients' portfolio associated to three companies in the consolidation scope, to the extent that it was identified as an intangible asset based on the likelihood to provide the same product to the same clients, in the future, on a recurring basis. The value of this clients' portfolio was made following the "Multi-period Excess Earnings Method" (MEEM) and the overall value reached 5,371 thousands of euros.

Clients' portfolios which have been identified and valued are amortized on a straight-line basis over the useful life established for each of them which is between 4 and 11 years.

Technical Goodwill

Goodwill is initially recognized at cost, this being the excess of the sum of the consideration transferred, the amount of non-controlling interest plus the net value of the assets acquired and liabilities assumed. In the business combination mentioned in Note 1, goodwill arises as an offsetting entry to deferred tax liabilities arising from the difference between the recognized assets and liabilities and their tax value for 23 million euros.

For the purpose of impairment test of this technical goodwill the criteria described in Note 3.4 are to be considered.

Fishing licenses and rights

Licenses which have an indefinite useful life are not amortized.

Computer applications (Software)

Licenses for computer software, other than operating systems and programs without which the computers cannot work, are capitalized based on the cost incurred for buying them and getting them ready for use the specific program.

These costs are amortized over an estimated useful life of 4 years.

3.3 Property, plant, and equipment

Property, plant, and equipment elements arising from the business combination carried out in the financial year 2015, were initially measured at fair value.

Property, plant, and equipment elements acquired after November 9, 2015, date of the business combination mentioned in Note 1 are initially recognized at acquisition or production cost.

Subsequent measurement of assets is reduced by accumulated depreciation and impairment losses, if any, in agreement with the criterion mentioned in Note 3.4.

Costs of expansion, modernization or improvements leading to increased productivity, capacity, or efficiency or to a lengthening of the useful lives of the property, plant and equipment are capitalized as a greater cost of the asset.

Official asset-related (or capital) grants, including non-monetary grants valued at fair value, are presented on the statement of financial position as deductions from the carrying amount of the assets to which they relate. Such grants are recognized when there is reasonable assurance of compliance with the conditions associated with their awarding and collection.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the property, plant, and equipment or to an increase in their economic capacity are recorded as additions to property, plant and equipment, and the items replaced or renewed are derecognized.

Periodic maintenance, upkeep and repair expenses are recognized in the income statement on an accrual basis as incurred.

Property, plant, and equipment less, where appropriate, their residual value, are depreciated on a straight-line basis over the years of estimated useful life of the assets, which constitute the period over which the companies expect to use them.

The detail of useful lives applied is shown in the table below:

	Useful lives (years)	Depreciation percentage
Land and buildings	17 - 50	2 - 6 %
Technical installations and machinery	4 - 20	5 - 25 %
Fleet	5 - 30	3 - 20 %
Other property, plant and equipment	4 - 20	5 - 25 %

The carrying amount of property, plant and equipment is derecognized:

(a) on its sale or disposal by some method other than by sale; or

(b) when no future economic benefits are expected from its use.

The gain or loss arising from derecognition of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is included in the result for the financial year, when derecognized in the accounts.

The residual value and useful life of an asset is reviewed, at least, at each financial year end, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

In respect of the fleet, major repairs and overhaul costs are recognized in the carrying amount of property, plant, and equipment as a replacement if the recognition criteria are satisfied.

The resulting carrying amount of such assets is reviewed for impairment, whenever events or changes in circumstances indicate that recoverable amount is below carrying amount.

Right-of-use assets

The cost of the right-of-use asset shall comprise:

(a) the amount of the initial measurement of the lease liability.

(b) any lease payments made at or before the commencement date, less any lease incentives received.

(c) any initial direct costs incurred by the lessee.

(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

After the commencement date, a lessee shall measure the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses.

Investment property

Investment property is initially measured at cost and since it arises from the transfer of non-current assets in connection with the change in use of the asset, the Group recognizes it in accordance with the accounting policies and standards for non-current assets. At March 31, 2021 and 2022, the Group recognized as property investment, mainly, the cost of the three cold-store facilities that the Group has in Spain, as a result of the outsourcing of their management and the lease of the same to a third party.

3.4 Impairment of assets

At least at year-end, the Group assesses if there is any indication of impairment of the value of any non-current assets or, as the case may be, any cash-generating unit. If there is evidence and, at least for goodwill and intangible assets with indefinite useful lives, their recoverable amounts are estimated.

The Group has assessed, at the end of the12-month financial reporting period ended March 31, 2022, if there was any indication of impairment of the value of its assets (including those intangible assets with indefinite useful life and goodwill allocable to specific cash-generating units) or its Cash-Generating Units (CGU), to be understood as each of the different business division and geographical area in which the Group carries out its activities (Fishing - Southern Cone, Fishing - Africa, Aquaculture - Vannamei, Aquaculture - Turbot, Commercial & Industrial and Other). If any such indication exists, or when it is required to conduct an annual impairment test of such assets (in the case of intangible assets of indefinite useful life), the Group determines the estimated recoverable amount of the asset/CGU. The recoverable amount of the asset/CGU is the higher of fair value less costs of disposal and value in use and is determined for individual assets or the CGU as a whole.

If the value of an asset/CGU exceeds its recoverable amount, the value of the asset/CGU is decreased to the recoverable amount.

The Group considers that the best evidence for an asset's fair value less costs of disposal is the existence of an active market or price in a binding sale agreement in an arm's length transaction, adjusted for incremental costs directly attributable to the sale or disposal of the asset.

If there is no binding sale agreement nor an active market, the fair value of the asset/CGU is calculated based on the best information available (through the application of multiples to listed companies operating in the same sector of activity, similar transactions or by the future cash flows discount method).

The costs of disposal, other than those which have been recognized as liabilities, are deducted when calculating the fair value less costs of disposal.

To estimate the recoverable amount, the Group has primarily taken as a basis the forecasts of future cash flows arising from projections prepared by the management of the Group for the 2022-2026 period, which are aligned to the Strategic Plan and the budget for 2023 financial year. Most of the projected sales growth derive from higher sales volumes and increased selling prices.

These forecasts are deducted to calculate the current value at a discount rate that reflects the weighted average cost of capital (WACC) by business division and geographical area. For the assessment carried out at end of the financial reporting periods for 2022 and 2021, the following ranges of discount rates by business division and geographical area were estimated:

Business	BY BUSINESS DIVISION AND GEOGRAPHY		
	Europe	America	Africa
Fishing - Southern Cone	-	6,9% - 13,2%	-
Fishing - Africa	-	-	7,7% - 12,5%
Aquaculture - Vannamei	-	12,9% - 14,6%	-
Aquaculture - Turbot	7,3%	-	-
Commercial & Industrial	7,2% - 10,3%	7,7%	-
Other	7,1%	13,9%	-

The Group has used a perpetual growth rate of 0.5% in the financial reporting periods of 2022 and 2021.

The Group assesses at each closing date, whether there is an indication of reversal of impairment losses for an asset/CGU, other than goodwill, recognized in previous years. If such an indication exists, the Group estimates once again the recoverable amount of the asset/CGU. Impairment losses on goodwill are not reversible.

The sensitivity analysis for the impairment of tangible and intangible assets including those intangible assets of indefinite useful life and goodwill allocated by groups of CGU (see Note 5), shows the need to recognize additional impairment losses in the amount of 3 million euros (4 million euros at March 31, 2021), and reversals of 9 million euros (8 million euros at March 31, 2021) on the recognized impairment loss at March 31,2022, considering the impact of an increase and a decrease of 25 basic points in the discount rate used. From the sensitivity analysis of the growth rate for permanent income and business flows used, no significant impact has been found.

3.5 Financial instruments

A "financial instrument" is a contract that gives rise to a financial asset of one entity and, simultaneously, a financial liability or equity instrument of another entity.

a) Amounts receivable

Amounts receivable are initially recognized at fair value and subsequently are measured at amortized cost using the effective interest method. In case the effect of financial updates is not significant, it shall be recognized at nominal value. When there is evidence of impairment losses, this loss is recorded in the income statement. The adjustment is measured by the difference between recognized receivables and the current value of cash flow estimated to be received, discounted at the effective interest rate.

b) Other financial assets

The recognition or derecognition of financial assets is recorded on the date when their inherent risks and advantages are substantially transferred, regardless the date of financial settlement.

Financial assets are initially recognized at acquisition cost, which is equivalent to the fair value of the consideration given, including expenses incurred in the transaction (except for financial assets carried at fair value with changes in profit and loss, which are charged to results).

These assets are classified under the following categories, in accordance with the business model and contractual cash flows characteristics:

- Financial assets measured at fair value, with changes recognized in profit and loss.
- Financial assets measured at amortized cost.
- Financial assets measured at fair value with changes in other comprehensive income.

The Group only has financial assets measured at fair value, with changes recognized in profit and loss, and financial assets measured at amortized cost.

Loans and amounts receivable are non-derivative financial assets with payment of determinate or determinable amounts that are not traded in an active market. After initial recognition, these financial assets, in case of being solely payments of principal and interest, are measured at amortized cost using the effective interest method, less any impairment loss that might exist.

Financial assets at fair value through profit or loss are initially recognized at fair value. Transaction costs directly attributable to the acquisition or issue are recognized as expense when incurred. Initial fair value of a financial instrument is normally. The transaction price, unless that price contains elements other than the instrument, in which case the Group determines the fair value of the instrument. If the Group determines that the fair value of an instrument differs from the transaction price, it recognizes the difference as a gain or loss, to the extent that the value has been obtained by reference to an active market quoted price of an identical asset or liability or based on a valuation technique that uses only data from observable markets. In all other cases, the Group recognizes the difference as a gain or loss, only to the extent that it arises from a change in a factor the extent that it arises from a change in a factor that market participants would take into account when pricing the asset or liability. Subsequent recognition, they are recognized at fair value by recording variations as a gain or loss. Changes in fair value include the interest and dividend component. Fair value is not reduced by transaction costs that may be incurred in an eventual sale or disposal by another means.

Financial assets and liabilities at amortized cost are initially recognized at fair value, plus or minus transaction costs and are subsequently measured at amortized cost, using the effective interest method.

c) Financial liabilities

Financial liabilities assumed in the business combination carried out in the financial year 2015 were measured at fair value at the date of the business combination. For the purpose of calculating, at the date of change of control, the fair value of liabilities assumed the following considerations were taken into accounts, by type of debt:

i. Restructured debt understood as that from compositions with creditors of the Spanish companies and of Argenova, of the former Pescanova Group (see detailed description in Note 12).

   For the purposes of calculating the fair value of the restructured debt expected cash outflows at a discount rate estimated according to their maturity and business risk, which in essence is the risk of cash generation, for each of the types/tranches of debt, were discounted; this rate amounted to a weighted average discount factor of 8.32%. Also, for the estimation of cash outflows the following hypotheses were considered:

   - Interest payment: liabilities assumed accrue different interest rates depending on the rank obtained in each of the compositions with creditors (rank that determines the priority for collection; these ranks or tranches being the following: ordinary senior, ordinary junior, subordinated senior and subordinated junior) and these interests may be due on specific dates or capitalizable as a greater amount of the principal of the claim if there is no cash available (pay-if-you-can basis) (considering in addition that interests on subordinated claims only start to accrue, and therefore they would become due, when ordinary claims have been repaid in full). For the purpose of estimating the fair value of the debt at the date of change of control the ability of cash generation of the Parent Company was analyzed and the options of cash flow management under the control of the Management of the Group were considered. According to projections made by the Management of the Group, and following the above-mentioned principle, the deadlines for the payment of the interests which are not due on specific dates, will be exhausted and the same will be capitalized as greater debt until the time of payment of the principal.

- Payment of principal: likewise, assumed liabilities have different schedules for their payment, as described in Note 12, subordinated debt reaching up to May 2044, depending on the date for the repayment in full of ordinary claims, which was estimated to occur in May 2029. As regards to the repayment of ordinary claims that the Company must liquidate, the same options of cash flow management used when estimating interest payments were considered. According to the projections made by the Management of the Group, and following the above-mentioned principle, the deadlines for the payment of principal of restructured debt will be exhausted.

- Also, the Parent Company made its best estimates regarding commitments for future payments that could arise from the debt that maintains a contingent nature with which it was ranked in the insolvency reports of Pescanova, S.A. and its subsidiaries in Spain.

After the incorporation, the novated debt is valued at amortized cost. In the financial reporting period of 2022, the hypothesis used for the valuations made in 2015 have been reviewed, and these have not varied significantly.

ii. Existing commitments at the date of combination (Additional Subordinated Loan), as set in the compositions with creditors of Pescanova, S.A. and its subsidiaries in Spain.

Like for the other above-described liabilities, and for the purpose of assessing the same, the expected cash outflows, at a discount rate which has been estimated according to maturity and business risk, were discounted, for doing so the paragraph below has been considered:

Additional Subordinated Loan: pursuant to the terms and conditions of the said load, the maturity of the same is subject to the repayment in full of the restructured debt and cannot be repaid before it, so, as que have already mentioned, it was estimated that the repayment of the same would not take place until the financial year 2044. In addition, interest payment terms for this loan are the same as those for the junior tranche of the restructured debt so that the same options of cash flow management controlled by the Management of the Group were considered, capitalizing the same until the maturity of the principal of the debt.

iii. International debt subscribed by foreign subsidiary companies: it refers to the debt directly drawn by subsidiary companies outside Spain and not uncovered in insolvency procedures.

It was considered that the carrying amount of the international debt subscribed by foreign subsidiary companies did not differ significantly from the fair value of the same (being subsidiaries which had been refinanced near the date of valuation), considering the potential financial support from the Parent Company.

Once obtained de estimated payment schedules, the Management of the Group made an estimate of the discount rate to be used on such estimated payments, considering that the longer the maturity is the greater is the financial risk involved and, consequently, a higher discount rate has been considered. As a result of this analysis, the restructured debt is subject to a weighted average discount rate of 8.32%; whilst for the additional subordinated loan this rate is 19.35%.

Financial liabilities and equity instruments issued by the Group are classified in accordance with their economic substance, regardless their legal form.

d) Bank loans

Bank loans arising from the business combination carried out in 2015 were measured at fair value at acquisition date. Other loans are initially recorded under liabilities for the nominal amount received, net of associated issue expenses, which is equivalent to their fair value at that date. Subsequently, loans are measured using the amortized cost method, calculated pursuant to the effective interest method.

e) Amounts payable

Amounts payable are initially recognized at fair value and, subsequently, are measured for their amortized cost, in agreement with the effective interest method. In case the effect of financial updates is not significant, payables are recognized at nominal value, both initially and in subsequent reporting periods.

f) Cash flow hedging instruments

For the accounting of cash flow hedging instruments, part of the gain or loss of the accounting cash hedge determined as effective, shall be temporarily recognized in equity, and charged to the income statement in the period or periods in which the expected hedged transaction affects the result. The portion of the hedge determined as ineffective will be recognized when it materializes, immediately, in the income statement.

Certain bank loans granted to companies whose local currency is different from the Group's functional currency, are designated as cash flow hedging instruments for the exchange rate risk in sales in such foreign currencies. The Group designates them so to cover the change in cash flows caused by the fluctuation of the interest rate that would affect highly probable sales in a currency other than the Group's functional currency.

Following the model of cash flow hedges, changes in the income statement arising from the re-evaluation of hedge instruments will be recognized under net equity, this amount being limited to the effective portion of their change in value. Accumulated amounts in net equity shall be reclassified to the consolidated income statement when the hedged item affects that account. The ineffective portion will be recognized in the consolidated income statement. When the hedging relationship ceases to meet the qualifying criteria, the hedge is early amortized, is terminated or condoned, the hedge relationships shall be discontinued on a prospective basis. For doing so, the accumulated amounts in net equity will be maintained until the item hedged affects the consolidated income statement, time when its shall be reclassified in the same line where it occurs. If highly probable future sales are no longer probable, the accumulated amount in the hedge reserve will be immediately reclassified from the hedge reserve to profit or loss in the consolidated income statement.

3.6 Inventories and biological assets

Inventories are recognized at the lower of the cost of purchase or conversion and net realizable value.

The cost of purchase includes the amount invoiced by the seller after deducting any discount, rebate or other similar items and all additional expenses such as transportation, tariffs, insurance, and others directly attributable to the acquisition of inventories.

The production cost of inventories comprises the purchase price of raw materials and other consumable materials and costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred during the production process. The allocation of fixed production overheads to the costs of conversion is based on the highest of the normal production capacity or actual production.

The cost of inventories is written down in the income statement when their cost exceeds their net realizable value. For this purpose, net realizable value for:

- Raw materials and other supplies: is the replacement price. Nevertheless, the Group does not make any adjustments whenever it is expected that the finished products in which the raw materials and other supplies will be incorporated are expected to be sold at or above cost.
- Goods for resale and finished products: is the estimated selling price, less the costs necessary to make the sale;
- Work in progress: is the estimated selling price of the relevant finished products, less the estimated costs of completion and the estimated costs necessary to make the sale;

Any reversal should be recognized in the income statement, whenever the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, so that the new carrying amount is the lower of the cost and the revised net realizable value.

In application of IAS 41, the Group measures its biological assets, basically consisting of farmed fish and shrimps, at different growth stages, at fair value less estimated point-of-sale costs.

Biological assets arise from the aquaculture activity in which the Group is involved and refer to live fish (fish and crustaceans). The farmed species are salmon, turbot, and shrimp. These assets are always under control at the different farming sites according to the stage of their lifecycles. Due to the farming process, biological assets consist of live fish of varied sizes, from newly born, hardly a few days old, to larger sizes, several months old, or close to reaching their commercial size.

Biological assets are kept separately by age group and size. To determine the biomass in each tank/pond and offshore cage, samplings of a reasonable number of individuals are made systematically. These samplings are indispensable and are done on a monthly basis to determine at any time the type of feed to be fed to each group of individuals and to study the need to transfer them to other tanks/ponds of cages as they grow.

The Group measures the different biological assets by grouping them by age and size.

The measurement at each closing is made at the average value of the most recent market transactions which is used as an approximation to the fair value, provided that the asset has reached the appropriate size for being sold.

