International Foam Technologies Spain, S.L.U and subsidiaries

Consolidated Annual Accounts and Directors' Report for the fiscal year ended March 31, 2021.

Including the Audit Report on the Consolidated Annual Accounts

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

Grant Thornton
Juan Carlos I, 55, Planta 14
Edificio JC1
30100 MURCIA

T +34 96 822 03 33
F +34 96 821 17 27
murcia@es.gt.com
www.grantthornton.es

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

(Translation of a report and annual accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles. In the event of a discrepancy, the Spanish-language version prevails)

To the sole partner of International Foam Technologies Spain, S.L.U.

Report on the consolidated annual accounts

Qualified opinion

We have audited the consolidated annual accounts of International Foam Technologies Spain, S.L.U. (the Parent company) and its subsidiaries, (The Group) which comprise the balance sheet at 31 March 2021, the income statement, the statement of changes in equity, the statement of cash flows and the notes to the annual accounts, all of them consolidated, for the financial year ended March 31, 2021.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying consolidated annual accounts present, in all material respects, a true and fair view of the equity and the financial position of the Company at 31 March 2021, and of the results of its operations and cash flows, all of them consolidated, for the financial year ended March 31, 2021, in accordance with the applicable framework of financial reporting standards (which is identified in note 2.a) to the consolidated annual accounts) and, in particular, in compliance with the accounting principles and criteria contained in that framework.

Basis for qualified opinion

As indicated in note 5, a consolidation goodwill has been generated with the subsidiary Company Interplasp, S.L. for an amount of 29,660 thousand euros. Additionally, the Group has not amortized goodwill, which constitutes a breach of the applicable financial information regulatory framework. This is the result of a decision made by management at the beginning of fiscal year 2019. Based on a straight-line depreciation method and an annual rate of 10%, the results for fiscal years 2021 and 2020, goodwill and reserves are overvalued, without being able to determine exactly the correct amount of this excess valuation since, as indicated in notes 2 and 3 d) of the attached memory, the escrow contract signed by the Group and the sellers of Interplasp, SL its resolution depends on its final assessment. Our audit report for the three-month fiscal year ended March 31, 2020, contained a qualification for the same matter.

We conducted our audit in accordance with the current Spanish standards for consolidated auditing accounts. Our responsibilities under those standards are further described in the Auditor´s responsibilities for the audit of the consolidated annual accounts section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are applicable to our audit of the consolidated annual accounts in Spain, as required by the regulations governing the auditing of accounts. In this regard, we have not provided any services different to the audit of accounts and no situations or circumstances have arisen that, based on the aforementioned regulations, might have affected the required independence in such a way that it could have been compromised.

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

Most relevant audit aspects

The most relevant audit aspects of the audit are those that, in our professional judgement, were considered as the most significant material misstatement risks in our audit of the annual accounts of the current period. These risks were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

In addition to the issue described in the *Basis for Qualified opinion* section, we have determined that the risks described below are the most significant risks considered in the audit that should be reported:

<u>Revenue recognition</u>

The turnover includes a multitude of transactions and corresponds mainly to the sale of polyurethane foam. Product sales revenue recognition occurs when the significant risks and rewards inherent in the ownership of the good sold have been transferred to the buyer. Given the relevance and nature of the sales made by the Group (note 17 a), we consider the revenue area to be an area of significance and susceptible to material misstatement, particularly at the beginning and end of the financial year in relation to its adequate temporary imputation.

Our audit procedures have included:

- We have performed a revenue cycle analysis to gain a better understanding of when revenue should be recognized.
- We have identified key controls and have evaluated their design and implementation.
- We have performed analytical procedures to identify and analyze unusual trends in sales.
- We have analyzed the balances of clients pending collection at the end of the year, performing alternative verification procedures by examining the invoices issued or supporting documents for subsequent collection.
- We have carried out an analysis of the accounting entries recorded by the company.
- We have performed documentary tests for a sample of income transactions close to the closing date verifying that they have been recorded in the correct period.
- Understanding of the accounting policy used by management to determine the presentation of accounting effects in the consolidated annual accounts.

Emphasis paragraph

As indicated in notes 2 and 3 d) attached, the Group signed an escrow agreement with the former sellers of Interplap, S.L. charged to the purchase price in the amount of 6,874 thousand euros, which would be released in favor of the sellers as the agreed purchase conditions were fulfilled. One of the conditions consists of releasing 3,000 thousand euros if a special license for urban use for public use is obtained on the land adjacent to the buildings where Interplasp, S.L. develops its activity. In previous years, the Company had recorded this amount as the higher value of the land, however, it has obtained an appraisal that proves that in the event that the City Council granted it urban use, the value of the land would not change and despite the fact that it has not yet been granted such a license, it has considered the 3,000 thousand euros as the highest value of goodwill since it understands that it will end up being achieved. The Company has restated (note 3d) but has not reformulated the consolidated annual accounts for the three-month fiscal year ended March 31, 2020, on which we issued our audit report dated June 22, 2020, in which we express a qualified opinion, therefore we have not issued an audit report on these consolidated annual accounts. Our opinion has not been modified in relation to this matter.

Other information: Consolidated directors' report

Other information comprises exclusively the consolidated directors' report for the 2021 financial year. The directors of the Company are responsible for preparing this report, which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the directors' report. In accordance with the regulations governing the auditing of accounts, our responsibility regarding the directors' report includes evaluating and reporting on the consistency of the directors' report with the annual accounts, based on the knowledge of the Company obtained during our audit of those accounts, as well as evaluating and reporting on whether the content and presentation of the directors' report meet the requirements of the applicable regulations. If, as a result of our work, we conclude that there are material misstatements, we are required to report that fact. Based on the work performed, as described in the preceding paragraph, except for the limitation on the scope described in the following paragraph, the information contained in the directors' report is consistent with that disclosed in the annual accounts for the year 2021 and its content and presentation meet the requirements of the applicable regulations.