The group recognizes in the income statement any profit or loss arising from the change in fair value minus selling costs.

3.7 Non-current assets held for sale and discontinued operations.

The Group classifies non-current assets and disposal groups as held for sale if their carrying amount will be recoverable, mainly, through a sale transaction, rather than through their continuous use in the business. This condition is considered met only when the sale is highly probable and the non-current assets (or disposal groups) are, in present conditions, available for immediate sale. The Management is committed to the plan to sell the asset which implies that the sale is expected to be completed in the financial year following its classification as held for sale.

When the Group is committed to a sell plan associated to the loss of control of a subsidiary company, all the assets and liabilities in that subsidiary are classified as held for sale, when the above criteria have been met, regardless of the fact that the Group will retain a non-controlling equity interest in the subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Income and expenses from non-current assets held for sale and disposal groups that do not comply with the requirements to be classified as discontinued operations are included in the corresponding consolidated income statement lines according to their nature. When the requirements in IFRS 5 are complied with, entities must show in a single line of the consolidated income statement the results from non-current assets held for sale and disposal groups, and the consideration, if any, obtained from their sale. In addition, information shall be provided in the notes to the financial statements in accordance with the disclosure requirements described in IFRS 5.

In the financial reporting periods of 2022 and 2021, the Group recognizes as held for sale land state in Perú, for which there is a commitment to sell it to a third party for 0.2 million euros.

3.8 Provisions and contingent liabilities

Pursuant to IAS 37, in the formulation of the Consolidated Annual Accounts a difference is made between:

a) Provisions: creditor balances to cover present obligations arising from past events, which will probably require an outflow or economic benefits to settle the obligation; and is a liability of uncertain amount and/or timing for its settlement.

b) Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control.

The consolidated statement of financial position includes all provisions regarding which it is considered that the probability that it will meet the obligation is greater than the probability that it will not. Unless considered remote, contingent liabilities identified prior to assuming acquisition date are recognized in the statement of financial position at fair value, whilst those arising afterwards will not be recognized, but are reported in the notes to the financial statements.

Provisions are measured as the best estimate of the expenditure required to settle or transfer the present obligation at the end of the reporting period, taking into consideration the information available about the event and its consequences, the adjustments arising from the updating of such provisions are recorded as a financial expense as it becomes due.

Consideration received from third parties at the time of settlement of the obligation is recognized only when it is certain that the consideration will be received, the consideration is recorded as an asset except in case there is a legal link by which part of the risk has been externalized and pursuant to which the Group is not liable to meet the obligation; if this is so, the consideration will be taken into account to estimate the amount of the corresponding provision .

3.9 Balances and transactions in foreign currency

Transactions in currencies other than the functional currency of each company are recorded in the functional currency of each company by applying the exchange rates prevailing at the date of the transaction. During the year, the differences that arise between the balances translated at the exchange rate prevailing at the date of the transaction and the balances translated at the exchange rate prevailing at the date of collection or payment are recorded as results in the consolidated income statement.

Also, balances receivable or payable at the closing of each financial year denominated in currencies other than the functional currencies in which the financial statements of the consolidated companies are denominated are translated to euros at year-end exchange rate. The resulting translation differences are recognized as results in the consolidated income statement.

Nevertheless, exchange differences arising from the revaluation of monetary (non-derivative) items designated as cash flow hedging instruments for exchange rate risk will be recognized in Net Equity by the portion that is considered effective in the hedging relationship, to be subsequently reclassified in the consolidated income statement in the recognition of income arising from highly probable transactions that make up the item hedged.

3.10 Assets and liabilities current and non-current classification

Current assets are those related to the normal operating cycle of the business, which in general is considered to be of one year (which could be longer for the aquaculture business), and also those other assets whose maturity, disposal or realization is expected to occur within 12 months from the end of the financial year. Assets that do not meet these requirements will qualify as non-current.

Similarly, current liabilities are those related to the normal operating cycle of the business and, in general, all liabilities becoming due or extinct within 12 months from the statement of financial position date. Otherwise, they are classified as non-current.

In case prior to the end of the reporting period the Group does not have an unconditional right to defer the settlement of a liability for at least twelve months after statement of financial position date, such liability is classified as current.

3.11 Income tax

Income tax expense or income comprises both current and deferred tax.

a) Current tax

Current tax is the tax payable by the Group for the financial year. Deductions and other tax benefits on the tax quota, excluding tax withheld and prepayments, as well as tax losses from previous years in fact offset in the financial year, give rise to a lower current tax.

b) Deferred tax

Deferred Tax expense or income corresponds to the recognition and settlement of deferred tax assets and liabilities. These include temporary differences between the carrying amount of the assets and liabilities and their taxable base, as well as the negative taxable bases pending offsetting and tax credit for deductions not applied.

Those amounts are recorded by applying the temporary difference or credit at the tax rates that are expected to be applied in the period when the asset is realized, or the liability is settled.

All temporary taxable differences are recognized as deferred tax liabilities, except for those arising from the initial recognition of goodwill or of an asset or a liability in a transaction other than a business combination and that at the time of the transaction does not affect the accounting or taxable result.

Deferred tax assets are recognized for all deductible temporary differences, deductions pending application to the extent that it is probable that a taxable profit will be available against which the deductible temporary difference, the tax credit or the unused negative taxable bases can be used, except when the deferred tax asset regarding the deductible temporary difference arises from the initial recognition of an asset or a liability in a transactions other than a business combination and that at the time of the transaction, it does not affect the accounting or taxable result.

As regards to temporary deductible taxable differences related to investments in subsidiary companies and associated entities, deferred tax assets are recognized only to the extent that it is probable that those temporary differences are reverted in a foreseeable future and that there is a tax profit against which those temporary differences can be used.

At the end of each reporting period, the carrying amount of deferred tax assets is reviewed and adjusted when there are doubts about their future recovery. Deferred tax assets not recognized are reassessed at the closing date and are recognized to the extent that it is probable the future tax profit will allow the recovery of the deferred tax asset.

The Group periodically assesses the considerations adopted in the tax returns in respect of situations in which the applicable tax legislation is subject to different interpretations and recognizes provisions, where appropriate, on the basis of the amount expected to be paid or recovered from the tax authorities, and the impact of which is recognized in the corresponding tax gain or loss.

Deferred tax assets and liabilities are measured at the taxable rates that are expected to be applied in the period when the asset is realized, or the liability is settled, based on the taxable rates (and tax legislation) enacted or about to be enacted at the end of the reporting period.

Deferred tax related to off consolidated income statement items are to be recorded off the consolidated income statement. Deferred tax assets and liabilities are recorded in correlation with the related transaction, either in the statement of comprehensive income or directly under equity.

Deferred tax assets and liabilities are offset when there is a legal right in force to offset current tax assets and liabilities and the deferred tax assets correspond to the same company and tax administration.

Taxable profit acquired as part of a business combination, which does not comply with the criteria for recognition at acquisition date, is subsequently recognized if there is information that facts or circumstances have changed. The adjustment is recognized as less value of goodwill (provided it is not higher than the amount of goodwill) when recognized in the measurement period, or in the consolidated income statement, if subsequently measured.

3.12 Revenue recognition

An entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, when the customer obtains control of that good or service. The consideration in a contract with a customer can include fixed amounts, variable amounts, or both. The amount of consideration can vary because of discounts, refunds, incentives, or other similar items. A contingent consideration will be included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of revenue recognized will not occur. Revenue is recognized net of value added tax and any other amount or tax that in substance corresponds to amounts collected on behalf of third parties.

a) Sale of goods

Revenue from the sale of goods is recognized when the Group when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of such asset. When assessing a performance obligation, the Group considers the following indicators of transfer of control, which include but are not limited to:

- Identification of the contract;
- Identification of performance obligations;
- Determination of the transaction price;
- Allocation of the transaction price to each performance obligation;
- Recognition of revenue when a performance obligation is satisfied.

b) Rendering of services

Revenue associated with the rendering of services is recognized by reference to the stage of completion of the transaction at the statement of financial position date when the outcome of the transaction can be measured with reliability. This occurs when the amount of revenue; the stage of completion; costs incurred as well as outstanding costs can be measured with reliability and it is probable that the economic benefits associated to the rendering of service will flow to the Group.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable. The Group periodically assesses whether a contract for the rendering of services is or becomes onerous.

3.13 Cash flow statement

The following terms are used in the consolidated cash flow statement prepared in agreement with the indirect method, with the meanings below specified:

- Cash flows: inflows and outflows of cash and cash equivalents the latter being understood as investments with a term of less than three months, which are highly liquid and subject to an insignificant risk of changes in value.

- Operating activities: these are the principal income-producing activities of the Group and activities other than investing or financing activities.

- Investing activities: these consist of the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: these are activities that result in changes in the size and composition of equity and financial liabilities.

3.14 Leases

A lessee recognizes a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments, except when leases are for a short-term and when the leased asset is of low value, lease payments associated with such leases are recognized as an expense on a straight-line basis over the lease term.

A right-of-use asset is measured at cost and shall comprise: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Subsequent measurement is made as described in 3.3 above.

A lease liability shall be measured at the present value of the lease payments discounted using the incremental borrowing rate that are not paid at that date.

The Impact on the Group's consolidated financial statements at March 31, 2022 and 2021 is shown below:

(In thousands of euros)	31/03/2022	31/03/2021(*)
Right-to-use assets	5,409	4,942
Other debts	(5,619)	(5,434)
Other operating expenses	(2,964)	(835)
Non-current assets depreciation	2,694	689
Financial expense	303	158

(*) 3 month financial reporting period ended March 31, 2021

3.15 Severance payments

Pursuant to the legislation currently in force, the Parent Company and subsidiary companies are liable for severance payments to those employees who, under certain conditions, terminate their labor relationship and the Company has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

3.16 Cash and other cash equivalents

Amounts included under the heading "Cash and other cash equivalents", comprises cash on hand, demand deposits, time deposits and other cash applications, maturing in the short-term (three months or less) from date of contract, which are highly liquid and are readily convertible to cash and which are subject to an insignificant risk of changes in value.

4) PARENT COMPANY'S RESULT APPLICATION

The proposal for application that has been formulated by the Board of Directors of the parent company and shall be put to the vote at the General Meeting of Partners is shown below:

(In thousands of euros)	2022	2021 (*)
To retained earnings	(32,811)	(5,985)
Total	**(32,811)**	**(5,985)**

(*) 3 month financial reporting period ended March 31, 2021

The General Meeting of Partners, held on July 16, 2021, resolved the previous year result application.

There are no more limits for the payment of dividends other than those provided in articles 275 and following of the Companies Law.

5) INTANGIBLE ASSETS

The movements under this heading in the accompanying consolidated statements of financial position for the financial reporting periods 2022 and 2021 were as follows:

Financial year 2022

(Thousands of euros)	Opening balance	Changes in consolidation scope	Additions	Derecognition	Transfers and other	Translation differences	Closing balance
Cost							
Brands	64,359	-	-	-	-	-	64,359
Licences	21,216	-	-	-	-	-	21,216
Goodwill	23,264	-	-	-	-	-	23,264
Clients portfolio	5,371	-	-	-	-	-	5,371
Concessions, patents and other intangible assets	3,214	(986)	1,667	(32)	(2,783)	120	1,200
Computer applications (software)	12,337	(3)	7,234	(3)	3,132	44	22,741
	129,761	(989)	8,901	(35)	349	164	138,151
Accumulated amortisation							
Clients portfolio	(4,445)	-	(262)	-	-	-	(4,707)
Concessions, patents and other intangible assets	(211)	390	(115)	-	-	(91)	(27)
Computer applications (software)	(4,355)	-	(2,445)	-	-	(22)	(6,822)
	(9,011)	390	(2,822)	-	-	(113)	(11,556)
Net carrying amount	**120,750**						**126,595**

Financial year 2021

(Thousands of euros)	Opening balance	Changes in consolidation scope	Additions	Derecognition	Transfers and other	Translation differences	Closing balance
Cost							
Brands	64,359	-	-	-	-	-	64,359
Licences	21,216	-	-	-	-	-	21,216
Goodwill	23,264	-	-	-	-	-	23,264
Clients portfolio	5,371	-	-	-	-	-	5,371
Concessions, patents and other intangible assets	2,614	-	495	-	-	105	3,214
Computer applications (software)	12,141	-	150	-	7	39	12,337
	128,965	-	645	-	7	144	129,761
Accumulated amortisation							
Clients portfolio	(4,346)	-	(99)	-	-	-	(4,445)
Concessions, patents and other intangible assets	(93)	-	(45)	-	-	(73)	(211)
Computer applications (software)	(3,785)	-	(553)	-	-	(17)	(4,355)
	(8,224)	-	(697)	-	-	(90)	(9,011)
Net carrying amount	**120,741**						**120,750**

5.1 Additions

The main additions in the financial year 2022 refer to computer applications (software) related t SAP projects for 7 million euros, as well as development expenses linked to the "Biomarine Center" for 1.7 million euros.

The main additions in the 2021 financial year referred to development expenses related to the "*Biomarine Center*" project.

5.2 Changes in the consolidation scope

These are related to derecognition of assets resulting from the disposal of the company Pesquerías Belnova, S.A. in October 2021 (see Note 3.1.e)

6) PROPERTY, PLANT AND EQUIPMENT

The movements under this heading in the accompanying consolidated statements of financial position for the financial reporting periods 2022 and 2021 were as follows:

Financial year 2022

(Thousands of euros)	Opening balance	Changes in consolidation scope	Additions	Derecognition	Transfers and other	Translation differences	Closing balance
Cost							
Land and buildings	117,850	-	421	(1,704)	9,745	8,079	134,391
Technical installations & machinery	93,556	(270)	8,720	(3,968)	25,394	7,714	131,146
Fleet	108,143	(25,178)	2,260	(1,473)	11,195	6,849	101,796
Other property, plant and equipment	11,998	-	3,333	(781)	(399)	416	14,567
Advances and work in progress	43,203	-	51,261	(27)	(48,462)	2,059	48,034
	374,750	(25,448)	65,995	(7,953)	(2,527)	25,117	429,934
Accumulated depreciation							
Land and buildings	(15,083)	-	(5,708)	83	299	(4,552)	(24,961)
Technical installations & machinery	(28,338)	263	(11,973)	3,198	55	(5,476)	(42,271)
Fleet	(31,618)	16,162	(6,375)	367	67	(3,246)	(24,643)
Other property, plant and equipment	(7,260)	-	(2,041)	399	222	(282)	(8,962)
	(82,299)	16,425	(26,097)	4,047	643	(13,556)	(100,837)
Impairment loss							
Land and buildings	(3,226)	-	-	-	-	(161)	(3,387)
Technical installations & machinery	(4,201)	-	(375)	-	979	(312)	(3,909)
Fleet	(9,050)	-	-	1,105	-	(873)	(8,818)
	(16,477)	-	(375)	1,105	979	(1,346)	(16,114)
Net carrying amount	**275,974**						**312,983**

Financial year 2021

(Thousands of euros)	Opening balance	Changes in consolidation scope	Additions	Derecognition	Transfers and other	Translation differences	Closing balance
Cost							
Land and buildings	109,934	-	106	(9)	1,716	6,103	117,850
Technical installations & machinery	81,892	-	1,467	(2,257)	6,822	5,632	93,556
Fleet	95,432	-	1,719	(2,402)	8,959	4,435	108,143
Other property, plant and equipment	10,550	-	1,306	(212)	131	223	11,998
Advances and work in progress	45,324	-	15,158	-	(19,150)	1,871	43,203
	343,132	-	19,756	(4,880)	(1,522)	18,264	374,750
Accumulated depreciation							
Land and buildings	(10,439)	-	(1,505)	10	150	(3,299)	(15,083)
Technical installations & machinery	(23,599)	-	(2,722)	1,966	60	(4,043)	(28,338)
Fleet	(30,134)	-	(1,604)	2,178	-	(2,058)	(31,618)
Other property, plant and equipment	(6,432)	-	(1,047)	228	175	(184)	(7,260)
	(70,604)	-	(6,878)	4,382	385	(9,584)	(82,299)
Impairment loss							
Land and buildings	(3,144)	-	-	-	-	(82)	(3,226)
Technical installations & machinery	(4,299)	-	-	270	-	(172)	(4,201)
Fleet	(8,334)	-	-	136	-	(852)	(9,050)
	(15,777)	-	-	406	-	(1,106)	(16,477)
Net carrying amount	**256,751**						**275,974**

6.1 Additions

The main additions in 2022 relate to investments in the Aquaculture Division for 34.8 million euros, that include the building of vertical pumps, ponds, aerators and automatic feeders, for shrimp rearing; investments in the Fishing Division for 9 million euros, of which the most relevant are costs related to periodical surveys; and investments for 22 million in the industrial centers, mainly in a new processing plant in Peru as well as other investments in different Industrial Centers in Spain and France.

The main additions in 2021 related to investments in the Aquaculture Division for 8.9 million euros which include the building of vertical pumps, ponds, and automatic feeders for shrimp rearing; investments in the Fishing Division for 6.8 million euros, of which the most relevant reflate to the building of fishing units for the fleets in Namibia and Mozambique, as well as cost related to periodical surveys of the fleet; and other investments in different Industrial Centers, mainly in Spain and France, for 2.6 million euros.

6.2 Changes in the consolidation scope

These are related to derecognition of assets resulting from the disposal of the company Pesquerías Belnova, S.A. in October 2021 (see Note 3.1.e)

6.3 Derecognitions

Derecognitions in 2022 refer, mainly, to land and buildings in Spain, France and Ecuador; technical installations, machinery and fleet in those countries, whose costa and accumulated depreciation amounts to 5.2 and 2.8 million euros respectively, and for which the Group applied a provision for impairment from previous years amounting to 1.1 million euros.

Derecognitions in 2021 referred, mainly, to the disposal of a vessel operating in Africa, whose costa and accumulated depreciation amounted to 3.2 and 2.8 million euros respectively, for which the Group applied a provision for impairment from previous years amounting to 0.4 million euros

The results obtained from the disposal and derecognition from the consolidated statement of financial position are recorded under the heading “Result from transactions with non-current assets” in the accompanying consolidated income statement for the 2022 and 2021 reporting periods.

6.4 Transfers and Other

In 2022, there have been transfers of property, plant and equipment to intangible assets for 0.3 million euros; accumulated depreciation of property, plant and equipment, for 0.6 million euros, were transferred to “Investment property”.

In 2021, accumulated depreciation of property, plant and equipment, for 0.2 million euros was transferred to “Investment property”. Also, the official grant received in 2021 to finance the investment related to the “*Biomarine Center*” project, recognized under heading “Advances and work in progress” was reduced by 1.3 million euros.

6.5 Impairment loss

On each closing date, the Group assesses whether there is an indication that the assets of the cash-generating units may be impaired, in which case it estimates the recoverable amount of the aforementioned assets. At March 31, 2022, the Group carried out a test to measure these assets and considered necessary to recognize an impairment loss of property, plant and equipment amounting to 1.3 million euros, of which 0.9 million euros relate to assets classified as “Investment property”.

6.6 Property, Plant and Equipment serving as guarantee.

Of the balance under property, plant, and equipment at the closing of 2022, 86 million euros are serving as mortgage guarantees. (95 million euros at the end of the 2021 reporting period) (see Note 12.4).

6.7 Other disclosures

The Group on a regular basis formalizes insurance policies to cover the possible risks to which the different elements of property, plant and equipment are subject. At the end of the financial year, the Directors of the Parent Company considered that the insurance contracted is sufficient to cover the risks of its activity.

At end of the 2022 and 2021 reporting periods, the Group has not recognized property, plant and equipment items which are not used directly in operations, for a significant amount.

7) FINANCIAL INVESTMENTS

The classification and balances under financial investments at March 31, 2022 and 2021 is as follows:

(Thousands of euros)	31/03/2022		31/03/2021	
	Current	Non-current	Current	Non-current
Financial assets measured at fair value, with changes recognized in profit and loss				
Equity instruments	10	640	10	349
Not listed	10	640	10	349
Other	134	-	3,621	-
Not listed	134	-	3,621	-
Total	144	640	3,631	349
Financial assets measured at amortized cost				
Unsecured loans				
At fixed rate	5,524	10,351	4,689	11,499
Less impairment losses	-	(6,021)	-	(6,614)
Total	5,524	4,330	4,689	4,885
Other amounts receivable	2,503	-	3,263	-
Total	2,503	-	3,263	-
Deposits and guarantees	3,699	4,581	4,903	4,780
Total	3,699	4,581	4,903	4,780
Total	11,726	8,911	12,855	9,665
Total financial assets	**11,870**	**9,551**	**16,486**	**10,014**

"Equity instruments" include shares in companies in which the Group does not hold a significant stake.

"Other", amounting to 134 thousands of euros, refers to the fair value of forward exchange contracts that mitigate the risk exposure to changes in the USD/EUR exchange rate (339 thousands of euros at March 31, 2021) (see Note 12.5); in addition, at March 31, 2021 investments funds amounting to 3,282 thousands of euros, mainly in fixed income and monetary assets, were included under this heading.

"Unsecured loans", at March 31, 2022, refer basically to amounts receivable from loans to third parties amounting to 3,788 thousands of euros (5,443 thousands of euros at March 31, 2021), as well as loans to associated companies for 4,975 thousands of euros (3,126 thousands of euros at March 31, 2021).

“Other amounts receivable” recognized at March 31, 2022 refer, mainly, to receivables serving as guarantee for funding trade transactions for 2,328 thousands of euros (3,102 thousands of euros at March 31, 2021).

The heading “Deposits and guarantees” includes at March 31, 2022 deposits for 5,780 thousands of euros, in credit institutions serving as guarantee for transactions financing non-current assets and working capital (6,917 thousands of euros at March 31, 2021).

The Group assesses at each statement of financial position date whether there is any indication that an investment is impaired, in which case it estimates the recoverable amount of the mentioned asset. At March 31, 2022, the Management of the Group has conducted an individualized test to measure these assets, and it was considered necessary to reverse the provision for impairment loss for 64 thousands of euros recognized under the heading “Impairment losses and result from disposal of financial instruments” in the accompanying consolidated income statement at March 31, 2022.

8) INVENTORIES AND BIOLOGICAL ASSETS

At March 31, 2022 and 2021, the breakdown of inventories and biological assets, by type of activity and by type and degree of completion, as well as their impairment is shown below:

(Thousands of euros)	31/03/2022	31/03/2021
Goods for resale	130,236	111,753
Raw material and other supplies	34,371	81,804
Work in progress and semi-finished products	50,805	39,840
Finished products	60,876	51,182
By-products, residuals, recycled materials & advances	66,544	5,199
	342,832	289,778
Provisions for impairment	(5,438)	(14,707)
Total	**337,394**	**275,071**

At the end of the 2022 reporting period, the Group had no pledged inventories (1,328 thousands of euros at the end of the 2021 reporting period).

Below is the breakdown of inventories by nature at the closing of the 2022 and 2021 reporting periods:

(Thousands of euros)	31/03/2022	31/03/2021
Biological assets	49,503	36,801
Other inventories	287,891	238,270
Total	**337,394**	**275,071**

Provisions for impairment

The movement in 2022 and 2021 reporting periods under provisions for impairment of inventories is shown below:

(Thousands of euros)	31/03/2022	31/03/2021
Opening balance	(14,707)	(11,792)
Derecognition	-	3,061
Allowances	(139)	(5,976)
Reversals	9,617	-
Other	(209)	-
Closing balance	**(5,438)**	**(14,707)**

Recognitions and reversals of the provision for impairment of inventories is recognized under the heading “Impairment of goods, raw material and other supplies” in the consolidated income statement.

9) AMOUNTS RECEIVABLE

The breakdown of trade receivables and other amounts receivable, at the end of the 2022 and 2021 reporting periods, is as follows:

(Thousands of euros)	31/03/2022	31/03/2021
Financial assets at amortized cost		
Trade receivables	112,289	99,833
Receivable from group companies (Note 17.2)	4,899	-
Receivable from associated companies (Note 17.2)	2,816	1,544
Personnel	731	1,121
Other amounts receivable	6,098	7,248
Impairment loss	(365)	(1,922)
Total	**126,468**	**107,824**

<u>Provisions for impairment of amounts receivable</u>

In 2022 and 2021, the movement under this heading is as follows:

(Thousands of euros)	31/03/2022	31/03/2021
Opening balance	(1,922)	(1,125)
Trade receivables recongized in the reporting period	(105)	(848)
Trade receivables reversed in the reporting period	1,662	51
Closing balance	**(365)**	**(1,922)**

The recognition and reversal of the provision for impairment of amounts receivable is recorded under the heading “Loss, impairment and change in provisions for trade transactions” in the consolidated income statement.

10) CASH AND CASH EQUIVALENTS

This heading included the cash balance kept in current accounts and cash in hand. At March 31, 2022, there is no significant restricted cash and equivalents (200 thousands of euros at March 31, 2021).

11) CAPITAL AND RESERVES

The composition and movements in the Group’s equity are detailed in the “Consolidated Statement of Changes in Consolidated Equity” which is part of the Consolidated Annual Accounts.

11.1 Capital

The Parent Company was incorporated on June 30, 2015 with an initial capital of 3,000 euros, represented and divided into three thousand quotas with a nominal value on one euro each, of the same class and series indivisible and accruable, fully subscribed and paid by Pescanova, S.A.

Afterwards, the General Meeting of Shareholders of the sole partner, held on September 29, 2015, as sole quota-holder of Nueva Pescanova, S.L., approved the following resolutions regarding the latter:

- The Joint Merger and Double Segregation Project under which the structural modifications envisaged in the compositions with creditors of the sole partner at that date and its subsidiary companies become definite, and it also determines a capital increase in Nueva Pescanova, S.L. against non-monetary contributions that constitute the segregated equity in the Second Segregation (see Note 1). The capital increase is set in 2,434,894 euros, by the issue of the same number of new quotas of one euro of nominal value each of them, assigning a subscription premium of 57,491,106 euros, which correspond to the difference between the aggregate nominal value of all the quotas and the valuation made by the Board of Directors of the sole partner of the total segregated equity.

  The Joint Merger and Double Segregation Agreement was filed with the Companies Registration Office in Pontevedra on November 9, 2015.

- Capital increase by a nominal amount of 9,750,000 euros, the sole quota-holder at that time waived its right to preferred subscription in favor of the creditors of the Restructured Debt, by the issue of 9,750,000 quotas of one euro of nominal value each of them. The capital increase was entirely assumed and paid by cash contributions and the set off of loans that Nueva Pescanova held with the above-mentioned creditors, so the new share capital was 12,187,894 euros, represented by 12,187,894 quotas, all of them of the same class, and of one euro of nominal value each of them.

On April 19, 2017, the Parent Company at Extraordinary General Meeting resolved a capital increase for 135,426,453 euros by the issue of 135,426,453 quotas of one euro of nominal value each of them, which were fully subscribed and paid by setting off claims pursuant to article 301.2 of the Companies Law and the Report prepared by the Board of Directors of the Company approved on April 4, 2017 (see Note 12.1). The capital increase was foreseen in the Refinancing agreement entered on December 30, 2016 by and between the Management of the Group and the main creditors of Nueva Pescanova, S.L., and legally approved pursuant to Ruling dated February 13, 2017 or the Mercantile Court number 1 in Pontevedra, which became firm on March 14, 2017.

At the General meeting held on June 29, 2020, it was resolved a capital reduction in order to restore the balance between the share capital and the net equity of the parent company which had decreased as a result of losses, in accordance with articles 320 and following of the Companies Law. In compliance with the provisions of article 322 of the Companies Law, the Board agreed to reduce, first of all, the share premium, and the legal reserve, by 57,491,106 and 2,230,004 euros, respectively, resolving to apply all the voluntary and legal reserves of the Parent Company. The Board also agreed to reduce the share capital of the Parent Company by 78,235,604 euros.

On February 23, 2021, an Extraordinary General Meeting of Partners was held, to submit to decision several proposals for capital increases through non-monetary contributions, in order that, on a voluntary basis, the creditors holding the insolvency financial liabilities undertake the voluntary capitalization of their credits. As a result of the operation described above, the debt was reduced by 542 million euros of nominal value (268 million euros at amortized cost) and the share capital of the Parent Company was increased by a nominal value of 268 million euros.

As a result of this operation, at the end of the 2022 and 2021 reporting periods, the nominal amount of the capital, subscribed and paid amounts to 337,468,978 euros, represented in 718,019,103 quotas, all of them of the same class and with the same rights, and with a nominal value of 0.47 euros each.

11.2 Reserves as prescribed by law

Pursuant to the Companies Law, an amount equal to ten per cent of the Parent Company's profit for the year shall in any event be earmarked for the reserve prescribed by law until such reserve represents, at least, 20% of the capital.

For to the capital reduction resolved on June 29, 2020, the Company utilized this reserve. At March 31, 2022 and 2021 this reserve does not reach the minimum required by law.

This reserve prescribed by law may be used, entirely, to increase the capital. However, until it exceeds 20% of the capital, this reserve may only be used to offset losses provided no other sufficient reserves are available for such purpose.

11.3 Reserves

In 2022, the application of the loss of the Parent Company for the year 2021 amounting to 5,985 thousand euros was recorded as a lower amount under reserves.

In 2021, expenses related to the issue of new shares, amounting to 1,890 thousand euros, were recognized as a lower amount under reserves pursuant the capital increase carried out that year, as well as the application of the loss of the Parent Company for the year 2020 amounting to 44,314 thousand euros.

11.5 Reserves in companies within the consolidation scope

The breakdown of reserves in companies within the consolidation scope included under equity in the accompanying consolidated statements of financial position at March 31, 2022 and 2021 is shown below:

(Thousands of euros)	31/03/2022	31/03/2021
Attributable to the Parent Company	3,236	3,112
Attributable to Subsidiary Companies:		
Aquaculture - Vannamei	(38,966)	(33,621)
Aquaculture - Turbot	14,338	14,660
Industrial & Commercial	(4,549)	664
Fishing - Southern Cone	39,968	42,789
Fishing - Africa	(10,957)	(10,547)
Other	(23,601)	(22,297)
Total	**(20,531)**	**(5,240)**

11.6 Contribution for the consolidated result

The contribution of the different companies in the Group, by activity division, to the 2022 and 2021 consolidated result is shown below:

Financial year 2022

(Thousands of euros)	Consolidated result for year	Attributable to non-controlling interest	Attributable to Partners of the Parent Company
Parent Company	(2,471)	-	(2,471)
Subsidiaries and Multigroup Companies			
Aquaculture - Vannamei	(4,032)	-	(4,032)
Aquaculture - Turbot	4,542	-	4,542
Industrial and commercial	7,238	-	7,238
Fishing - Southern Cone	9,474	-	9,474
Fishing - Africa	(2,154)	825	(2,979)
Holding & Other	(4,764)	-	(4,764)
Total	**7,833**	**825**	**7,008**

Financial year 2021

(Thousands of euros)	Consolidated result for year	Attributable to non-controlling interest	Attributable to Partners of the Parent Company
Parent Company	(5,861)	-	(5,861)
Subsidiaries and Multigroup Companies			
Aquaculture - Vannamei	(5,343)	-	(5,343)
Aquaculture - Turbot	(381)	-	(381)
Industrial and commercial	(2,220)	-	(2,220)
Fishing - Southern Cone	(2,888)	-	(2,888)
Fishing - Africa	(1,655)	11	(1,666)
Holding & Other	(1,516)	-	(1,516)
Total	**(19,864)**	**11**	**(19,875)**

11.6 Translation differences

The main translation differences included under net equity in the accompanying consolidated statements of financial position, at March 31, 2022 and 2021, are as follows:

(Thousands of euros)	31/03/2022	31/03/2021
Companies in US Dollar context	(1,481)	(4,013)
Companies in Meticai context	6,383	7,091
Companies in Namibian Dollar and South African Rand context	(1,510)	(3,044)
Other companies	898	1,845
Total	**4,290**	**1,879**

11.8 Non-controlling interest

The movements under this equity heading in 2022 and 2021 reporting periods are shown below:

(Thousands of euros)	2022	2021
Opening balance	83	109
Translation differences	(164)	(425)
Profit of the year attributable to non-controlling interest	825	11
Other movements	306	388
Closing balance	**1,050**	**83**

The composition of the balance of this heading in the accompanying consolidated statement of financial position is shown below:

March 31, 2022

(Thousands of euros)	Reserves	Translation differences	Result	Total
Fishing - Africa	(2,309)	2,534	825	1,050
Total	**(2,309)**	**2,534**	**825**	**1,050**

March 31, 2021

(Thousands of euros)	Reserves	Translation differences	Result	Total
Fishing - Africa	(2,626)	2,698	11	83
Total	**(2,626)**	**2,698**	**11**	**83**

11.7 Other disclosures

The only partner of the Parent Company holding a share higher than 10% is ABANCA Corporación Bancaria, S.A., its shareholding at March 31, 2022 is 97.76% (97.48% at March 31, 2021), as mentioned in Note 1.

12) FINANCIAL DEBT

The detail of financial debt at amortized cost, at March 31, 2022 and 2021 is as follows:

(Thousands of euros)	31/03/2022	31/03/2021
Debentures and other negotiable securites	6,683	-
Debt with credit institutions	83,023	83,769
Other non-current financial liabilities	63,383	74,364
Long-term debt/non-current financial liabilities	**153,089**	**158,133**
Debentures and other negotiable securites	41,895	8,333
Debt with credit institutions	182,322	169,777
Debt for accrued interest	2,555	1,955
Other current financial liabilities	11,672	2,328
Short-term debt/Current financial liabilities	**238,444**	**182,393**
	391,533	**340,526**

The detail of financial debt, by geographical area and concept at March 31, 2022 and 2021 is as follows:

March 31, 2022

(Thousands of euros)	Nueva Pescanova, S.L.	Spanish Subsidiaries	Foreign Subsidiaries	Total
Novated debt from insolvency proceedings (Notes 12.1.a and 12.1.b):				
Nominal and capitalized interest, "pay if you ca" clause	58,631	-	6,533	65,164
Financial update	(16,749)	-	(2,781)	(19,530)
	41,882	-	3,752	45,634
Addtional subordinated debt (Note 12.1.c):				
Nominal and capitalized interest, "pay if you can" clause	42,763	-	-	42,763
Financial update	(41,703)	-	-	(41,703)
	1,060	-	-	1,060
Long-term dedebentures and oher negotiable securities (Note 12.2)	-	-	6,683	6,683
Short-term dedebentures and oher negotiable securities (Note 12.2)	28,600	-	13,295	41,895
Long-term debt with credit institutions	-	5,276	77,747	83,023
Other non-current financial liabilities (Note 12.3)	11,233	1,545	3,911	16,689
Short-term debt with credit institutions	1,167	92,612	88,543	182,322
Interest payable	482	753	1,320	2,555
Other non-current financial liabilities (Note 12.3)	10,935	299	438	11,672
Total	**95,359**	**100,485**	**195,689**	**391,533**

March 31, 2021

(Thousands of euros)	Nueva Pescanova, S.L.	Spanish Subsidiaries	Foreign Subsidiaries	Total
Novated debt from insolvency proceedings (Notes 12.1.a and 12.1.b):				
Nominal and capitalized interes, "pay if you can" clause	64,532	-	6,952	71,484
Financial update	(20,523)	-	(3,207)	(23,730)
	44,009	-	3,745	47,754
Addtional subordinated debt (Note 12.1.c):				
Nominal and capitalized interes, "pay if you can" clause	42,338	-	-	42,338
Financial update	(41,450)	-	-	(41,450)
	888	-	-	888
Short-term dedebentures and oher negotiable securities (Note 12.2)	-	-	8,333	8,333
Long-term debt with credit institutions	-	5,234	78,535	83,769
Other non-current financial liabilities (Note 12.2)	20,374	1,203	4,145	25,722
Short-term debt with credit institutions	-	85,437	84,340	169,777
Interest payable	454	451	1,050	1,955
Other current financial liabilities	572	667	1,089	2,328
Total	**66,297**	**92,992**	**172,904**	**340,526**

The financial debt with the majority partner, ABANCA Corporación Bancaria, S.A. is classified under the heading “Short and long-term debt with group parties” in the accompanying consolidated statement of financial position at March 31, 2022 and 2021 (see Note 17).