Based on the work carried out, as described in the previous paragraph, except for the material misstatement indicated in the following paragraph, the information contained in the consolidated management report agrees with that in the consolidated annual accounts for the year ended March 2021 and its content and presentation are in accordance with the applicable regulations.

As described in the section on the basis for qualified opinion, the Group has not amortized the consolidated goodwill recorded in financial years 2021, 2020 and 2019.

Responsibility of the directors of the Parent company for the consolidated annual accounts

The directors of the Parent company are responsible for the preparation of the accompanying consolidated annual accounts, so that they show a true and fair view of the consolidated equity, the consolidated financial position and the consolidated results of the Group, in accordance with the framework of financial reporting standards applicable to the Group in Spain and for such internal control that they consider necessary to enable the preparation of consolidated annual accounts that are free from material misstatements, whether due to fraud or error.

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

Auditor´s responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the current Spanish regulations for auditing accounts will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with current Spanish regulations for auditing accounts, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Parent company.

- Conclude on the appropriateness of the directors of the Parent company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Parent company regarding, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Grant Thornton, S.L.P. Sociedad Unipersonal

ROAC nº S0231

Antonio Marín Martínez

ROAC nº 21642

June 8, 2021

AUDITORES
INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

GRANT THORNTON, S.L.P.

2021 Núm. 18/21/00414

Informe de auditoría de cuentas sujeto a la normativa de auditoría de cuentas española o internacional

Consolidated Annual Accounts

INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.
Y SOCIEDADES DEPENDIENTES
Consolidated Balance Sheet
at 31 March 2021
(expressed in euros)

ASSETS	Note	31.03.21	31.03.20
NON-CURRENT ASSETS		42.109.867	41.703.866
Intangible assets	5	29.659.965	29.661.694
Goodwill on consolidation		29.659.965	29.659.965
Other intangible assets		-	1.729
Property, plant and equipment	6	12.122.151	11.956.435
Land and buildings		7.281.038	7.424.732
Technical installations and other fixed assets		4.434.495	4.357.486
Assets under construction and advances		406.618	174.217
Deferred tax assets	16	327.751	85.737
CURRENT ASSETS		14.118.151	10.596.910
Inventories	8	4.018.312	3.187.285
Trade and other receivables	9	8.334.872	6.117.865
Trade receivables for sales and services rendered		8.189.202	6.092.532
Trade receivables, Group companies	20	-	25.333
Current tax assets	16	145.670	-
Current financial investments	7	62.920	62.920
Prepayments and accrued income		-	48.225
Cash and cash equivalents		1.702.047	1.180.615
TOTAL ASSETS		56.228.018	52.300.776

EQUITY AND LIABILITIES	Note	31.03.21	31.03.20
EQUITY		18.024.504	14.146.710
Capital and reserves	11	16.924.431	13.343.418
Capital		12.003.000	12.003.000
Authorised capital		12.003.000	12.003.000
Reserves		1.340.418	702.732
Profit/(loss) for the year attributed to the Parent company		3.802.913	637.686
(Dividend on account)		(221.900)	-
Grants, donations and heritages received		62.116	-
Minority shareholders	12	1.037.957	803.292
NON-CURRENT LIABILITIES		24.483.070	27.640.211
Non-current debts		15.436.652	18.581.855
Bank borrowings	13	15.436.652	18.573.375
Other financial liabilities		-	8.479
Not-Current debts, Group companies	20	8.000.000	8.000.000
Deferred tax liabilities	16	1.046.418	1.058.356
CURRENT LIABILITIES		13.720.444	10.513.855
Current debts		8.491.181	5.628.385
Bank borrowings	13	8.322.899	5.566.399
Other financial liabilities		168.282	61.986
Current debts, Group companies	20	150.556	561.462
Trade and other payables	14	5.078.707	4.324.008
Suppliers		4.044.061	3.122.523
Suppliers, Group companies	20	21.519	-
Other payables		795.255	602.658
Current tax liabilities	16	217.872	598.826
		-	-
TOTAL EQUITY AND LIABILITIES		56.228.018	52.300.776

INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.
Y SOCIEDADES DEPENDIENTES
Consolidated Income Statement of
Fiscal year ending on March 31, 2021
(expressed in euros)

	Note	01.04.20 to 31.03.21	01.01.20 to 31.03.20
CONTINUING OPERATIONS:			
Revenues:	**17.a)**	**39.752.820**	**6.480.536**
Sales		39.752.820	6.480.536
Changes in inventories of finished products and work in progress		**(427.619)**	**651.268**
Supplies:	**17b)**	**(27.265.234)**	**(4.747.916)**
Consumption of raw materials and other consumables		(27.265.234)	(4.747.916)
Other operating income:		**21.983**	**49.298**
Non-trading and other operating income		21.983	49.298
Personnel expenses:		**(3.050.093)**	**(641.059)**
Wages, salaries and similar compensation		(2.319.551)	(484.963)
Employee benefit expense	**17.c)**	(730.542)	(156.096)
Other operating expenses:		**(2.694.047)**	**(580.068)**
Losses, impairment and changes in provisions for commercial transactions	**9**	(306.002)	(60.660)
Other ordinary expenses		(2.388.045)	(519.409)
Amortisation/depreciation	**5, 6**	**(675.813)**	**(171.084)**
Attribution of subsidies for non-financial assets and other		**15.492**	**3.873**
Impairment and gains/(loss) on disposals of assets:	**7, 8**	**2.000**	**--**
Profit/(loss) on disposals and other		2.000	--
Other profit/(loss)		**3.779**	**(13.393)**
OPERATING PROFIT/(LOSS)		**5.683.270**	**1.031.454**
Finance income:		**30.591**	**701**
Marketable securities and other financial instruments		30.591	701
Finance cost		**(539.218)**	**(151.574)**
Net monetary gain/(loss)	**15**	**(12.533)**	**5.138**
FINANCIAL INCOME/(EXPENSE)		**(521.160)**	**(145.735)**
PROFIT/(LOSS) BEFORE TAX		**5.162.110**	**885.719**
Corporate income tax	**16**	**(1.076.325)**	**(197.706)**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**4.085.785**	**688.013**
PROFIT/(LOSS) FOR THE YEAR	**17 e)**	**4.085.785**	**688.013**
Profit/(loss) attributed to Parent company		**3.802.913**	**637.686**
Profit/(loss) attributed to minority shareholders	**12**	**282.872**	**50.327**

INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.
Y SOCIEDADES DEPENDIENTES
Statement of Consolidated Changes in Equity of
fiscal year ended on March 31, 2021
(expressed in euros)

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED MARCH 31, 2021.