12.1 Detail of financial debt

12.1.a. Novated debt from insolvency proceedings. At domestic level

The Group recognizes 41,882 thousands of euros (44,009 thousands of euros at March 31, 2021) under “Other non-current liabilities” as the value, at March 31, 2022 of the amortized cost of the “Restructured debt”. As such it is understood that the debt of Nueva Pescanova consists of the following:

a. Debt from the debt restructuring process of Pescanova, S.A. Corresponding to the novated debt of the alternative option of the composition with creditors of Pescanova, S.A. and the Spanish subsidiary companies absorbed by the same, pursuant to the Deed of Merger and Double Segregation dated November 6, 2015, and formalized before the Notary in Vigo, Mr. Miguel Lucas Sánchez under record number 3,104.

b. Debt from the debt restructuring process of Novapesca Trading, S.L.U. and Insuiña, S.L.U. The novated debt from these compositions with creditors adopting the alternative proposal, as provided in the respective compositions with creditors was assigned to the Parent Company pursuant to an assumption of debt agreement entered with Insuiña, S.L.U. and Novapesca Trading, S.L.U. dated November 18, 2015, and recorded in a public deed of that same date and authorized by the Notary in Vigo, Mr. Miguel Lucas Sánchez, under record number 3,207.

c. Debt from Harinas y Sémolas del Noroeste, S.A. (Hasenosa), company that belonged to the Group until 2017, assumed by Nueva Pescanova, S.L. under a policy related to the Restructuring Agreement of Hasenosa, authorized on November 16, 2015 by the Notary in Madrid, Mr. Jose María Madridejos Fernández, under record number 566 of his registry of policies and the Notary in Vigo, Mr. Miguel Lucas Sánchez, under record number 2,020.

These debts are divided according to their classification, pursuant to the insolvency proceedings, into ordinary and subordinated debt which in turn are divided into two tranches: i) “Senior Tranche” and ii) “Junior Tranche”, calculated as 57.15% and 42.85%, respectively, of the amounts recognized, pursuant to the provisions in the composition with creditors of Pescanova, S.A., and the composition with creditors of the subsidiaries in the insolvency proceedings and the Restructuring Agreement of Hasenosa.

The main characteristics of these debts are:

Debt type	Maturity date for ordinary debt	Maturity date for subordinated debt	Interest rate	Interest payment
Senior	23/May/2024	23/May/2039	3.00 %	Half-yearly
Junior	23/May/2029	23/May/2044	1.00 %	Half-yearly (**)
Basic (*)	23/Nov/2022	23/Nov/2037	-	-

(*) Novated debt from insolvency proceedings of Novapesca Trading, S.L.U. and Insuiña, S.L.U.
(**) Subject to the “pay if you can” clause, in case they are not paid in cash, interest would be capitalized and paid at maturity.

As indicated in Note 11.1, on April 19, 2017, the partners at the Extraordinary General Meeting of the Parent Company approved the capital increase by setting off claims pursuant to article 301.2 of the Companies Law and the Report prepared by the Board of Directors of the Company approved on April 4, 2017, so that all resolutions set in the refinancing agreement entered on December 30, 2016 became firm. The capitalization exchange equation was determined based on the amortized cost of the financial liabilities at December 31, 2016 eligible for capitalization and lead to a reduction of 344.7 million euros of debt at nominal value, equivalent to 137 million euros of debt recognized at fair value. In agreement with the terms and conditions of the refinancing agreement, the creditors of the Parent Company chose between the capitalization option or the release option. Based on the option chosen by the different creditors the parent Company capitalized 135 million euros.

The part of financial liabilities under “Novated debt from the composition with creditors – at domestic level” which has neither been capitalized nor released pursuant to the mentioned agreement is governed by the terms provided in appendix 3 of the refinancing agreement; so that the conditions included in the compositions with creditors are governed by a single document. The conditions are included so that the part of the financial liabilities which have not been capitalized remain unchanged in respect of the previous conditions regarding maturity and interest, incorporating a series of action limits subject to prior authorization of a qualified majority and disclosure commitments.

As mentioned in Note 11.1, on February 23, 2021, an Extraordinary General Meeting of Partners was held, to submit to decision several proposals for capital increases through non-monetary contributions, in order that, on a voluntary basis, the creditors holding the insolvency financial liabilities undertake the voluntary capitalization of their credits. As a result of the operation described above, the debt was reduced by 542 million euros of nominal value (268 million euros at amortized cost), ABANCA Corporación Bancaria, S.A. being the main creditor participating in that transaction. The nominal value of this debt amounts to 58,631 thousands of euros at March 31, 2022 (61,532 thousands of euros at March 31, 2021) (see Note 17.2).

12.1.b. Novated debt from insolvency proceedings. At international level

The Group has recognized an outstanding debt that was novated pursuant to the Judicial Homologation Ruling for insolvency protection of its subsidiary company Argenova, S.A. This ruling was issued by the Commercial Court N° 25 in Buenos Aires. The insolvency protection proceedings of Argenova, S.A. has been fulfilled, pursuant to the notice from the Commercial Court N° 25 in Buenos Aires dated December 13, 2019.

The amount recognized under this heading refers to labilities with a credit institution, governed by the Judicial Homologation Ruling. At March 31, 2022 the outstanding principal amount is 6,952 thousands of euros (8,041 thousands of euros at March 31, 2021), of which 419 thousands of euros mature in the short term (1,089 thousands of euros at March 31, 2021) while the remaining amount is subject to a negative amortization schedule, accruing an annual 1% interest rate and maturing in December 2030. The Group recognizes this debt for its amortized cost value, equivalent to 4,171 thousands of euros at March 31, 2022 (4,834 thousands of euros, at March 31, 2021).

At March 31, 2021, the group recognized under the heading “Other non-current financial liabilities) the remaining novated debt related to trade and other amounts payable, nominated in pesos, for an approximate amount of 115 thousands of euros.

12.1.c. Additional subordinated debt

The Group has recognized, at March 31, 202, 1,060 thousands of euros (888 thousands of euros at March 31, 2022) under the heading “Other non-current financial liabilities” the value, at amortized cost, of the Subordinated Loan for an initial nominal amount of 300 million euros, which was modified by the above-mentioned refinancing agreement formalized on December 30, 2016, as well as the voluntary capitalization of claims, at nominal value of the additional subordinated debt, amounting to 181 million euros, related to part of the aforementioned capital increase carried out in February 2021. The nominal value of those debt amounts to 42,763 thousands of euros at March 31, 2022 (42,338 thousands of euros at March 31, 2021).

The key features of this debt are shown below:

- Interest rate: 1% half-yearly, subject to the “pay if you can” clause, in such case interest is capitalizable and paid at maturity.
- Maturity: 20 years, extendable until the full repayment of the restructured debt, with a maximum limit 10 additional year.

12.1.d Spanish subsidiary companies’ debt with credit institutions

The amount recognized under the heading “debts with credit institution” of the Spanish subsidiary companies, shows the amount draw down from the Multiproduct Syndicated Financing facility entered on May 4, 2016 by the Parent Company and its subsidiary companies Novapesca Trading, S.L.U. and Pescanova España, S.L.U. The terms and conditions of this agreement were novated in July 2021, extending the annual maturity to August 2022, automatically extendable to March 2023, provided that ratios covenants set by the creditors are met. This agreement includes the financing facilities shown below for a total amount of 150 million euros:

- Syndicated revolving credit facility for 75 million euros of which, at March 31, 2022 and 2021, this facility has been draw down entirely.
- Syndicated invoice advance credit facility, with a limit of 25 million euros of which, at March 31, 2022, 3.5 million euros (10.4 million euros at March 31, 2021) had been drawn down.
- Multicompany syndicated factoring facility, with a limit of 50 million euros, of which, at March 31, 2022, 26.5 million euros (22.9 million euros at March 31, 2021) had been drawn down. Since the novation performed in 2019, the debt related to this factoring facility complies with the requirements for being considered as debt without recourse and therefore it is not recognized under the heading "Debts with credit institutions" in the consolidated statement of financial position for the reporting periods ended March 31, 2022 and 2021.

On June 30, 2020, a credit line was formalized with ABANCA Corporación Bancaria, S.A. for 55 million euros with a maturity of 5 years and ICO guarantee, which was fully draw down of at March 31, 2022 (54.9 million euros at March 31, 2021). Additionally, on July 30, 2020, a syndicated revolving credit line was formalized for 45 million euros with ICO guarantee, of which 33.8 million euros were drawn dawn at March 31, 2022 (at March 31, 2021, 15 million euros were draw down).

Up to date, all amounts draw down from this syndicated loan facilities have been carried out by Pescanova España, S.L.U., which bear interest at market rates.

12.1.e Foreign subsidiary companies' financial debt

The breakdown of debt with credit institutions at the end of the 2022 and 2021 reporting periods is shown below:

March 31, 2022

Subsidiary (Thousands of euros)	Draw down	Currency	Long-term	Short-term
Novanam (Namibia	12,796	EUR/NAD	7,245	5,551
Pescamar (Mozambique)	11,392	EUR/USD	9,557	1,835
Pescanova Portugal	2,806	EUR	146	2,660
Promarisco (Ecuador)	54,344	USD	30,419	23,925
Pescanova USA	6,653	USD	-	6,653
Nueva Pescanova France (France)	27,601	EUR	5,364	22,237
Camanica (Nicaragua)	39,554	USD	23,932	15,622
Other countries	31,122	-	7,767	23,355
Total	**186,268**		**84,430**	**101,838**

March 31, 2021

Subsidiary (Thousands of euros)	Draw down	Currency	Long-term	Short-term
Novanam (Namibia)	13,749	EUR/NAD	6,965	6,784
Pescamar (Mozambique)	13,377	EUR/USD	12,797	580
Pescanova Portugal	4,000	EUR	239	3,761
Promarisco (Ecuador)	42,128	USD	20,744	21,384
Pescanova USA	7,842	USD	682	7,160
Nueva Pescanova France (France)	29,317	EUR	6,403	22,914
Camanica (Nicaragua)	36,601	USD	22,144	14,457
Other countries	24,194	-	8,561	15,633
Total	**171,208**		**78,535**	**92,673**

Within the international scope of debt there are credit agreements with two financial institutions, to finance the plan for the renewal of the fleet of the subsidiaries in Namibia and Mozambique. The limit of the agreements in force amounts to 35.2 million euros, of which 30.3 million have been draw down at March 31, 2022 (33.5 million euros at March 31, 2021). Each of these loans, granted to companies whose functional currency is not the euro, have been designated in a cash flow hedging relationship as hedge instruments to cover the foreign exchange risks that affects the sales that both of them make to the Nueva Pescanova Group.

Also, the Group has been provided with additional funding from these financial institutions, for a limit of 4.2 million euros.

Debt in Promarisco (Ecuador)and Camanica (Nicaragua) refers, mainly, to loans agreements related to investments made by these companies in property plant and equipment, which were entered into between 2010 and 2012 and refinanced at the end of the reporting period, according to a progressive payment schedule until 2025. The debt owed to Nueva Pescanova France refers, mainly, to working capital financing credit lines, which have been renewed until August 2023.

The remaining debt with credit institutions in foreign companies refers mainly to short and long-term debt with credit institutions, there has been no significant change in the same except for amounts drawn and repayments of working capital facilities in the normal course of business of such subsidiary companies and long-term loan repayments as per the corresponding repayment schedules, bearing interest at market rates.

12.2 Debentures and other negotiable securities

In May 2021, the Parent Company entered a program for the issue of promissory notes in the Alternative Fixed Income Market (MARF) for up to 50,000 thousand euros. At March 31, 2022, the total amount issued in this program was 28,600 thousand euros, with a maturity of less than 12 months. Likewise, in 2019, Promarisco, S.A. approved a program for the issue of securities representing debt both short-term (commercial paper) and long-term (debentures) for up to 30 million dollars. At March 31, 2022, the amount of commercial paper in circulation amounts to approximately 9.8 million dollars (10 million dollars at March 31, 2021). Additionally, throughout the year, debentures have been issued whose outstanding value, at March 31, 2022, amounts to 12.4 million dollars, bearing interest at market rates.

12.3 Other financial liabilities

At March 31, 2022, this heading includes debt at amortized cost amounting to 20,976 thousands of euros, whose nominal value is 23,093 thousands of euros (20,374 thousands of euros and 23,093 thousands of euros respectively at March 31, 2021), of which, at March 31, 2022, the part of the debt maturing in November 2022 was classified as current liabilities for 10,363 thousands of euros.

This debt refers, basically, to the fair value of the debts that the Parent Company holds with Pescanova, S.A., by indirectly assuming through a "mirror account" the liabilities prior to the Second Segregation, which are recognized in the statement of financial position of Pescanova, S.A. and were not transferred in the aforementioned segregation (see Note 2B), these are: (i) loans against the insolvency state of Pescanova, S.A., (ii) loans with general and special privilege, and iii) novated debt subject to the basic proposal, both from the composition with creditors of Pescanova, S.A. and from the compositions with creditors of its subsidiaries, classified by long and short-term debt on the basis of the anticipated due date.

The Merger and Double Segregation Agreement ratified by the General Meeting of Shareholders of Pescanova, S.A., unlike the compositions with creditors contemplate the withholding by Pescanova, S.A. of 1.9 million euros in cash, delaying its repayment in favor of the Parent Company until the cancellation of non-segregated liabilities. This aspect was not originally included in the composition with creditors of Pescanova, S.A. nor in the compositions with creditors of its subsidiaries but was subsequently incorporated by Pescanova, S.A. in the mentioned Merger and Double Segregation Agreement. The right to recovery that the Parent Company has over this amount is recognized as a lower amount in the "mirror account" with Pescanova, S.A.

In addition, and derived from the merger and double segregation described in Note 1, Nueva Pescanova, S.L. assumed the liabilities of every nature, including those of a contingent nature or of late communication in accordance with the Insolvency Law, recognized or not recognized, existing at the date of the Second Segregation or becoming known after the same but originated prior to the Second Segregation, through a reciprocal credit (mirror account) with Pescanova, S.A. In this regard, the long-term credit balance includes 12 million euros at March 31, 2022 and 2021, approximately, which corresponds to the estimate made to cope with the above-mentioned risks for their calculation it has been considered that they have been originated prior to the initiation of the insolvency proceedings of Pescanova, S.A. and therefore the hypothetical negative impact would be significantly lessened.

The most relevant proceedings against Pescanova, S.A. and currently in progress, refers to the criminal procedure dealt with before the Audiencia Nacional under Summary Proceedings 1/2019. In this proceedings Pescanova, S.A., together with its former executives and directors are accused. These proceedings has been resolved in first instance by judgement of the Audiencia Nacional dated October 6, 2020 condemning, among other, Pescanova, S.A. the judgement is not yet enforceable and has been appealed by several parties, among which is Pescanova, S.A. Anyhow, the pecuniary liability arising from these proceedings falls on Pescanova, S.A. but, in the opinion the legal advisors or Pescanova, S.A., it could be considered part of the insolvency and therefore there is the possibility that they would have to be assumed by Nueva Pescanova, S.L., provided that the terms and conditions set forth in the insolvency law and the compositions with creditors are complied with.

12.4 other disclosures regarding financial debt

Interest rate

In the 2022, the Group's financial debt accrues an average interest rate of 3.90% (4.22% in 2021)

Breakdown of debt by maturity

Debt at March 31, 2022 and 2021, maturing in each of the 5 years following the end of the reporting periods, and the remaining amounts until cancellation, is shown below:

March 31, 2022

(Thousands of euros)	
2024	22,426
2025	59,331
2026	84,023
2027	10,601
2028 & Following years	56,099
Total	**232,480**

March 31, 2021

(Thousands of euros)	
2023	30,121
2024	16,172
2025	52,582
2026	79,414
2027 & Following years	57,404
Total	**235,693**

Novated debt arising from insolvency proceedings is not subject to covenants worth mentioning.

The rest of the transaction contain conditions that are customary to the different contracts and mainly refer to the compliance with certain financial ratios related to net financial debt, equity, operating cash-flow, or debt service, as well as certain limits related to capex or new borrowing.

In some of the Group's subsidiary companies, certain assets of the relevant companies are serving as collateral for their financial debt (see Note 6.6).

12.5 Derivative financial instruments

At March 31, 2022, the Group held forward exchange agreements to mitigate the risk exposure to changes in USD exchange rates, and amounts to 134 thousands of euros, classified under the heading "other financial assets" (339 thousands of euros at March 31, 2021).

13) SHORT-TERM AMOUNTS PAYABLE

At March 31, 2022 trade amounts payable reached 172 million euros (122 million euros at March 31, 2021), other short-term amounts payable amount to 31 million euros at March 31, 2022 (22 million euros at March 31, 2021).

Pursuant to the additional provision of the Resolution passed by the Accounting and Audit Institute on January 29, 2016, below is the disclosure to be incorporated to the notes to the consolidated annual accounts regarding the average payment term to suppliers in trade transactions by the Spanish companies belonging to the Group, both for the 12month period ended March 31, 2022 and for the 3month period ended March 31, 2021:

	2022	**2021 (*)**
	(Days)	
Average payment term to suppliers	45.58	40.63
Ratio of payments made	45.04	38.91
Ratio of outstanding payments	32.82	46.84

	(Thousands of euros)	
Total payments made	293,621	67,307
Total outstanding payments	44,345	32,709

(*) 3 month financial reporting period ended March 31, 2021

14) PROVISIONS FOR CONTINGENCIES AND EXPENSES

There is no knowledge of any significant negative contingencies which could affect the equity or results of the Nueva Pescanova Group, at March 31, 2022 and 2021, other than those mentioned in these notes to the consolidated annual accounts.

Below is the breakdown of the balance under this heading in the accompanying consolidated statements of financial position at March 31, 2022 and 2021:

(Thousands of euros)	31/03/2022	31/03/2021
Provisions related to assets in Pescanova España, S.L.U.	675	675
Contingent liabilities	10,058	15,030
Other provisions	17,950	15,511
Total provision for contingiencies and expenses	**28,683**	**31,216**

The movement in provisions for contingencies and expenses in the 2022 and 2021 reporting periods is shown below:

(Thousands of euros)	2022	2021
Opening balance	31,216	30,150
Additions	5,277	659
Transfers	-	986
Reversals	(5,032)	(931)
Translation differences	724	634
Amounts used	(3,502)	(282)
Closing balance	**28,683**	**31,216**

Provisions related to assets in Pescanova España, S.L.U.

It corresponds to the carrying amount of assets of this company that serving as collateral on third parties debt which are likely to be enforced. The possible loss of these assets would have no impact on the Company's operations insofar as several of them are not involved in the activity and those that are, are easily replaceable.

Contingent liabilities

At March 31, 2022 and 2021, the Group recognized provisions related to various kinds of risks related to the businesses of the Group and originated prior to the time of taking the control of the Group. In 2022, considering the evolution of the contingencies identified, the Group recognized a reversal of this provision for 5,032 thousands of euros (931 thousands of euros in 2021).

Other provisions

This item refers to the estimated potential impact of certain judicial proceedings in which certain companies belonging to the Nueva Pescanova Group are involved in foreign courts and related to tax issues, mainly, as well as for commitments with employees in application of current legislation in several Group companies.

15) TAX POSITION

The breakdown at March 31, 2022 and 2021 of balances held by the Group with Public Bodies is as follows:

Receivable from Public Bodies (Thousands of euros)	31/03/2022	31/03/2021
Corporate tax	5,385	2,430
Income tax	10	2,835
Indirect tax	18,860	14,257
Receivable from Social Security	292	249
Other	1,562	3,553
	26,109	**23,324**

Payable to Public Bodies (Thousands of euros)	31/03/2022	31/03/2021
Corporate tax	3,654	248
Income tax	1,461	1,689
Indirect tax	5,211	2,816
Payable to Social Security	3,886	4,223
Other	5,920	3,474
	20,132	**12,450**

Corporate income tax

The calculation of the expense for the Nueva Pescanova Group corporate income tax for the financial years 2022 and 2021 is as follows:

(Thousands of euros)	2022	2021 (*)
Consolidated result before tax	**12,009**	**(19,339)**
Losses from companies for which no tax credit has been recognized	22,890	18,472
Offsetting of tax loss carried forward	(7,309)	-
Adjusted result	**27,590**	**(867)**
Corporate income tax expense calculated at the tax rate of the parent company	**(8,277)**	**216**
Adjustments for inflation in Argentina	**2,338**	**(704)**
Effect of different tax rates and consolidation adjustments	**1,763**	**(37)**
Total tax result	**(4,176)**	**(525)**

(*) 3 month financial reporting period ended March 31, 2021

The breakdown of the corporate income tax expense/income, current and deferred, for the 2022 and 2021 reporting periods is shown below:

(Thousand of euros)	2022	2021 (*)
Change in deferred tax	(6,757)	(5,500)
Tax recognized against net shareholders' equity	4,355	3,478
Current expense	(1,774)	1,497
Tax expense/Tax income	**(4,176)**	**(525)**

The corporate tax expense is calculated at the tax rates of each of the countries where the Group operates. The companies whose information is integrated into these consolidated annual accounts pay taxes, individually, except in Spain. Since January 1, 2021, those Spanish companies that comply with the mandatory requirements to be eligible by the regulations governing taxation under consolidation regime have been integrated into the Tax Group whose parent company is ABANCA Corporación Bancaria, S.A.

Regardless of the income taxes passed on to the consolidated income statement, the tax effect of the application of the relevant regulations regarding valuation of foreign exchange differences on investment abroad and the valuation of the accounting hedges that have resulted in a corporate tax income recognized directly in net equity amounting to 4,355 thousand euros at March 31, 2022 (income amounting to 3,478 thousands of euros at March 31, 2021).

Tax returns cannot be considered final until they have been reviewed by the tax inspection authorities or the relevant period during which they are open for review has elapsed. The years open for inspection in relation to the main taxes vary according to the relevant tax legislation in the countries in which the Group operates. The Parent Company has open to inspection the last four years, as well as the tax returns open for inspection shown below:

- On July 23, 2020, the Parent Company was informed by the tax authorities of the commencement of an inspection regarding Corporate Tax for the years 2015 to 2018 and Value Added Tax for the periods April 2016 to December 2018. At the date of formulation of these consolidated annual accounts, the Parent Company is in the process of providing the requested documentation, it is not possible to determine the possible consequences that could arise from this inspection. Therefore, the directors of the Group consider that no additional liabilities, that would significantly affect the consolidated annual accounts, will arise as a result of the inspection.

These financial statements reflect the effect of the entry into force in Spain of Royal Decree-Law 3/2016, of 2 December, adopting tax procedures aimed at the consolidation of public finances consisting of the modification of the limits for the compensation of negative tax bases, the regime for impairment loss on shares reversals and the non-deductibility of losses as a result of the transfer of shares in certain entities, which hos not been significant on the equity position or the results of the Group

Deferred Tax Assets

The breakdown of deferred tax assets recognized in the accompanying consolidated statement of financial position at March 31, 2022 and 2021 is shown below:

Deferred Tax Assets (Thousands of euros)	31/03/2022	31/03/2021
Tax credits from tax loss carryforwards	22,540	21,739
Tax credit form deduction of inflation effect in Argenova	2,338	481
Adjustment of translation differences for net investment abroad	1,017	4,563
Adjustment of results arising from intra-group margins recognized in inventories	1,803	1,139
Tax effect for hedge accounting	180	895
Other	342	147
	28,220	**28,964**

The movement under deferred tax assets for the financial years 2022 and 2021 was as follows:

(Thousands of euros)	2022	2021(*)
Opening balance	28,964	33,454
Recognition	3,516	-
Derecognition	(4,260)	(4,490)
Closing balance	**28,220**	**28,964**

(*) 3 month financial reporting period ended March 31, 2021

The main amounts recognized refer, basically, to translations differences from foreign tax credits amounting to 618 thousands of euros, the tax effect of the intragroup inventories margin and the recognition of tax credits in the subsidiary company Argenova, S.A. Amounts derecognized in the financial reporting period 2022, relate to the tax effect of adjustment for translation differences for net investments abroad and the accounting of translation risk hedge. Additionally, it has been recognized a in crease in deferred tax assets under the heading "reserves in companies in the consolidation scope" amounting to 270 thousands of euros as a consequence on the rise in the tax rate from 25% to 30% for the integration in the Tax Group whose parent company is ABANCA Corporación Bancaria, S.A.

The Group recognizes the tax credits to the extent that it considers likely that the entities (individually or on a consolidated basis) that have generated them will have sufficient tax profits in the future to make them effective. The deferred taxes recognized have been reviewed to verify that they remain in force and that are considered recoverable in the future according to the results of the analyses carried out. These analyses were based on: (i) the construction of hypotheses to analyze the existence of sufficient tax gains to offset these tax losses (ii) the evaluation of the estimates of results of each fiscal entity or group according to the new Strategic Plan of the Group; (iii) the period and limits established in the legislation of each country for the recovery of tax credits.

Deferred tax liabilities

The breakdown of deferred tax liabilities recognized in the accompanying consolidated statement of financial position at March 31, 2022 and 2021 is shown below:

Deferred tax liaiblities (Thousand of euros)	31/03/2022	31/03/2021
"*Pescanova*" brand name	19,308	16,090
Customers portfolio	143	201
Adjustment of property, plant and equipment for "*Purchase Price Allocation*"	1,155	1,315
Other	1,040	979
	21,646	**18,585**

The movement under deferred tax liabilities for the financial years 2022 and 2021 was as follows:

(Thousands of euros)	2022	2021(*)
Opening balance	18,585	17,575
Recognition	3,279	383
Derecognition	(218)	(22)
Transfers	-	649
Closing balance	**21,646**	**18,585**

(*) 3 month financial reporting period ended March 31, 2021

Deferred tax liabilities recognized in the accompanying consolidated statements of financial position, at March 31, 2022 and 2021 refer, basically, to the initial recognition of 23 million euros, the recognition of the tax effect associated to the recognition of the brand name "Pescanova" and clients' portfolio in accordance with the procedure for the identification and measurement of assets carried out in 2016. In the 2022 reporting period it has been recognized an increased in the mentioned liabilities under the heading "reserves in the companies in the consolidation scope" for 3,223 thousands of euros as a consequence of the consequence on the rise in the tax rate from 25% to 30% for the integration in the Tax Group whose parent company is ABANCA Corporación Bancaria, S.A. Derecognitions refer to the recognition of deferred tax in the income statement in agreement with the allowance for amortization/depreciation for the relevant assets.

Tax losses carry forward

At March 31, 2022 and 2021 tax loss carried forward pending offsetting by Group companies refer, basically, to the Spanish companies and Namibian companies.

16) INCOME AND EXPENSES

As mentioned in Note 2.C, the Group changed the date for closing the financial reporting period, from December 31 to March 31. It is for this reason that information broken down in this Note refers to the results from operations carried out in the 12-month period starting on April 1, 2021 and ended on March 31, 2022, whilst the figures for 2021, included for comparison purposes, shows the results from operations carried out in the 3-month period starting on January 1 and ended on March 31, 2021.

16.1 Sales

The breakdown of income from sales and services rendered of the Nueva Pescanova Group for the financial reporting periods ended March 31, 2022 and 2021 is shown below:

(Thousands of euros)	**2022**	**2021 (*)**
Sales	1,079,441	204,311
Services rendered	7,552	1,741
	1,086,993	**206,052**

(*) 3 month financial reporting period ended March 31, 2021

The breakdown of income from sales and services rendered, by most relevant products and services pertaining to the activities of the Nueva Pescanova Group, in 2022 and 2021 reporting periods, is as follows:

	2022		**2021 (*)**	
	Percentage	**(Thousand euros)**	**Percentage**	**(Thousand euros)**
Wild caught	40.6%	440,795	40.3%	82,990
Farmed	46.8%	509,105	44.6%	91,878
Processed	11.1%	121,131	13.5%	27,919
Other	1.5%	15,962	1.6%	3,265
	100.0%	**1,086,993**	**100.0%**	**206,052**

(*) 3 month financial reporting period ended March 31, 2021

Net turnover, by cash generating unit Group, in the 2022 and 2021 reporting periods, is as follows:

	2022		**2021 (*)**	
	Percentage	**(Thousand euros)**	**Percentage**	**(Thousand euros)**
Sales in Spain	39.0%	423,849	38.1%	78,493
Sales in the EU	35.1%	381,658	35.2%	72,619
Sales outside the EU	25.9%	281,487	26.7%	54,941
	100.0%	**1,086,993**	**100.0%**	**206,052**

(*) 3 month financial reporting period ended March 31, 2021

The Group operates in three different geographical areas – Spain, European Union, and Other countries outside the European Union. Net turnover by geographical area, in the financial reporting periods 2022 and 2021, is as follows:

	2022		2021 (*)	
	Percentage	(Thousand euros)	Percentage	(Thousand euros)
Fishing - Southern Cone	0.3%	3,533	0.8%	1,743
Fishing- Africa	1.0%	10,495	3.0%	6,236
Aquaculture - Vannamei	3.1%	33,949	2.6%	5,424
Aquaculture - Turbot	0.0%	167	0.0%	96
Commercial & Industrial	95.0%	1,032,855	93.2%	192,004
Other	0.6%	5,994	0.3%	549
	100.0%	**1,086,993**	**100.0%**	**206,052**

16.2 Supplies

The breakdown of supplies included in the consolidated income statements for the reporting periods ended March 31, 2022 and 2021, is as follows:

(Thousands of euros)	2022	2021 (*)
Purchase of goods for resale	254,814	66,055
Purchase of raw material and other supplies	368,269	70,936
Purchase of consumables and other	988	1,053
Volume discount	-	45
+/- Change in inventories	(7,726)	(4,958)
	616,345	**133,131**

(*) 3 month financial reporting period ended March 31, 2021

16.3 Personnel expense

The detail of this heading in the consolidated income statements for the reporting periods ended March 31, 2022 and 2021, is as follows:

(Thousands of euros)	2022	2021 (*)
Wages and salaries	156,484	32,076
Social security	45,618	8,832
	202,102	**40,908**

(*) 3 month financial reporting period ended March 31, 2021

Average headcount, by category, including permanent and temporary employees, in the financial years 2022 and 2021, is as follows:

	2022	2021 (*)
Senior officers	12	10
Senior leaders	53	54
Middle managers	887	794
Technical/Specialist/Administrative staff	1,328	1,288
Blue collar staff	9,556	8,880
	11,836	**11,026**

(*) 3 month financial reporting period ended March 31, 2021

Headcount at March 31, 2022 and 2021, by gender and professional category, is as follows:

	2022		2021	
	Female	Male	Female	Male
Senior officers	2	11	1	9
Senior leaders	10	43	8	45
Middle managers	243	584	230	561
Technical/Specialist/Administrative staff	358	931	348	955
Blue collar staff	3,760	5,192	3,424	5,123
	4,373	**6,761**	**4,011**	**6,693**

At March 31, 2022 and 2021, the Group has hired 115 and 113 people, respectively, with a disability greater than 33%.

16.4 Other operating expenses

The breakdown of other operating expenses in the consolidated income statements, for the 2022 and 2021 reporting periods, is as follows:

(Thousands of euros)	**2022**	**2021(*)**
External services	181,178	35,379
Taxes other than income tax	10,362	1,465
Other operating expenses	15,414	5,564
Losses, impairment and change in provisions for trade transactions (Note 9)	(1,557)	797
	205,397	**43,205**

(*) 3 month financial reporting period ended March 31, 2021

16.5 Financial expense

Under the heading “Financial expense” in the accompanying consolidated income statement for 2022 reporting period, the Group recognizes the expense associated to the measurement of the financial debt, at amortized cost, amounting to 3,599 thousands of euros (1,961 thousands of euros in 2021.

16.6 Result from loss of control of companies in the consolidation scope

As mentioned in Note 3.1, refers, entirely, to the result related to the exit from the consolidation scope of the company Pesquerías Belnova, S.: in October 2021.

17) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Transactions between the different subsidiaries, which are related parties, form part of the Company's normal business activities, in respect of their purpose and conditions, and have been eliminated on consolidation. Therefore, they are not disclosed in this Note.

17.1 Transactions with group and associated companies

The breakdown of the transactions with group and associated companies, in the 2022 and 2021 reporting periods, is as follows:

	2022		2021 (*)	
(Thousands of euros)	**Income**	**Expenses**	**Income**	**Expenses**
Associated companies	674	7,705	240	2,210
Group companies	-	5,411	-	2,565
Total	**674**	**13,116**	**240**	**4,775**

(*) 3 month financial reporting period ended March 31, 2021

These related-parties transactions are equivalent to transactions concluded at arm's length.

17.2 Balances with related parties

The breakdown of balances with group and associated companies (excluding Directors and Senior Management), at the end of 2022 and 2021 reporting periods, is as follows:

Financial year 2022

(Thousands of euros)	Receivable		Payable	
	Loans	**Receivable (Note 9)**	**Loans & other amounts**	**Group companies**
Long-term	1,391	-	(76)	(79,391)
Short-term	3,584	7,715	(591)	(32,058)
Total	**4,975**	**7,715**	**(667)**	**(111,449)**

Financial year 2021

(Thousands of euros)	Receivable		Payable	
	Loans	**Receivable (Note 9)**	**Loans & other amounts**	**Group companies**
Long-term	390	-	(1,189)	(77,560)
Short-term	2,736	1,544	(823)	(24,093)
Total	**3,126**	**1,544**	**(2,012)**	**(101,653)**

As mentioned in Note 12, as a consequence of the financial restructuring and structural modifications in previous financial years, part of the restructured debt, the additional subordinated debt, and the syndicated multigroup credit facility correspond to ABANCA Corporación Bancaria, S.A. In this sense, debt at amortized cost held by the majority partner have been classified according to maturity under the heading "Short and long-term debt with group companies" in the accompanying consolidated statement of financial position at March 31, 2022 and 2021, nevertheless, the main features of this financial debt is included in Note 12.

Also, at March 31, 2022, it has been recognized under the headings "Trade and other amounts receivable" and "short-term debt with group companies", 4,899 and 2064 thousands of euros, respectively, that represent the balance to be settled with ABANCA Corporación Bancaria, S.A. by the different Spanish group companies included in the Tax Group.

17.3 Directors and Senior Officers

At the date of authorization for issue of these consolidated annual accounts, the composition of the governing body (Board of Directors) of the Parent Company is shown below:

Composition of the Board of Directors		
José María Benavent Valero	Executive Director	Chairman
Ignacio González Hernández	Executive Director	Managing Director
Javier Carral Martínez	Independent Director	Member of the Board
José Fafián Seijo	Independent Director	Member of the Board
Marco Nieto Montero	Independent Director	Member of the Board

Total retribution of members of the Board of Directors in the 12-month period ended March 31, 2022, for the performance of their duties, for attending Board meetings, allowances and other consideration as provided in the articles of association amounts to 793 thousands of euros (199 thousands of euros in the 3-month period ended March 31, 2021).

At March 31, 2022 and 2019, Senior Officers of the Group were 12 (9 at March 31, 2021). In 2020, total remuneration received by the Senior officers of the Nueva Pescanova Group, regardless of the Group Company hiring them, amounted to 3,881 thousands of euros at March 31, 2022 (450 thousands of euros for the 3-month period ended March 31, 2021).

At March 31, 2022 and 2021 the Group had no pension obligations with the members of the Board of Directors. In the 2022 reporting period, the Group has paid premiums for 230 thousand euros related to the civil liability insurance taken out for the Directors (no amount was paid en the 3-month period ended March 31, 2021. The amounts paid for life and health insurances in the financial year 2022 reached 35 thousands of euros (5 thousands of euros in the 2021 reporting period).