	Nota	01.04.20 to 31.03.21	01.01.20 to 31.03.20
Consolidated profit/(loss) for the year	17.e)	4.085.785	688.013
Grants, donations and heritages received		88 427	--
Tax Effect		(22 107)	--
Total income and expense attributed directly to consolidated equity		66.320	--
TOTAL CONSOLIDATED RECOGNISED INOME AND EXPENSE	17 e)	4.152.105	688.013
Total income and expense attributed to Parent company		3.865.029	637.686
Total income and expense attributed to minority shareholders		287.077	50.327

B) CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2021.

	Note	Authorised capital	Reserves and prior years' profit/(loss) (*)	Profit/(loss) for the year attributed to Parent company	Dividend on account	Grants, donations and heritages received	Minority shareholders	TOTAL
CLOSING BALANCE December 31, 2019	11	12.003.000 €	--	707.848		--	747.849	13.458.697
I Total recognised income and expense	17. e)	--	--	637 686	--	--	50 327	688 013
Other movements		--	(5 116)	--	--	--	5 116	
II Transactions with shareholders or owners								--
Increase (decrease) in equity due to a business combination	12	--	707 848	(707 848)	--	--	--	--
CLOSING BALANCE March 31, 2020		12.003.000	702.732	637.686	--	--	803.293	14.146.710
I Total recognised income and expense	17 e)	--	--	3 802 913	--	62 116	287 077	4 152 106
II. Transactions with shareholders or owners								
(-) Distribution of dividends	12	--	--	--	(221 900)	--	(52 412)	(274 312)
III Other changes in equity	13	--	637 686	(637 686)	--	--	--	--
CLOSING BALANCE March 31, 2020		12.003.000	1.340.418	3.802.913	(221.901)	62.115	1.037.957	18.024.504

(*) Includes reserves in consolidated companies and reserves in equity consolidated companies

INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.
Y SOCIEDADES DEPENDIENTES
Consolidated Statement of Cash Flows of
fiscal year ending on March 31, 2021
(expressed in euros)

	Note	01.04.20 to 31.03.21	01.01.20 to 31.03.20
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year before tax		**5.162.110**	**885.719**
Adjustments:		**1.166.948**	**318.084**
Amortisation/depreciation (+)	**5,6**	675.813	171.084
Attribution of subsidies (-)		(15.492)	(3.873)
Result from disposals and disposal of fixed assets		(2.000)	--
Finance income (-)		(30.591)	(701)
Finance cost (+)		539.218	151.574
Changes in working capital:		**(1.715.255)**	**411.726**
Inventories (+/-)		(831.026)	(373.598)
Trade and other receivables (+/-)		(2.068.108)	(307.821)
Other current assets (+/-)		48.225	5
Trade and other payables (+/-)		1.135.654	1.093.140
Other cash flows from operating activities:		**(2.272.735)**	**(79.952)**
Interest paid (-)		(539.218)	(80.640)
Interest received (+)		--	701
Income tax received (paid) (+/-)		(1.733.518)	(13)
Cash flows from operating activities		**2.341.068**	**1.535.577**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments (-):		**(940.728)**	**(31.839)**
Intangible assets		(840.473)	--
Fixed assets	**6**	(100.255)	(31.839)
Proceeds from sale of investments (+):		**591**	--
Other financial assets		**591**	--
Cash flows from investing activities		**(940.137)**	**(31.839)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments made and received for equity instruments		**88.427**	**(1.404.808)**
Issue:	**11**		
Grants, donations and bequests received (+)		88.427	--
Payments made and received for financial liability instruments:		**(693.613)**	**(1.404.808)**
Issue:			
Bank borrowings (+)		3.136.723	--
Other debts (-)	**20**	106.296	60.959
Return and repayment of:			
Bank borrowings (-)		(3.525.726)	(1.450.368)
Debts with group companies and associates		(410.906)	--
Other debts (-)		--	(15.399)
Dividends and interest on other equity instruments paid:		**(274.312)**	--
Dividends (-)		(274.312)	--
Cash flows from financing activities		**(879.498)**	**(1.404.808)**
EQUIVALENTS		**521.432**	**98.930**
Cash and cash equivalents at the beginning of the year		1.180.615	1.081.685
Cash and cash equivalents at the end of the year		1.702.047	1.180.615

INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the fiscal year ended March 31, 2021

1. Activities of the Parent Company

The Group's parent company, INTERNATIONAL FOAM TECHNOLOGIES SPAIN S.L.U. (IFTS), was incorporated on 12 June 2019. Its registered address is in street Monte Esquinza, nº 30 Bajo Izquierda, 28010 Madrid (Spain), and it carries out its activities in Carretera de Villena s/n Yecla (Murcia). On January 2, 2020, its Sole Shareholder agreed to change its accounting close to March 31, 2020.

The Company engages in the acquisition, holding, management and administration of securities and shares or any form of representation of shares in the capital of resident and non-resident entities in Spanish territory and financing of the entities involved. Likewise, the provision of complementary services or accessories to the management of the activities carried out by the entities involved.

The Company is part of the SHEELA FOAM Group whose parent company is SHEELA FOAM. Ltd. The registered office of SHEELA FOAM. Ltd. is in 14 Sector 135, Noida, Uttar Pradesh - 201301 (India). In accordance with current legislation, the company INTERNATIONAL FOAM TECHNOLOGIES SPAIN S.L.U. It is not obliged to prepare consolidated accounts separately due to their size, however, the administrators voluntarily prepare consolidated annual accounts. The annual accounts corresponding to the three-month fiscal year ended March 31, 2020 were formulated by its administrators on June 19, 2020 and were approved by its sole partner on July 31, 2020 and deposited in the Mercantile Registry of Murcia.

2. Subsidiaries

The subsidiaries included in consolidation are not listed on a stock market and the information relating to them at the end of the financial year ended March 31,2021 and at the end of the three-month financial year ended March 31, 2020, is as follows:

31.03.21

Name/ Address/ Activity	Value in books of participation	% participation Direct	Share Capital	Reservation	Other equity items	Result Operating	Result Net
Interplasp, S.L. / Ctra. de Villena s/n 30510 Yecla (Murcia) / Manufacture of polyurethane foams	40.000.000	93,66	1.773.125	6.627.055	2.791.118	5.835.546	4.563.840

31.03.20

Name/ Address/ Activity	Value in books of participation	% participation Direct	Share Capital	Reservation	Other equity items	Result Operating	Result Net
Interplasp, S.L. / Ctra. de Villena s/n 30510 Yecla (Murcia) / Manufacture of polyurethane foams	40.000.000	93,66	1.773.125	6.627.055	689.037	1.078.358	826.692

The group subscribed with the former owners of Interplasp, S.L. on July 29, 2019, a contract for the sale of shares for 93,66% of its share capital. Once the actions to transfer the shares were completed, said contract was made public on October 14, 2019, for which reason the Group established September 30, 2019 as the first consolidation date. However, the Group and the sellers agreed to sign an escrow contract and create a deposit charged to the purchase price in the amount of 6.874.154 euros, which would be released in favor of the sellers as the agreed purchase conditions were met. This situation is pending resolution at the date of preparation of the consolidated group's annual accounts. At the end of the financial year, that amount had been released for 1.259 300 euros.

3. Basis of presentation of the consolidated annual accounts

a) True and fair view and consolidation policies

The consolidated annual accounts, consisting of the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and the notes to the consolidated annual accounts consisting of Notes 1 through 23, have been prepared based on the accounting records kept by each of the companies forming part of the consolidated group and the legal provisions established for accounting purposes have been applied. Specifically, Royal Decree 1159/2010 (17 September), which approves the Rules for Preparing Consolidated Annual Accounts, in order to give a true and fair view of the equity, financial situation, results, changes in equity and the cash flows that arose during the year concerned.

Unless otherwise indicated, all the figures in the consolidated report are expressed in euro.

b) Non-mandatory accounting principles applied.

No non-mandatory accounting principles have been applied. The consolidated annual accounts have been prepared in accordance with mandatory accounting policies. All accounting principles having a significant effect on the accounts have been applied.

c) Key aspects of the measurement and estimation of uncertainty

When preparing the accompanying consolidated annual accounts estimates made by the Group's Directors have been used in order to measure some assets, liabilities, income, expenses and commitments recorded in the accounts. These estimates relate mainly to the following:

- The evaluation of possible impairment losses affecting certain assets (Notes 4.g), 4.h) y 4i)).

- The useful life of property, plant and equipment and intangible assets (nota 4.e) y 4.f)).

- The fair value of certain financial instruments (Note 4h)).

During the year ended March 31, 2021, Spain, like other countries, is still under the effects of COVID-19 and despite this, the Group, although it had to reduce its level of activity at first between 40-50 percent approximately, subsequently it quickly restarted its operations completely, registering in the fiscal year ended March 31, 2021 an increase in sales compared to the previous twelve-month fiscal year of Interplasp, SL (subsidiary that brings together all the operations) of approximately 40%, currently at a rate of activity above normal.

Despite the complexity of the situation and its rapid evolution, it is expected that even if new outbreaks of the pandemic occur, they will not cause new confinements that paralyze global commercial activity and may have a significant impact on the Company's activity.

These estimates have been made based on the best information available up to the date of formulation of these annual accounts, and there is no fact that could change said estimates. Any future event not known at the date of preparation of these estimates, could give rise to modifications (up or down), which would be carried out, where appropriate, prospectively.

d) Error correction

The administrators have classified at the end of the fiscal year as of March 31, 2021, the balance of "suppliers of group companies and associates" as "clients of group companies and associates". For comparative purposes, the figures for the three-month fiscal year ended March 31, 2020, have been restated, since said balance was not a creditor, but a debtor, being correctly recorded in the account of "group companies and associates customers" in the balance sheet asset. At the end of the three-month fiscal year ended March 31, 2020, they were included under the heading of "Trade creditors and other accounts receivable". The detail is as follows:

Cuenta	Balance according to annual accounts at the end of the three-month fiscal year ended March 31, 2020	Reclassification	According to restated annual accounts
Suppliers, group companies and associates	25.115	(25.115)	-
Clients, group companies and associates	218,00	25.115	25.333

In addition, in the escrow contract derived from the purchase of the shares of Interplasp, S.L. (note 2) one of the conditions is to release 3.000.000 euros if a special license is obtained for urban use by public utility in the lands adjacent to the constructions where Interplasp, S.L. develops its activity. The Company had recorded this amount as a higher value of the land; however, the Company has obtained an appraisal that proves that if said urban use were granted, the value of the land would not change and has considered the 3.000.000 of euros as a higher value of goodwill. The Company has recorded this fact retrospectively, modifying the comparative figures from the previous year. The impact on the comparative figures of the previous year is as follows:

	Balance according to annual accounts at the end of the three-month fiscal year ended March 31, 2020	Reclassification	According to restated annual accounts at the end of the three-month fiscal year ended March 31,
ACTIVO			
Goodwill	27.552.615	2.107.350	29.659.965
Land and buildings	10.424.732	(3.000.000)	7.424.732
		(892.650)	
PATRIMONIO NETO Y PASIVO			
External partners	890.500	(142.650)	747.850
Deferred tax liability	1.808.356	(750.000)	1.058.356
		(892.650)	

e) Classification of balances as current and non-current

Current items are classified as such when they fall due or mature within one year after the date of these consolidated annual accounts.

f) Comparative information

As indicated in note 1 above, the Group modified its accounting closing which coincided with the calendar year as of March 31 of each year, so that the fiscal year closed on March 31, 2021, is the first closing of a full period of 12 months, the accounting close of the previous fiscal year on March 31, 2020 covered only a period of three months.

g) Consolidation principles

All subsidiaries have been consolidated using the full consolidation method, as effective control is held through a majority of votes in their governing bodies. Associates have been consolidated using the equity method. The consolidation method applied to companies is determined by whether or not significant influence is held and their relative importance within the scope of consolidation.

4. Accounting and measurement policies

The main accounting and measurement standards applied when preparing the consolidated annual accounts are as follows:

a) Difference on first consolidation

The difference on first consolidation has been calculated as the difference between the carrying value of the interest held in the subsidiaries and the value of the proportional part of their consolidated equity at the date of the first consolidation.

In the event of a positive difference on consolidation, which consists of the excess amount between the cost of the investment and the theoretical carrying amount attributable to the investee company at the date it joined The Group, it is directly attributed to the subsidiary's equity to the extent possible, without exceeding their market value.

If it cannot be assigned to equity items it is considered to be goodwill on consolidation. In the event that this difference is negative, it is called a negative difference on consolidation and it is recognized in full in the income statement on first consolidation.

If, on the year-end closing date in which a business combination has occurred, the valuation process required to calculate the first consolidation difference cannot be completed, the consolidated annual accounts shall be drawn up using securities provisional. In this case, these values shall be adjusted in accordance with paragraph 2.6 of the registration and valuation rule 19th Business combinations of the General Accounting Plan.

b) Minority shareholders

The value of the interest held by minority shareholders in the equity and the results for the year obtained by subsidiaries are presented, respectively, under the headings "Minority shareholders" of the consolidated balance sheet and under "Profit/(loss) attributable to minority shareholders" in the consolidated income statement.

c) Transactions between companies included in the scope of consolidation.

The elimination of reciprocal debits and credits, reciprocal expenses and income, and results obtained on internal transactions has taken place in accordance with the relevant provisions of Royal Decree 1159/2010 (17 September).

d) Uniformity

The various items in the individual accounts for each of the companies have been measured in a uniform manner by adapting the standards applied to those used by the Parent Company in its own annual accounts, provided that this has a significant effect.

e) Intangible assets

As a general rule, intangible assets are initially recognized at acquisition or production cost and are subsequently reduced by any accumulated amortization and, where applicable, impairment losses.

The following specific methods are used:

e1) Goodwill

Goodwill may only be recorded when its value is revealed through an acquisition for consideration, within the context of a business combination.

Goodwill is assigned to each cash generating unit that is expected to receive the benefits of the business combination and, if applicable, the relevant adjustment is made.

Subsequent to the initial recognition of goodwill, it is carried at acquisition cost, less cumulative amortisation and impairment losses, where applicable.

Goodwill is amortised on a straight-line basis over ten years. Useful life is determined separately for each cash-generating unit to which goodwill has been allocated.

At the end of each year, analyses are undertaken to determine if there is evidence of impairment of the cash-generating units to which goodwill has been allocated and, if there is any evidence, impairment loss is checked. Measurement adjustments for impairment recognized in goodwill are not reversed in subsequent years.

e2) Computer software

Software that meets recognition criteria is capitalized at its cost of acquisition or development. Computer software is amortized on a straight-line basis over 3 years from the entry into service of each application. Software maintenance costs are expensed in the year they are incurred.

f) Property, plant and equipment

Property, plant and equipment is recognized at acquisition or production cost and is subsequently reduced by any accumulated depreciation and by any impairment losses recognized.

Indirect taxes levied on property, plant and equipment are only included in the acquisition price or production cost when they are not directly recoverable from the Treasury. In addition, the value of property, plant and equipment will include the initial estimate of the present value of obligations assumed for the dismantling or retirement and other costs associated with the asset, such as the cost of rehabilitating the place at which the assets were located, provided that these obligations give rise to the recording of significant provisions.

Costs relating to extensions, modernization or improvements which increase productivity, capacity or efficiency, or extend the useful lives of the assets are recorded as an increase in the cost of the assets concerned. Repair and maintenance expenses are charged to the income statement in the year in which they are incurred.

The Group depreciates its property, plant and equipment on a straight-line based on the estimated useful lives of the assets concerned. The following depreciation rates are applied:

Asset	Depreciation rates
Buildings	1,5-3%
Technical installations	5-10%
Machinery	5-12%
Furnishings	15%
Other facilities	10%
Tooling	10%
Data processing equipment	15-25%
Vehicles	15%
Other assets	12%

Investments made for assets associated with operating leases and other similar transactions that cannot be separated from those items used under leases classified as operating leases are recognized as property, plant and equipment when they meet the definition for assets.

The depreciation of these assets takes place based on their useful lives which is the duration of the lease or assignment agreement including any renewal period when there is evidence that such a renewal will take place and when it is less than the economic life of the asset.

The following specific standards are also applied:

f1) Land and natural assets

Their acquisition price includes preparation expenses such as fencing, earthworks, sewerage and drainage, demolition of buildings when necessary in order to start new construction, inspection expenses and the drawing up of blueprints when prepared before acquisition, as well as any initial estimate of the present value of obligations deriving from the cost of rehabilitating the plot of land.

f2) Tooling and tools

Tooling and tools that are incorporated into mechanical assets are measured and depreciated using the same rules applicable to the assets taken as a whole. In general, those that do not form part of a machine and which are expected to be used for less than one year must be expensed during that year. When the period of use exceeds one year, they are recognized as an asset upon acquisition and an adjustment is applied at the end of the year based on the physical inventory that is carried

out and all reasonable eliminations due to wear and tear are applied.