Also, there are no advances or loans granted to senior management or former or current members of the Board of Directors, and there are no other assumed obligations on their account and serving as collateral.

Other disclosures concerning the Board of Directors

Pursuant to the provisions in the Spanish Companies Law, it is reported that the members of the Board of Directors hold no interest in companies with identical, similar, or complementary type of activity to the corporate purpose of Nueva Pescanova.

Also, and pursuant to the aforementioned Law, there is no evidence that, in the 2022 reporting period, any of the members of the Board of Directors performs or has performed, as independent professionals or as employees, activities that are identical, similar, or complementary to the activity that constitutes the corporate purpose of Nueva Pescanova, S.L.

In the 2022 and 2021 reporting periods, there were no cases of conflict of interest involving the Directors or persons related to them.

In the 2022 reporting period and until the date of authorization for issue of these consolidated annual accounts, the executive directors abstained from taking part on the debate and vote at one of the meetings of the Board or its Committees in respect of an item of the agenda affecting the terms of their remuneration. In 2021 there was no occasion in which any of the directors abstained from taking part in the discussion and vote of any matter at the meetings of the Board of Directors or its Committees.

17.4 Other balances and transactions with related parties

Controlling interest

In the 2022 and 2021 reporting periods there has been no transaction with controlling interest, apart from the funding transactions mentioned in Note 12.

18) CONTINGENT LIABILITIES

Contingent liabilities

The Management of the Group has no knowledge and, consequently, has not recognized any liability arising from risk or contingencies other than those originated in Pescanova, S.A. prior to the effective date of the structural modifications carried out in 2015 (see Note 2B), which are part of the so called "mirror account" or recognized under the heading "Long-term provisions" in the accompanying consolidated statement of financial position on March 31, 2022. However, at the date of authorization for issue of these annual accounts, there are some contingencies which are listed below:

- On July 27, 2017, Pescanova, S.A. filed a claim for ordinary proceedings with the First Instance Court in Vigo, requesting the nullity or non-existence of the payment obligation for 300,000 thousands of euros ("additional subordinated loan") established by Nueva Pescanova, S.L. in favor of certain financial institutions, and arising from the "Super Senior Syndicated Loan Agreement" entered on December 29, 2015. These proceedings were settled by a sentence issued on February 25, 2022 by the First Instance Court nº 14 in Vigo that dismisses the claim of Pescanova, S.A., which has filed an appeal against the aforementioned sentence.

- On September 4, 2017, Pescanova, S.A. filed a claim for ordinary proceedings with the Mercantile Court Number 1 in Pontevedra, requesting the nullity of the agreement for the capital increase of Nueva Pescanova, S.L., adopted in agreement with the first to sixth items in the agenda of the Extraordinary General Meeting of Partners held on April 19, 2017. In mid-2019, the claims of Pescanova, S.A. were given a judgment rejecting. The judgment was appealed on appeal and upheld by the Provincial Court in Pontevedra. Pescanova, S.A. has appealed to the Supreme Court, and the sentence is still pending.

The Directors of the Parent Company consider that there will be no significant liabilities from the resolution of these claims.

19) FINANCIAL RISK POLICIES

19.1 Capital management

The main target of the capital management policy of the Nueva Pescanova Group consists of safeguarding the Group's ability to continue with its activity.

19.1.1 Net debt evolution

The Group's net debt at March 31, 2022 and 2021, is shown in the table below:

(Thousands of euros)	31/03/2022	31/03/2021
Short and long-term debt	391,533	340,526
Short and long-term debt with group companies	111,449	101,653
Cash and cash equivalents	(51,045)	(36,727)
Net debt	**451,937**	**405,452**

19.2 Financial risk management policies

The Nueva Pescanova Group is exposed to certain risks that are managed by the application of identification, measurement, limiting their concentration and monitoring systems.

<u>19.2.1 Interest rate risk</u>

Foreign exchange risk relates mainly to the following transactions:

- Debt denominated in currencies other than the functional currency arranged by Group Companies.

- Collections and payments made in currencies other than the functional currency for the purchase and sale of any type of service. Mainly for imports of goods into the Euro Zone in dollars.

- Transactions related to the purchase and sale of goods by Group companies outside the Euro Zone in euros or in local currency other than their functional currency.

In addition, the net assets relating to net investments in foreign companies whose functional currency is other than the euro are exposed to foreign exchange risk in the translation of the financial statements of these foreign operations on consolidation.

The monetary policy followed by the Group is aimed to lessen any impact arising from currencies fluctuation. Most of the Group's income comes from the Euro zone, where a significant part of its sales take place. Similarly, financial debt is mainly taken in euros.

In order to mitigate foreign exchange risks, in 2020, the Nueva Pescanova Group took a cash collection and payments hedging instrument relating to its assets and liabilities denominated in foreign currencies to eliminate the variability to which external financing transactions in Namibia (ZAR) and Mozambique (Metical) are exposed so that the impact on sales caused by the fluctuation in exchange rates offsets the impact caused by the fluctuation in the financing to which they are exposed. At March 31, 2022, 2234 thousands of euros have been recognized in net equity for this cash flow hedging (income for 2,441 thousands of euros at March 31, 2021).

As to risks related to costs borne by subsidiary companies in currencies other than their functional currency, these are traditionally weak currencies in respect of the currencies in which the Group makes its sales, mainly the euro and to a lesser extent the US dollar.

Also, since the functional currency of the companies that recognize the Group's investments in Argentina is the euro, the consolidated figures are not exposed to hyper-inflationary effect of the economy of this country in the reporting periods 2022 and 2021.

<u>19.2.2 Interest rate risk</u>

Interest rate fluctuations change the fair value of assets and liabilities that bear a fixed interest rate as well as the future flows from assets and liabilities bearing interest at a floating rate.

<u>19.2.3 Credit risk</u>

The main financial assets of the Group are cash and cash equivalents, trade and other amounts receivable, and investments that represent the maximum credit risk exposure of the Group regarding financial assets. The Group's credit risk is mainly attributable to its trade amounts receivable. The amounts are shown in the consolidated statement of financial position net of the provision for uncollectable debt as estimated by the Management of the Group based on the experience from previous years and the assessment of current economic environment. The group reduces the credit risk by entering insurance policies in the countries where it operates, being the credit rating of the specialized insurance companies a decisive element in the extending of commercial credit to clients.

19.2.4 Liquidity risk

The maturities of liabilities of a financial nature (included under the headings "Long and shorty-term debt" and "Long and short-term debt with group companies" in the accompanying consolidated statement of financial position) for their nominal value plus interest for the period, which differ from the amounts show in the accompanying consolidated statement of financial position at March 31, 2022 and 2021 are shown below:

March 31, 2022

(Thousands of euros)	
2023	274,891
2024	29,960
2025	61,882
2026	85,467
2027	11,727
2028 & following years	121,556
Total	**585,483**

March 31, 2021

(Thousands of euros)	
2022	210,982
2023	37,952
2024	20,278
2025	58,411
2026	80,754
2027 & following years	118,465
Total	**526,842**

For the purpose of being able to meet the Group's payment commitments derived from its activity and meet the needs of working capital financing for the businesses, at March 31, 2022, the Group holds a cash position of 51 million euros (37 million euros at March 31, 2021), as well as credit facilities for 6.8 million euros (36.4million euros at March 31, 2021) and positive working capital for 69 million euros (105 million euros at March 31, 2021).

20) OTHER DISCLOSURES

Auditor's remuneration

In the 2022 reporting period, auditing fees accrued by the main auditor and the branches in its network reached 670 thousands of euros (521 thousands of euros in the 2021 reporting period), fees accrued by other auditors in subsidiary companies amounted to 139 thousands of euros in 2022 (40 thousands of euros in the 2021 reporting period).

The main auditors and other affiliated entities of KPMG International have provided additional services other than auditing amounting to 17 thousands of euros (5 thousands of euros in the 2021 reporting period). Also, companies related to the main auditor have invoiced fees and expenses for 285 thousands of euros for other services provided to Group companies, basically, for tax advice and other services (15 thousands of euros in the 2021 reporting period).

Environmental information

The Group pursues the protection and enhancement of the environment, either directly, through environmentally friendly investments with an utmost respect for nature, or by supporting initiatives for the enforcement of laws and regulations for environment protection. In the first case, the Group reports that all factories and vessels of the Group are equipped to achieve the greatest respect for the environment; and in the latter, bearing in mind the fishing activity of the Group, the aim is to seek the enforcement of responsible practices with a view to ensuring the effective conservation of living aquatic resources, through the establishment of fishing quotas or of long enough close seasons to ensure a sustainable exploitation, year after year, of the fishing grounds where Group operates.

It also participates actively with stakeholders in the countries where it performs fishing and aquaculture activities, for a progressive and better management of marine resources. This philosophy of conservation and rationalization of its fishing and aquaculture activities is one of the strategic pillars of the Nueva Pescanova Group activity, allowing us to see with a high degree of optimism the future of biological and fisheries resources.

The sustainability of fishing and aquaculture activities, as well as responsible operations in the processing and marketing of products, are key points of its commitment to the Planet:

- Acting responsibly on fisheries and aquaculture, in accordance with the commitment to FAO's responsible fisheries and aquaculture principles and their effective verification in our operations.
- Acting responsibly on fisheries and aquaculture, in accordance with the commitment to FAO's responsible fisheries and aquaculture principles and their effective verification in our operations.
- Working on the improvement of the processes for the processing of food products at all its industrial centers, in each of the countries in which we are present, betting on the efficiency and optimization of the use of natural resources, materials and energy.
- Being committed to the responsible management of water, energy, and raw materials, minimizing the generation of discharges and waste, and emissions into the atmosphere.
- Identifying and evaluating the environmental impact derived from its activities and implementing projects to achieve their minimization and offsetting.
- Complying with the commitment to responsible marketing and communication of all its products, including FAO's fish and fishery products labelling guidelines.

Among the aims of the environmental policy of the Nueva Pescanova Group is to implement best practices in all the countries in which it is present, and for that purpose, the Group is:

- Certified as compliant with the environmental management standard ISO 14001 are the Group's industrial centers located in Arteixo, Chapela, Porriño, Paterna, Mougás and Xove (Spain).
- Certified as compliant with the environmental management standard EMAS (Eco-Management and Audit Scheme) are the aquaculture farm of Insuiña, S.L.U. in Mougás (Spain).
- Certified as compliant with GLOBALGAP's Best Aquaculture Practices for shrimp farming operations are Camarones de Nicaragua, S.A. (Nicaragua), Promarisco, S.A. (Ecuador) and for turbot farming Insuiña, S.L.U. (Spain).
- Certified as compliant with Global Seafood Alliance's Best Aquaculture Practices for the shrimp farming operations (hatchery, feed mill, grow-out and processing) are Promarisco, S.A. (Ecuador), Camarones de Nicaragua, S.A. (Nicaragua) and Novaguatemala, S.A. (Guatemala).

- Certified as compliant with Aquaculture Stewardship Council' standards are the shrimp farming operations in Promarisco (Ecuador) and Camarones de Nicaragua, S.A. (Nicaragua).
- Regarding fishing, the Cape hake fishing ground in Namibia, where we undertake fishing operations, is certified by the Marine Stewardship Council (MSC) sustainable fishing benchmark.
- The Namibian hake fishing operations are certified as sourced from Sustainable Fisheries by the Nueva Pescanova Group that validates compliance with FAO's Code of Conduct for Responsible Fisheries and compliance is audited annually, since 2013, by Bureau Veritas.
- Certified as compliant with the MSC/ASC chain of custody standard are the processing plants in the Industrial Centers of Pescanova España S.L.U. in Arteixo, Catarroja, Chapela, Paterna and Porriño (Spain), in Deep Ocean Processors (Pty) Ltd and Skeleton Coast Trawling (Pty) Ltd (Namibia), Promarisco, S.A. (Ecuador), Camarones de Nicaragua, S.A. (Nicaragua), Novaguatemala, S.A. (Guatemala), the Industrial Centers of Lorient and Boulogne-sur-Mer of Nueva Pescanova France (France) and warehouses of Pescanova USA (United States).

The Nueva Pescanova Group, in line with its commitment to a responsible management of resources and its contribution to the UN's Sustainable Development Goals (SDGs), is moving towards the change to more environmentally friendly sources of energy. There are several specific projects that seek, mainly, to reduce indirect emissions. The Group works on the implementation of technical solutions appropriate to the reality of each country by changing whenever possible the supplier of electricity from fossil to renewable origin.

21) SUBSEQUENT EVENTS

On February 24, 2022, Russia invaded Ukraine. The war, along with serious human and material damage in the affected countries, is having a significant impact on international political relations and the world economy. Among the immediate and most significant impacts on the sector and the markets in which the Group operates, it is worth noting the notable increase in gas and electricity prices, as well as the volatility in financial and commodity markets. At the moment, the different scenarios on the evolution of the conflict and its consequences are highly uncertain. The Group is following the course of events to identify potential impacts on its activity.

Although no significant impact has been incurred as of the date of this annual report, the Group continues to assess the potential impact of such developments on equity and financial position at 31 March 2023 and on the results of its operations and cash flows for the year ended that date, for which it is not possible to make a reliable estimate.

Except for the above, no significant event other than those mentioned in these notes to the annual accounts, which could have affected the financial statements, has taken place since March 31, 2022 until the date of authorization for issue of these financial statements.

APPENDIX I) COMPANIES INCLUDED IN THE CONSOLIDATION SCOPE

Group composition

Below are the most significant subsidiaries and associated companies included in the consolidation scope:

Companies in the consolidation scope	Country	Shareholding %	Type	Activity [1]
Nueva Pescanova Biomarine Center, S.L.U.	Spain	100%	Subsidary company	5
Nueva Pescanova France, SAS	France	100%	Subsidary company	4
Eiranova Fisheries Limited	Ireland	100%	Subsidary company	3
Entreposto Frigorífico de Pesca (Efripel) de Mozambique, LDA.	Mozambique	97%	Subsidary company	5
Insuiña, S.L.U.	Spain	100%	Subsidary company	2
Novaperú, S.A.C.	Peru	100%	Subsidary company	3
Novapesca Trading, S.L.U.	Spain	100%	Subsidary company	5
Alisios Sea Farm, S.L.	Spain	100%	Subsidary company	2-3-4-5
Pescanova Portugal, Lda.	Portugal	100%	Subsidary company	4
Pescanova Brasil, Ltda	Brazil	100%	Subsidary company	4
Pescanova España, S.L.U.	Spain	100%	Subsidary company	3-4-5
Pescanova Hellas, Lda.	Greece	100%	Subsidary company	4
Pescanova Inc.	USA	100%	Subsidary company	4
Promarisco, S.A.	Ecuador	100%	Subsidary company	2
Abad Overseas Private, LTD	India	45%	Associated company	2
Subgroup Novaguatemala	Guatemala	100%	Subsidary company	2
Subgroup Argenova	Argentina	100%	Subsidary company	1-3-5
Subgroup Camanica	Nicaragua	100%	Subsidary company	2
Subgroup Nueva Pescanova South Africa	South Africa	100%	Subsidary company	1-4
Subgroup Novanam[2]	Namibia	49%	Subsidary company	1-3-4
Subgroup Novaprop Holdings (Proprietary) Limited	Namibia	87%	Subsidary company	1-3-4
Subgroup Pescamar	Mozambique	70%	Subsidary company	1-4
Subgroup Pescanova Italia	Italy	100%	Subsidary company	4-5

1 - Fishing
2 - Aquaculture
3 - Processing of seafood products
4 - Marketing of food products
5 - Other activities or services

[2] Pursuant to IFRS, it is fully consolidated due to the Group's control over its relevant activities

None of the above companies is listed, nor have been listed, on any stock exchange.

Companies that make up each subgroup	Country	País	Shareholding %	Type of company
Nova Guatemala Subgroup				
Nova Guatemala, S.A.				
GPM, S.A.	Guatemala	Guatemala	100%	Subsidiary company
Pescamar Subgroup				
Sociedade de Pesca de Mariscos, LDA. (Pescamar)	Mozambique	Mozambique		
Estaleiros Navais da Beira, S.A.R.L. (Beiranave)	Mozambique	Mozambique	50%	Subsidiary company
Pescabom, LDA.	Mozambique	Mozambique	70%	Subsidiary company
Compañía de Pesca del Océano ïndico,LDA (Copoic)	Mozambique	Mozambique	70%	Subsidiary company
Sociedade de Pesca do Indico, LDA. (S.P.I.)	Mozambique	Mozambique	84%	Subsidiary company
Novanam Subgroup				
Novanam Limited				
Glomar Fisheries (Pty) LTD	Namibia	Namibia	49%	Subsidiary company
Deep Ocean Processors (PTY) LTD	Namibia	Namibia	49%	Subsidiary company
Gendor Fishing (Pty) LTD	Namibia	Namibia	49%	Subsidiary company
Skeleton Coast Trawling (Pty) LTD	Namibia	Namibia	49%	Subsidiary company
Lalandii Holdings (Propietary) Limited	Namibia	Namibia	49%	Subsidiary company
Pomona Lobster Packers (Pty) LTD	Namibia	Namibia	18%	Subsidiary company
Novafish Trawling Limited	Namibia	Namibia	49%	Subsidiary company
Novanam Holdings of Namibia Limited	Namibia	Namibia	49%	Subsidiary company
Fidcoh Fish Processors (PTY) Ltd	Namibia	Namibia	25%	Associated company
Omuhuka Trawling, PTY, LTD	Namibia	Namibia	24%	Associated company
Neavera Trawling PTY, Ltd.	Namibia	Namibia	25%	Associated company
Nautilus Fishing Enterprises (Pty) Limited	Namibia	Namibia	25%	Associated company
Novaship Namibia (PTY) LTD.	Namibia	Namibia	49%	Subsidiary company
Novaship Logistics (PTY) Limited	Namibia	Namibia	49%	Subsidiary company
Novacargo Namibia (PTY) LTD.	Namibia	Namibia	49%	Subsidiary company
Venture Fishing PTY, Ltd.	Namibia	Namibia	49%	Subsidiary company
Novaprop Holdings Subgroup				
Novaprop Holdings (Proprietary) Limited				
CMI Trawling (Propietary) Limited	Namibia	Namibia	100%	Subsidiary company
Kalahari Trawling, Limited	Namibia	Namibia	100%	Subsidiary company
Novafish Shop, PTY, LTD	Namibia	Namibia	100%	Subsidiary company
Camanica Subgroup				
Camarones de Nicaragua, S.A.	Nicaragua	Nicaragua	100%	Subsidiary company
Camanica Zona Franca, S.A.	Nicaragua	Nicaragua	100%	Subsidiary company
Pescanova Nicaragua, S.A.	Nicaragua	Nicaragua	100%	Subsidiary company
Zona Franca Rio Real, S.A.	Nicaragua	Nicaragua	100%	Subsidiary company
Nueva Pescanova South Africa Subgroup				
Nueva Pescanova South Africa (Pty) Ltd				
Unick Fish (Pty) Ltd	South Africa	Sudafrica	100%	Subsidiary company
Suidor Fishing Pty Ltd [1]	South Africa	Sudafrica	26%	Associated company
Suidor Trawling Pty Ltd	South Africa	Sudafrica	100%	Subsidiary company
Argenova Subgroup				
Argenova, S.A.				
Arkofish, S.A.	Argentina	Argentina	100%	Subsidiary company
Pescanova Italia Subgroup				
Pescanova Italia, S.R.L.				
Ittinova, S.R.L.	Italy	Italia	100%	Subsidiary company

[1] Pursuant to IFRS, it is fully consolidated due to the Group's control over its relevant activities

The Directors of Nueva Pescanova, S.L. have authorized the issue of these Consolidated Annual Accounts of Nueva Pescanova, S.L. and subsidiary companies for the financial year ended March 31, 2022 which have been prepared from information provided by the Management of the Group.

These annual accounts shall be given to the auditor of the company for the issue of the audit report provided for in Article 269 of the Companies Law.

Chapela, May 31, 2022

José María Benavent Valero
Chairman

Ignacio González Hernández
Managing Director

Javier Carral Martínez

José Fafián Seijo

Marco Enrique Nieto Montero

MANAGEMENT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

This is a free translation of a document originally written in Spanish. In the event of any discrepancy, the Spanish language version prevails.

TABLE OF CONTENTS

DNA of the Nueva Pescanova Group

We work together to be the best food company in the market by bringing the freshness of the sea to the consumer's table.

We rely on our brand and innovation to fish, farm, select and process the best product wherever it may be.

We believe our first responsibility is the sustainability of natural resources and of our partner communities, whose trust we build and maintain by acting ethically and creating value.

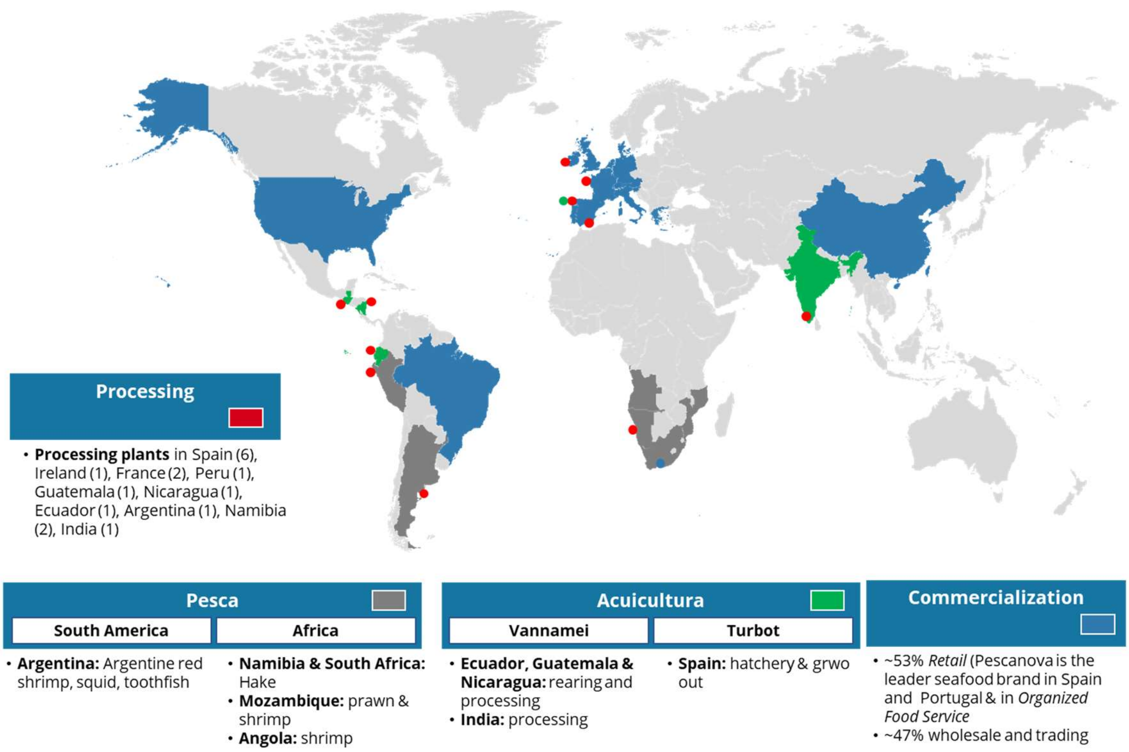
This report has been prepared so that the comments and general information provided applies to Nueva Pescanova, S.L., as well as to the entire Group of companies, unless otherwise stated.

1) GENERAL DESCRIPTION OF THE NUEVA PESCANOVA GROUP

The Nueva Pescanova Group is a Spanish multinational group of companies engaged in fishing, aquaculture, processing, and commercialization of seafood products, covering the whole Value Chain, and relying on the following competitive advantages:

a) Pescanova is reference ***BRAND*** in the seafood industry and equals quality for consumers in its main markets.

b) We are present along the entire **VALUE CHAIN**, ensuring quality and traceability of products throughout the whole process, generating value in each stage of the ensuring the quality and traceability of products throughout the process, generating value in each link of the chain. Integration is the basis that allows to guarantee the best, the healthiest, and the most appropriate format for consumption in today's world, being certified as compliant with the highest sustainability and responsible conduct standards, and fully traceable. For this reason, the Group in its Strategic Plan continues to bet on maintaining an integrated model, as one of the keys to value creation.



c) ***INNOVATION*** is written in our DNA, centered on value added products bearing in mind the needs of our customers.

d) ***SUSTAINABILITY*** *is the strategy to follow*: committed to ensure the sustainability of natural resources and the communities where it operates. The sustainability program "Pescanova Blue" is the Nueva Pescanova Group's operational answer to its positioning in its 4 CSR pillars (Planet, People, Product and Communities). With a view to achieving that objective. The principles of the sustainability program of "Pescanova Blue" are:

e) Nueva Pescanova as a ***PLATFORM FOR GROWTH***, brings opportunities to increase its income in new markets by leveraging on its brand and assets, increase the production of seafood products and establishing a platform to integrate/consolidate the European market.

In 2020, with the entry of a controlling shareholder, it was approved a new 2020-2024 Strategic Plan "Journey to Growth" based on five fundamental pillars:

1) ***Bring seafood products to those markets that value them most*** – The Group has segmented its markets and categories where it seeks to grow and has established a different strategy for each of them: Grow margins via innovation, strengthen bran positioning, etc.

2) ***Consumer-centric, by adding value***– The consumer is at the center, and the Group has defined strategies regarding innovation, brand, and channel, specific to reach consumers and generate value.

3) ***Improve productivity, efficiency & sustainability throughout the whole value chain*** – This pillar is centered in improving efficiency, productivity, and costs, with a substantial investment. The Group will be investing nearly €285M in the next 5 years, to recover the shortfall in investments over the last 10 years, and thus bring back our processing plants and operations to the front-line with better technology, more efficient and sustainable.

4) ***Transform the organization to materialize change*** – The Group's cultural transformation keeps going; improvements will be implemented to maximize the different categories management and valorization, also investment will be made in new profiles to progress in the Group's digitalization. The focus on transformation rests on an across-the-board business management, to maximize the "end to end" value of each product category. As part of this cultural change, Agile management tools are being implemented to become a more dynamic and quicker in decisions taking organization. At the same time, the Group is following a holistic approach in talent management where all processes are interdependent, allowing the standardization of selection, training and development policies seeking excellence in all processes, and aimed at generating value for the Group and the people that make the same. Investment in the talent of our people allows to keep growing and start new future projects, to position the Nueva Pescanova Group as the best food company.

5) ***Assess the best way to get there: organically, through mergers or alliances*** – To accelerate the Group's growth not only we will work on organic growth, but also analyze other ways to grow in the sector such as alliances with suppliers or strategic customers.

In the 12-month reporting period ended March 31, 2022, the target set in the Strategic Plan for EBITDA has been significantly exceeded, this being 80 million euros compared to the 71.9 million euros foreseen in the Strategic Plan for this period, which represents an improvement of 11%. As to the Net Result, the improvement amounted to 27 million euros, Net Result reaching 7 million euros, compared to the loss of 20 million euros foreseen in the Strategic Plan for this period.

2) BUSINESS EVOLUTION AND KEY PERFORMANCE INDICATORS

Explanatory note

Since the last reporting period covered 3 months, and in order to make these accounts comparable to the 12 months of this reporting period, the information included for comparison purposes in this chapter of this management report has been calculated for a 12-month period, i.e., the last 9 months of the calendar year 2020 and the 3 moths of the reporting period ended March 31, 2021.

We refer to this 12-month calculation as the " 12-month Rolling."

ENVIRONMENT AND MARKET

In the period covered by the Group's financial year (April 1, 2021 – March 31, 2022), a series of external factors have given rise to a complex economic and operating environment, which has been worsen in the last months of the year, requiring a greater effort from the company to meet the established objectives:

- The establishment of a new inflationary environment with which it has been necessary to learn to coexist, with inflation in the year that has been increasing on a monthly basis (in Spain 8.6% in April 2022). It has been and will be key to transfer inflationary pressure from costs to customer prices.

- The war in Ukraine, which has accentuated the increase in energy and logistics costs but has also hindered to access to raw materials: there have been delays and/or no supply and have been replaced with alternatives (e.g., sunflower oil). This crisis increases uncertainty about the future evolution of costs involved.

- The presence of a complex national scene, with social and business unrest, which has put pressure on the performance of normal business and has brought greater complexity and costs to daily operations.

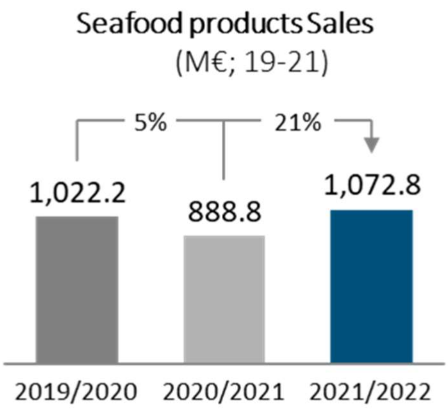
- The Impact of COVID is still present, even when there has been a recovery when compared to the previous year, the HORECA channel is doing worse than prior to the pandemic.

- Gradual recovery of economy growth at a global level. In 2021, global GDP grew by 5.8% compared to 2020, a year in which the year-on-year rate of change was negative (-3.1%).

At market level, in Spain this year there has been a recovery in sales in the retail channel with respect to the previous year, despite the good performance of this channel in the pandemic period, but the gap between the share of Private Labels and Manufacturers Brand has increased. The Horeca channel's activity this year is 13% lower than before the pandemic.

SALES

In the 12-month period ended March 31, 2022, seafood sales have increased by 21% compared to the same period the year before and by 5% if compared to tow years earlier, it is noted an increase in the vannamei category as well as in international markets. In an analysis by channel, sales are higher than in pre-pandemic times, in retail, wholesale and organized foodservice.



21% increase compared to the previous year and 5% when compared to the 2019/2020 period.

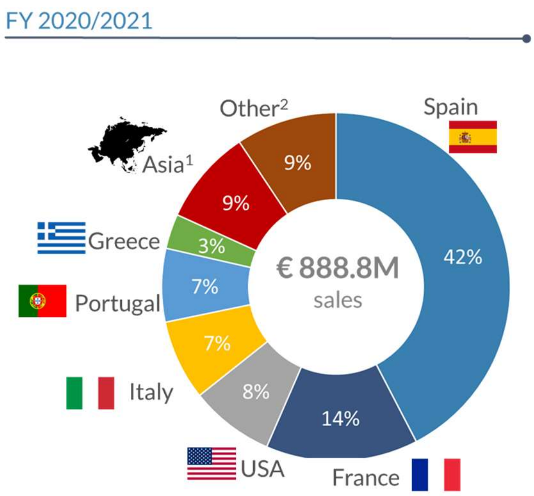
General growth in all countries and almost all categories.

Notable is the increase in volume of Vannamei and Cephalopods, and better pricing for Shrimp, Turbot and Toothfish.

Sales improved in all markets, the most remarkable being the overall increase in Wholesale (+37.3% in total) and the increase in retail sales in Portugal, France, Greece and the US.

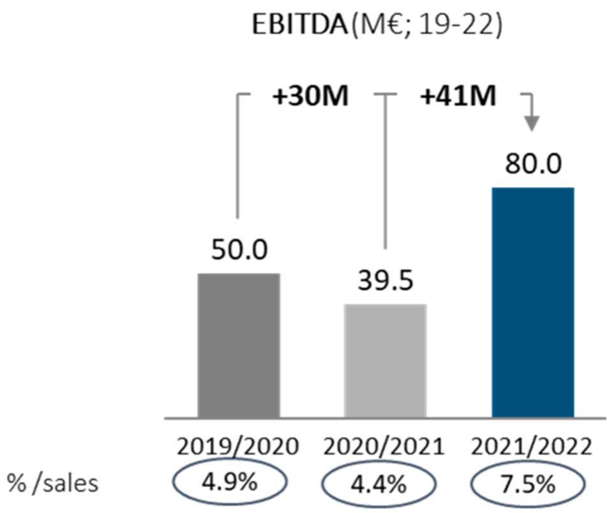
Seafood sales by market

In the twelve-month financial year ended March 31, 2022, international sales (Greece, USA and other countries) increased their weight in sales compared to Spain, which moved from 42% of total sales in 20/21 to 39% in 21/22.



EBITDA

In the 12-month period ended March 31, 2022, there has been a significant hike in EBITDA when compared to the previous year (41 million euros), mainly due to the contribution of Vannamei, Argentine Red Shrimp, Turbot and Wild Crustaceans.



OPERATIONS

Profitability

The profitability of the Nueva Pescanova Group improved substantially, with an EBITDA-to-Sales ratio of 7.5% at the end of the year ended March 31, 2022, compared to 4.4% at the end of the previous year.

The increase in profitability is mainly based on the improved efficiency of aquaculture and fishing operations, the Group's overall cost control and better of commercial margins.

Fishing

In the Fishing Division, notable are the increases in volumes caught this year with respect to the same period of the previous year, mainly Argentine red shrimp, cape hake, wild crustaceans and toothfish.

The commissioning of the new vessels is generating a significant improvement in efficiency, with a significant growth in operability and a reduction in costs (€/Kg), and with an impact on the environment due to the reduction of both energy consumption and carbon footprint.

Aquaculture

In the Aquaculture Division, it is noted a good performance of the Vannamei operation in this year, mainly in Ecuador, with an improvement in yield (kg/ha) in extensive framing of 28% compared to the previous year, a 5%increase in the average size and optimization of farming costs (€/kg), as a result of the good evolution of the conversion factor and the control of operating costs.

The Turbot operation has also improved this year, with a 23% increase in the grow-out stage (MT) compared to the previous year and the improvement in operating costs.

The investments made within the framework of the Aquaculture Plan 4.0, initiated in the first quarter of 2021 and whose objective was the automation and modernization of the vannamei rearing facilities in the subsidiaries in Nicaragua and Ecuador, has allowed us to have 100% of the farming area with automatic feeders and sensorization (6,500 ha) at the end of the year, with a total of 6,000 connected equipment and 14 new check points.

Apart from these investments, it is worth mentioning the alliances entered this year, with Microsoft (Smart Farm, which allows the management of 100,000 daily data), IBM (Traceability), Repsol (energy saving and artificial vision), Nokia (5G Networks), also included in the Strategic 4.0 Aquaculture Plan, which are fundamentally based on the incorporation of Artificial Intelligence and Big Data, to the farming processes.

Systems and processes

In order to achieve the objectives established in the 2020-2024 Strategic Plan, the Group has addressed the complete transformation of its Operating Model, giving strength to the processes and with the support of a new technological platform to provide an end-to-end vision of the company's operations and greater efficiency in them. This has involved:

- The redefinition of all the processes of the company.
- The preparation of Master Plan for our Systems that set the strategy and technological guidelines, as well as the calendar of projects to be undertaken to achieve technological transformation.
- The modernization of IT infrastructures in all countries: servers, communications, user and rooms equipment (favoring greater collaboration and interaction by telepresence), etc.

In the twelve-month period ended March 31, 2022, CAPEX for these projects amounted to €7.1M.

NET DEBT

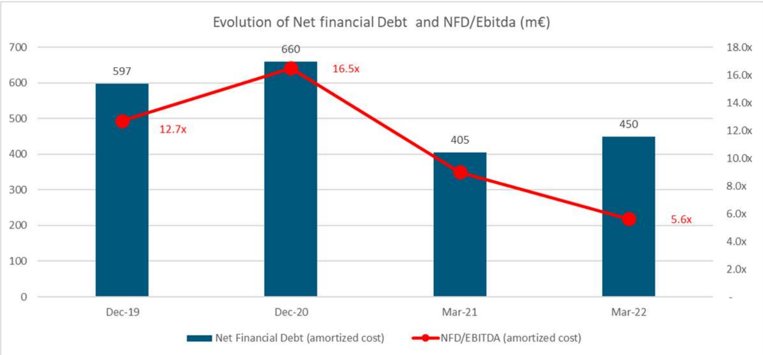
Net debt evolution, Financial debt-to-EBITDA ratio and cost of debt

The Group's net financial debt-to-EBITDA ratio has fallen from 9.0x to 5.6x at March 31, 2022. Also, financial costs have been lower than 4%, despite of the overall increase in interest rates.