Templates and moulds used permanently in line manufacturing are also included and their depreciation is calculated based on their estimated useful lives. Custom moulds used for isolated manufacturing processes are not considered to form part of inventory unless they have a net realizable value.

f3) Assets associated with operating leases and other similar transactions.

Investments made that cannot be separated from those items used under leases classified as operating leases are recognized as property, plant and equipment when they meet the definition for assets.

The depreciation of these assets takes place based on their useful lives which is the duration of the lease or assignment agreement including any renewal period when there is evidence that such a renewal will take place and when it is less than the economic life of the asset.

f4) Assets under construction and prepayments

All interim payments made on the purchase of buildings, plant and other assets before their effective delivery or they become available for use.

g) Impairment of intangible assets and property, plant and equipment

Provided there is any indication of impairment, at the end of each year The Group applies an impairment test to estimate any possible impairment of intangible assets or property, plant and equipment that brings their recoverable value below their carrying value. These estimates would be based on the future outlook for updated cash flows based on current market developments and through the application of prudent criteria and conservative management scenarios, as well as the investments that will be necessary in the future.

The recoverable amount is the higher of fair value, less selling costs, and value-in-use. The procedure applied by The Group's management to perform this test is as follows: Recoverable values are calculated for each cash generating unit, although in the case of property, plant and equipment impairment is determined on an individual case-by-case basis, where possible.

In the event an impairment loss must be recognized as affecting a cash generating unit to which goodwill has been fully or partially attributed, the carrying value of the goodwill relating to each unit is reduced first. If the impairment exceeds the amount of the goodwill, the company will then proportionally reduce the carrying value of all other assets in the cash generating unit, up to the limit of the higher of the following values: fair value less cost of sales, value-in-use and zero.

When an impairment loss subsequently reverses, the carrying amount of the asset or the cash generating unit is increased to the revised estimate of its recoverable amount, but in a manner such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized as income.

h) Financial instruments

h.1) Financial assets

h.1.1) Loans and receivables

This item relates to receivables (trade or non-trade) generated on the sale of goods, the supply of cash or the rendering of services giving rise to receivables of a certain or ascertainable amount that are not traded on an active market.

They are initially measured at the fair value of the compensation paid, plus transaction costs that are directly attributable. Subsequently they are stated at their amortized cost, recognizing accrued interest in the income statement based on the effective interest rate.

However, loans for commercial operations maturing within one year, and which do not have a contractual interest rate, are initially stated at their nominal value, provided that the effect of not restating cash flows is not significant, in which case they would continue being measured subsequently at that amount unless they become impaired.

Value adjustments due to impairment are recognized based on the difference between their carrying value and the present year-end value of estimated future cash flows, discounted at the effective interest rate calculated at the time of initial recognition. These adjustments are recognized in the income statement.

h.1.2) Available-for-sale financial assets

Debt securities and equity instruments of other companies that are not classified in any of the aforementioned categories are included. They are initially stated at fair value and any change in that fair value is recognised under equity until the asset is sold or becomes impaired, at which time the accumulated results previously recorded under equity are taken to the income statement.

All necessary measurement adjustments are made at least at year-end provided that there is objective evidence that the value of an available-for-sale financial asset, or a group of available-for-sale financial assets, with similar risk characteristics measured collectively has become impaired as a result of one or more events taking place after initial recognition and which cause:

- In the case of acquired debt instruments, a reduction or delay in estimated future cash flows that may be caused by the insolvency of the debtor.

- In the case of investments in equity instruments, the non-recoverability of the asset's carrying amount, as demonstrated by a prolonged or significant decline in its fair value, which is presumed to be the case when the instrument has become impaired if the value falls for one and a half years or 40% of the listed price, without its value having been recovered and notwithstanding the fact that it may be necessary to recognise an impairment loss before the end of the aforementioned term or the percentage decline in the listed price is reached.

The adjustment for the impairment of the value of these financial assets will be the difference between their cost or amortised cost less, if appropriate, any impairment adjustment previously recognised in the income statement, and their fair value at the time at which measurement takes place.

Accumulated losses recognised under equity due to a decline in fair value, provided that there is objective evidence of the impairment of the asset's value, will be recognised in the income statement.

Equity instruments whose fair value cannot be reliably determined are stated at cost, less any accumulated impairment adjustments. In this case the impairment measurement adjustment is calculated in accordance with the matters set out in section e.1.2) relating to investments in group companies, jointly-controlled entities and associates and any measurement adjustment recognised in prior years does not subsequently reverse.

The Company eliminates financial assets when they expire or when the rights to the cash flows deriving from the financial asset have been assigned and the risks and benefits inherent to ownership have been substantially transferred.

The company does not eliminate financial assets and a financial liability is recognized in an amount equal to the compensation received for the assignment of financial assets for which all risks and benefits inherent to ownership have been substantially retained, such as on the discounting of bills.

Interest and dividends from financial assets accrued after the time of acquisition will be recognized as revenue in the income statement. Interest must be recognized using the effective interest rate method and dividends are recognized when the right of the shareholder to receive the dividend is reported.

For these purposes, when initially measuring financial assets the amount of explicit accrued interest not yet due at that time will be recorded independently based on the maturity date, together with the amount of dividends agreed by the competent body at the time of acquisition. Explicit interest is understood to be that which is obtained by applying the commercial interest rate borne by the financial instrument.

Furthermore, if the distributed dividends unequivocally originate from profits generated before the acquisition date because amounts higher than the profits generated by the investee company since acquisition are distributed, they will not be recognized as income and will reduce the carrying value of the investment.

h.2) Financial liabilities

Financial liabilities consist of borrowings and payables recorded by The Group deriving from the acquisition of goods and services during the ordinary course of the business, or those that do not have a commercial origin but cannot be considered to be derivative financial instruments.

They are initially stated at the fair value of the consideration received, as adjusted by directly attributable transaction costs. Subsequently, these liabilities are measured at their amortized cost using the effective interest rate method.

However, trade payables falling due in less than one year that were initially measured at their nominal value continue to be valued at that amount.

h.3) Guarantees provided

The difference between the fair value of the guarantees provided and the amount paid is considered to be a prepayment made or received for the lease or the rendering of the service and this amount is taken to the income statement over the term of the lease or during the period over which the service is rendered. Since this item involves a large number of non-current guarantees, whose individual and overall amounts are not significant, no discounting of cash flows has been applied.

i) Inventories

Inventories are measured at the lower of acquisition or production cost and net realizable value. They are valued using the average weighted price method. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted when determining the purchase price.

Production cost includes the cost of materials, direct labour and other direct costs.

Net realizable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

For inventories that necessarily take a period of more than one year to be in a state adequate for sale, the cost includes the financial expenses that have been charged by the supplier or loans or other borrowings, whether specific or general in nature, that are directly attributable to the manufacture or construction of the assets.

When the net realizable value of inventories is less than their acquisition price or production cost, all measurement adjustments are applied and recognized as an expense in the income statement.

If the circumstances giving rise to the value adjustment cease to exist, the amount of the adjustment will be reversed, recognizing income in the income statement.

In the case of raw materials and other consumables used during the production process, no value adjustments are made, provided that the finished products they are used to create are expected to be sold at a price above cost. When measurement adjustments are appropriate, the replacement price is used in the calculation.

The measurement of obsolete, defective, or slow-moving products has been reduced to their possible realization value, and the adjustment is recognized in the income statement for the year.

j) Transactions denominated in foreign currency.

The accounts receivable and payable in foreign currencies are translated to the functional currency at the exchange rates ruling at the related transaction date and are adjusted at year-end to the exchange rates then prevailing. In cases where exchange hedges exist, only the portion of the risk not covered by the hedge is taken into consideration.

Exchange differences that arise as a result of the year-end valuation of payables and receivables denominated in foreign currency are recorded directly in the income statement.

k) Grants, donations and legacies received as unrepayable.

They are initially counted as income directly charged to equity, with income and income recognized in the income and loss account on a systematic and rational basis correlated with the expenses arising from the subsidy, donation or legacy according to the criteria described below:

- If they are granted to finance specific expenditures, the allocation is made as the subsidized expenses are devolved.

- If they are granted for the acquisition of assets or stocks they are attributed to results in proportion to the depreciation or, where appropriate, when their disposal occurs, repayment correction for impairment or loss in balance sheet.

- Monetary amounts received without allocation to a specific purpose are allocated as income in the fiscal year.

Grants, donations and legacies received of a monetary nature are valued at the fair value of the amount granted.

l) Corporate income tax

Group companies file their income tax returns individually. Corporate income tax expense and income consists of the expense or income deriving from current taxes and the relevant portion of deferred tax expense or income.

The current tax is the amount resulting from the application of the tax rate to the tax base for the year and after applying all allowable tax deductions.

Deferred tax expense and income relates to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases. These amounts are recorded by applying the timing difference or credit relating to the tax rate at which they are expected to be recovered or settled. Deferred tax liabilities are recognized for all taxable temporary differences, except those for which The Group can control the timing of the reversal and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is considered probable that The Group will have taxable profits in the future against which the deferred tax assets can be utilized.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognized in equity.

At each accounting close the recorded deferred taxes are reviewed in order to check that they are still current and any appropriate corrections are made. Deferred tax assets not recognized in the balance sheet are also reviewed in order to recognize the extent to which it is likely that they may be offset against future taxable profits.

The Group of companies benefit from the consolidated declaration regime for corporation tax as reported on 5 March 2020 in which it was assigned tax group number 496/20. Therefore, the declaration of corporation tax for the three-month financial year ended 31 March 2020 for The Group companies shall be made under tax consolidation.

m) Related party transactions

Transactions between related parties, regardless of the degree of association, are initially recognized at fair value in accordance with the general rules. Where applicable, if the agreed price for a transaction differs from its fair value, the difference is recognized based on the financial reality of the transaction.

n) Income and expense

These items are recorded on an accrual's basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred, rather than the period in which the cash is actually received or disbursed. Income is measured at the fair value of the consideration received, net of discounts and taxes.

The recognition of income from sales takes place at the time at which all risks and benefits inherent to the ownership of the asset being sold have been transferred to the buyer and The Group does not maintain any influence over the management of the item concerned and no effective control is retained.

Income from the rendering of services is recognized taking into consideration the extent to which the service has been rendered at the balance sheet date, provided that the result of the transaction may be reliably estimated.

o) Cash flow statement

The cash flow statement has been prepared using the indirect method and it uses the following expressions with the indicated meanings:

- Operating activities: activities that give rise to the Company's ordinary revenues and other activities that cannot be classed as investing or financing activities.

- Investment activities: the acquisition and disposal of other non-current assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that alter the amount and structure of equity and liabilities that are not operating activities.