Millions of euros	Dec-19	Dec-20	Mar-21 (**)	Mar-22
Short and long-term debt with credit institutions	632	692	442	501
Cash and cash equivalents	(35)	(32)	(37)	(51)
Net carrying amount debt (*)	**597**	**660**	**405**	**450**
EBITDA	**47**	**40**	**45**	**80**
Net Financial Debt/EBITDA (amortized cost)	**12.7x**	**16.5x**	**9.0x**	**5.6x**
Average cost of debt	**4.34%**	**3.75%**	**3.82%**	**3.92%**

(*) Valued at amortized cost

(**) Rolling EBITDA from April 2020 to March 2021

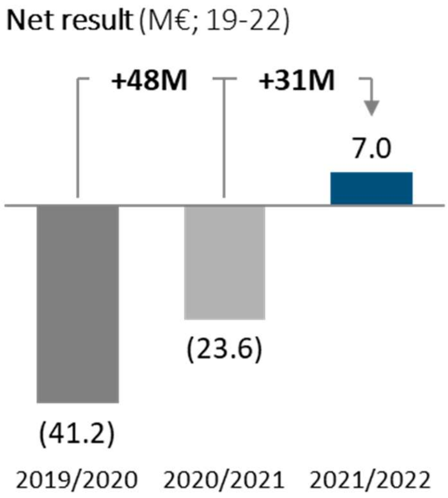


In May 2021, the parent company registered a program for the issue of promissory notes in the Alternative Fixed Income Market (MARF) for up to 50 million euros. At March 31, 2022, the balance draw down amounted to €28.6 million, maturing in less than 12 months, whilst the average outstanding balance throughout the year was some €30 million.

NET RESULT AND NET SHAREHOLDERS' EQUITY

Evolution of the Group's Net Profit and shareholders' equity

The Group's net result for the year ended March 31,2022, increased by €31 million compared to the previous year:



Below is the is the evolution of the Group's net shareholders' equity, in 2019, 2020, 2021 and 2022, following the capital increase carried out in February 2021, which has meant a significant improvement in both the Group's net shareholders' equity and the net debt (nominal value)/shareholders' equity ratio.

	31/12/2019	31/12/2020	31/03/2021	31/03/2022
Shareholders' equity	57,864	20,558	267,642	276,627
Net Debt (nominal value)/Shareholders' equity	17.2x	48.3x	1.8x	1.9x

3) PESCANOVA BRAND

The Group has continued to investment in the brand name at the pace defined in the Strategic Plan.

La Pasta del Mar (seafood noodles)

One of the great milestones of this period was the launch and boost of the advertising of the campaign for a new product "La Pasta del Mar" (seafood noodles), innovation for which the Group has received numerous awards, such as the Global Seafood Marketplace, the Carrefour Innovation Award and the Product of the Year, among other.

“Rodolfo” shrimps

The Group has continued to rely on the “Rodolfo Langostino” icon, with the quality label "Rodolfos", there have been two advertising campaigns. The first of them in summer, in digital media, and the second at Christmas, with a new television spot, full of humor ("Look how ugly they are, look how yummy they are"), which was No. 1 on YouTube with 7.2 million views, and using other digital formats to gain notoriety for the brand.

Other advertising campaigns

Hake: The Group has returned to TV with an ad for “Corazones de Merluza” (Hake Delices), as a daily option for eating fish, and aimed at protecting our leadership in this segment.

TV Adverts in other countries: The consolidation of the brand involves all commercial companies in the Group that keep on working on product innovation, consolidating our leadership in Portugal (with ad campaigns (TV and digital) throughout the year; brand building in France, Greece and Italy (with the first TV ads in the latter) and the launching the brand in the US.

International Exhibitions

The Group has returned to the top exhibitions in the seafood/food sector, such as the Seafood Expo North America (Boston) and, for the first time, has been present in the Middle East Gulfood (Dubai)

Seafood Expo North America

Gulfood Dubai

4) CORPORATE SOCIAL RESPONSIBILITY

The Group, in the 12-moth period ended March 31, 2022 has defined and transparently published its **sustainability objectives, quantifying its goals and setting timelines for accomplishment**, among other it is worth mentioning:

- By 2030, ensure **sustainable sourcing** for 100% of wild caught and farmed raw materials for our products.

- By 2025, ensure **traceability** for 100% of raw materials and products, wild caught and farmed, pursuant to GDST 1.2.

- By 2030, ensure that 100% of the processing facilities and processes are **certified** by environmental management, quality and food safety benchmarks.

- **Carbon footprint** reduction, (scopes 1 and 2) by 3% per year, aiming at a 30% reduction by 2030 and a 50% reduction by 2040, from the 2020 baseline; gradually **offsetting** scope 1 and 2 residual emissions, towards a net-zero emission target by 2040 combined with emission reduction efforts.

- By 2025, ensure that 100% of the people who make up the workforce benefit from fair and decent **employment**, formalized and evidenced by a valid employment contract, accompanied by talent management, diversity and equality, recruitment, safety and health at work as well as training and professional development plans, which can be transparently verifiable.

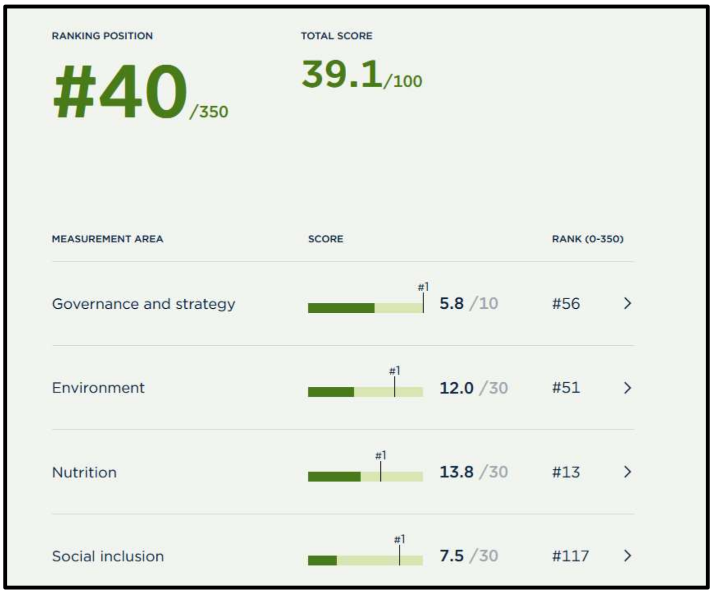
In this sense, in this reporting period, the Group has implemented the **Traceability Project** with a pilot test on board two fishing vessels (argentine red shrimp) and 2 vannamei shrimp farms in Argenova and Promarisco respectively, that has allowed us to test compliance with the GDST (Global Dialogue Seafood Traceability) traceability standard based on food safety, legal origin and sustainability evidence using the IBM's Food Trust platform. At present the project is in its implementation stage at both companies ensuring traceability from source to market.

In the 12-month reporting period, the Group has set in motion a total of **1,296 responsible actions** in the countries and business divisions (fishing, aquaculture, processing and sales).

These **1,296 responsible actions**, documented en the Responsible Action program (RAP) show how the Nueva Pescanova Group is contributing to each of the 17 SDGs of the UB Agenda 2030.

The Nueva Pescanova Group, as part of its commitment to contribute to the sustainability of the planet in accordance with the SDGs of the 2030 Agenda, was once again recognized as the first fishing company worldwide that contributes most to the achievement of a sustainable industry, according to the **2021 Seafood Stewardship Index of the World Benchmarking Alliance** (WBA), ranking third (https://www.worldbenchmarkingalliance.org/publication/seafood-stewardship-index/) among the 30 most influential world companies in the seafood industry included in this index, climbing two positions from the last edition of the ranking, published in 2019.

This recognition adds to 40th position gained in September 2021 in the Food and Agriculture Benchmark also published by the WBA, covering the 350 most influential companies in the food and agriculture sector (https://www.worldbenchmarkingalliance.org/publication/food-agriculture/companies/nuevapescanova-3/).



5) RESEARCH AND DEVELOPMENT ACTIVITIES

The inauguration of the Pescanova Biomarine Center was in November 2021, this is the largest Aquaculture R&D&I center in Europe and whose main objective is the advancement and improvement of currently farmed species in the field of nutrition, handling, health and genetics, as well as the rearing of new species.

PESCANOVA BIOMARINE CENTER

Octopus rearing in one of the main research lines at the Pescanova Biomarine Center. The Group's researchers managed to close the octopus reproduction cycle in mid-2019, ensuring that farm raised octopus not only reaches adulthood, but also begins to breed in an environment other than its natural habitat.

In particular, the Group's research team is working with 50 farmed raised octopi of the Octopus vulgaris species. This research was started by the Spanish Institute of Oceanography, which achieved the survival of farmed raised juvenile specimens, once an exclusive agreement was reached on the patent with this Institute, Pescanova moved on with the research at its facilities. It is expected that large scale production and sale will begin in 2023-2024.

The projects related to research and development set out below have been and are being carried out by different companies, mainly those that have processing centers and commercial branches, of the Nueva Pescanova Group, of which Nueva Pescanova, S.L. is the Parent Company.

The Group is constantly working on the development of new nutritious, healthy and sustainable products, in fact, the group's R&D department has developed a total of 57 innovative products in the different categories (natural fish, cephalopods, shellfish, surimi and coated products).

With regard to R&D&I projects, some of them subsidized with public funds, the Nueva Pescanova Group participates in projects related to nutrition, food safety, optimization of products and processes, or sustainability, collaborating closely with important research centers to achieve the ambitious objectives established. Some of the most relevant projects are:

- **MEDKIDS Project:** Project funded by CDTI (Centre for the Development of Industrial Technology) in cooperation with Research Centers and Technology Centers for the development of new fish-based products that contribute to improving children's dietary habits, for the prevention of obesity, based on a Mediterranean diet. The benefits will be supported by clinical studies on children. The Health Research Institute of Santiago de Compostela (IDIS) provides its technical support to the Nueva Pescanova Group in the functional analysis of the ingredients that make up the improved lunch box and coordinates studies on participating children to assess the effects of the consumption of our products on the prevention of obesity. ANFACO-CECOPESCA, is a Technological Center that contributes to the project research on new technologies for the development and conservation of new products for children.

- **Melipop Project:** is a clinical trial carried out in a group of children at risk of suffering from obesity, aimed at preventing childhood obesity through the implementation of a Mediterranean lifestyle. The Group collaborates with several Research Groups by donating seafood product for the clinical trial.

- The Health Research Institute of Santiago de Compostela (IDIS) provides its technical support to the Nueva Pescanova Group in the functional analysis of the ingredients that make up the improved *lunch box* and coordinates trial studies in children to evaluate the effects of the consumption of our products on the prevention of obesity.

- In this reporting period the **Sea2Table 4.0** project has been awarded, this is an R&D&I project seeking to advance in the development of a smart factory. The objective is to implement a new factory model in the food industry that promotes sustainability and efficiency through the application of artificial intelligence (AI). In collaboration with ASM Soft and the Gradiant technology center, the company will apply new technologies to achieve a digitized supply chain to guarantee the quality, safety and traceability of the process, ensuring that the final product comes from sustainable sources. To achieve this, a smart food factory prototype that integrates business, production and supply chain management in a cloud cybersecure environment will be designed.

- Also, this year, the **ANISAKISCHECK** project has been awarded, this is an R&D project in partnership with the company TECNOLOGÍA MARINA XIMO, S.L. (MAREXI), whose aim is to increase food quality and optimize inspection processes in the cod processing industry through the application of artificial vision (AV) and artificial intelligence (AI) technologies with the development of an automatic system incorporated to the processing lines for real time detection of Anisakis spp. larvae.

The Group is also working on a project for Continuous Improvement of Nutritional Composition, which consists of an upgrade of the nutritional profile of Pescanova products to become the healthiest option. It seeks, basically, to increase the amount of healthier nutrients such as fiber, vitamins, minerals and protein, and reduce the content of nutrients such as salt and saturated fats, with a particular focus on salt reduction, whose consumption should be reduced. In the reporting period, adjustments have been made and we have been able to remove 22 tons of salt in our products.

Also, related to health and nutrition, another important R&D line of study is the Healthy Preparations Project: that seeks the development of healthy meals that can be regenerated (reheated) to provide consumers with healthier meals. In this year, we started to use Air fryers for the preparation of our range of battered products.

With regard to the achievement of SDGs, the Group is working on the Sustainable and Recyclable Packaging Project, by using an in-house methodology, Packscore, we evaluate the recyclability of packaging material; we have also launched an action plan to achieve the goal of having recyclable packaging in 100% of Group's products, as well as the optimization of materials, increase in the use of recycled plastic and more sustainable materials.

In addition to working on its own projects and in collaboration, the Nueva Pescanova Group actively participates in the R&D ecosystem, participating as a driving company in the main accelerators, such as the Business Factory Food and mentoring innovative projects. It also has an active participation in the continuous search for sustainable and efficient technologies.

6) RISK MANAGEMENT

Implementation of the Risks Managements System (ERM) of the Nueva Pescanova Group

The Nueva Pescanova Group like any other multinational group of companies of its size and geographical spread, is subject to several risks that are inherent to the different countries, activities and markets in which it operates. It is for this reason that all significant corporate risks of all activities and businesses are properly identified, assessed, managed and controlled, having set the required mechanisms and principles for their adequate supervision, to a risk appetite level that allow the pursuit of the Group's strategic objectives.

This year, the Group has continued working in the implementation of a specific Governance Model for Risk Management. The configuration of the Risk Management System of the Nueva Pescanova Group has been concluded, with the approval of the Board of Directors of Nueva Pescanova, S.L., which pivots on a comprehensive risk management general principle. This model includes regular activities for the identification, measurement, control, monitoring, communication and disclosure of the Group's risks and the control actions established to manage them.

Galician Company Galicia Segura Award

In March 2022, the Nueva Pescanova Group has been honored with the Galicia Segura Award to a Galician Company, by the Inade Foundation, which prizes the most proactive, innovative or sophisticated behavior in the management of business risks.

Regulatory and ethical compliance ("Compliance")

In the field of ethics, integrity and regulatory compliance (Compliance), the Nueva Pescanova Group has a Regulatory System of Corporate Governance and Compliance implemented in all the companies of the Group (Regulatory System). The Regulatory System is integrated by Our Code of Ethics, the Governance Standards of the Corporate Bodies and other Internal Committees, the Corporate Policies, Rules and other Internal Regulations. The Compliance Unit is an internal and permanent collegiate body, reporting to the Board of Directors. The Compliance Unit includes the Chief Ethics & Compliance Officer, who is entirely dedicated to the Compliance duty.

In the reporting period to which this Management Report refers, some relevant milestones in this area can be highlighted; namely:

- More than 700 professionals of the Nueva Pescanova Group worldwide have signed an Annual Declaration of Compliance.

- New hires have signed a document of receipt and acceptance of the Decalogue of Our Code of Ethics.

- More than 1,150 professionals of the Nueva Pescanova Group around the world have completed and passed some of the compliance courses provided in the "Compliance Academy" of our e-Learning platform "Campus Nueva Pescanova".

- Almost 700 suppliers of the Nueva Pescanova Group worldwide have signed the Responsible Declaration of our Supplier Ethics and Social Charter.

- Our Board of Directors approved the Code of Conduct in the Alternative Fixed Income Market (MARF) of the Nueva Pescanova Group.

Nueva Pescanova, S.L. has been a runner-up in the category "Company with Best Practices in Compliance 2019/2021" for the Compliance Awards of the newspaper Expansión, the award ceremony was held on November 11, 2021.

7) FINANCIAL INSTRUMENTS

The annual accounts accompanying this management report describe the objectives and policies for managing the financial risk of Nueva Pescanova, S.L. and its Group of companies, as well as its exposure to credit, liquidity and cash flow risks.

In relation to financial instruments, the Group is exposed to currency risks as a result of the different countries where it operates. No material financial instrument is currently being used.

8) OWN QUOTAS

In the reporting period ended March 31, 2022, no operations have been carried out with own quotas.

9) NON-FINANCIAL STATEMENT

The non-financial statement referred to in articles 49.6 of the Commercial Code and 262.5 of the Companies law (in its wording provided by Law 11/2018, of December 28, on non-financial information and diversity) is contained in a separate report titled "Report on Non-Financial Statement of Nueva Pescanova, S.L., and Subsidiary Companies, for the year ended March 31, 2022".

10) RELEVANT EVENTS FOR NUEVA PESCANOVA, S.L. AND ITS GROUP OF COMPANIES SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On February 24, 2022, Russia invaded Ukraine. The war, along with serious human and material damage in the affected countries, is having a significant impact on international political relations and the world economy. Among the immediate and most significant impacts on the sector and the markets in which the Group operates, it is worth noting the notable increase in gas and electricity prices, as well as the volatility in financial and commodity markets. At the moment, the different scenarios on the evolution of the conflict and its consequences are highly uncertain. The Group is following the course of events to identify potential impacts on its activity.

Although no significant impact has been incurred as of the date of this annual report, the Group continues to assess the potential impact of such developments on equity and financial position at 31 March 2023 and on the results of its operations and cash flows for the year ended that date, for which it is not possible to make a reliable estimate.

Except for the above, no significant event other than those mentioned in these notes to the annual accounts, which could have affected the financial statements, has taken place since March 31, 2022 until the date of authorization for issue of these financial statements.

The Directors of Nueva Pescanova, S.L. have authorized the issue of these Consolidated Annual Accounts of Nueva Pescanova, S.L. and subsidiary companies for the financial year ended March 31, 2022 which have been prepared from information provided by the Management of the Group.

These annual accounts shall be given to the auditor of the company for the issue of the audit report provided for in Article 269 of the Companies Law.

Chapela, May 31, 2022

José María Benavent Valero Chairman	Ignacio González Hernández Managing Director
Javier Carral Martínez	José Fafián Seijo
Marco Enrique Nieto Montero	