5. Intangible assets

The balances and variations in the items comprising the intangible assets during the financial year ended 31 March 2021 and during the three-month financial year ended 31 March 2020 are as follows:

Gross values	Goodwill of consolidation Interplasp, S.L.(*)	Computer software and other intangible assets	Total
Balance at 31.12.19	29.659.965	340.997	-
Scope changes	-	-	-
Balance at 31.03.20	29.659.965	340.997	-
Balance at 31.03.21	29.659.965	340.997	-
Accumulated amortisation			
Balance at 31.12.19	-	(337.972)	
Allocation	-	(1.296)	
Balance at 31.03.20	-	(339.268)	(339.268)
Allocation	-	(1.729)	(1.729)
Balance at 31.03.21	-	(340.997)	(340.997)
Carrying amount at 31.03.20	29.659.965	1.729	29.661.694
Carrying amount at 31.03.21	29.659.965	-	29.659.965

(*) Figures restated

The gross value of the items in use that are fully amortized at the end of the financial year ended March 31, 2021 and at the end of the three-month financial year ended March 31, 2020 is as follows:

Account	Balance at 31.03.21	Balance at 31.03.20
Computer software	325.996	325.996
	325.996	325.996

6. Property, plant and equipment

The balances and variations in the items comprising the fixed assets during the year ended 31 March 2021 and during the three-month financial year ended 31 March 2020 are as follows:

INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U. AND SUBSIDIARIES
Consolidated Report for the fiscal year ended March 31, 2021

Gross values	Land and buildings (*)	Technical installations and other fixed assets	Assets under construction and advances	Total
Balance at 31.12.19	8.712.147	11.412.472	151.378	-
Additions	-	9.000	22.839	31.839
Balance at 31.03.20	8.712.147	11.421.472	174.217	20.307.835
Scope changes	-	608.072	232.401	840.473
Additions	-	(22.685)	-	(22.685)
Balance at 31.03.21	8.712.147	12.006.859	406.618	21.125.623
Accumulated depreciation				
Balance at 31.12.19	(1.241.748)	(6.939.865)	-	(8.181.613)
Allocation to depreciation	(45.667)	(124.121)	-	(169.788)
Balance at 31.03.20	(1.287.415)	(7.063.986)	-	(169.787)
Scope changes	-	-	-	-
Allocation to depreciation	(143.694)	(530.381)		(674.075)
Disposals or reductions	-	22.003		22.003
Balance at 31.03.21	(1.431.109)	(7.572.364)	-	(821.859)
Carrying amount at 31.03.20	7.424.732	4.357.486	174.217	11.956.434
Carrying amount at 31.03.21	7.281.038	4.434.495	406.618	12.122.151

(*) Figures restated

The gross value of fully depreciated assets still in use is as follows:

Cuenta	Balance at 31.03.21	Balance at 31.03.20
Land and buildings	225.565	225.565
Technical installations and other fixed assets	2.759.843	2.688.823
	2.985.408	2.914.388

The separate net values of buildings and land are as follows:

Account	Balance at 31.03.21	Balance at 31.03.20
Land	176.434	176.434
Buildings	7.104.605	7.248.259
	7.281.038	10.424.732

The Group has pending the definitive valuation of a part of the land that is expected to be completed during the 2020-21 financial year.

7. Short-term financial investments

Short-term financial investments at the end of the financial year ended March 31,2021 and at the end of the three-month financial year ended March 31, 2020 are classified according to the following categories:

	Short-term financial investments					
	31.03.21			31.03.20		
	Equity instruments	Credits, derivatives and	Total	Equity instruments	Credits, derivatives and	Total
Categorías:						
Assets held for sale						
Valued at cost	30.434	32.486	62.920	30.434	32.486	62.920

There are no impairment corrections recorded in relation to these financial assets.

8. Inventories

At the end of the financial year ended March 31, 2021 and at the end of the three-month financial year ended March 31, 2020 there are no firm purchase and sale commitments, as well as futures contracts relating to stocks.

9. Trade and other receivables

The breakdown of trade and other receivables at the end of the financial year ended March 31, 2021 and at the end of the three-month financial year ended March 31, 2020 is as follows:

Item	Balance at 31.03.21	Balance at 31.03.20 (*)
Trade and other receivables	8.189.202	6.092.532
Trade receivables, Group companies (Note 20)	-	25.333
Current tax (Note 22)	145.670	-
	8.334.872	6.117.865

(*) Figures restated

Changes deriving from impairment losses originating from credit risk by type of financial asset were as follows:

Concepto	Customers Short-term
Final credit impairment loss at 01.01.20	1.348.559
Impairment valuation correction	81.115
Credit impairment reversal	(20.455)
Final credit impairment loss at 31.03.20	1.409.219
Impairment valuation correction	318.263
Credit impairment reversal	(12.261)
Final credit impairment loss at 31.03.21	1.715.221

10. Information regarding the nature and level of risk deriving from financial investments

The Group's financial risk management is centralized in its Financial Department, which has established the mechanisms required to control exposure to changes in interest rates and credit and liquidity risk. The main financial risks affecting The Group are as follows:

a) Credit risk:

In general, The Group maintains its cash and cash equivalents in highly-rated financial institutions. Furthermore, most trade receivables are secured by surety policies, guarantees and other collateral.

It should also be noted that there is no significant concentration of credit risk with third parties.

b) Liquidity risk:

For the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, The Group has the cash reflected in its balance sheet, together with the financing facilities detailed in the note regarding bank borrowings.

c) Market risk (includes interest rate risk, exchange rate risk and other price risks):

Both The Group's cash and financial debt is exposed to interest rate risk, which could have an adverse effect on financial results and cash flows.

Exchange rate risk is mainly concentrated in transactions carried out in various American countries and Asia, and are denominated in dollars, yen, pounds, Argentine pesos, the Brazilian real and the Chinese yuan. In order to mitigate this risk The Group follows the policy of obtaining exchange hedges that reduce the differences on exchange arising on transactions in foreign currencies (see the note on foreign currency liabilities).

11. Capital and reserves

a) Share capital

The Company was established on 12 June 2019 with a share capital of 3,000 euros, represented by 3.000 shareholdings of 1 euro of face value each, numbered corresponding 1 to 3.000, both inclusive, indivisible, and which granted the equal rights to their holders.

On October 14, 2019, the Company's sole partner took the decision to increase capital by 12.000.000 euros. Following this decision, the share capital was divided into 12.003.000 shareholdings of nominal value 1 euro each, numbered correspondingly from 1 to 12.003.000, inclusive, indivisible and granting the same rights to its holders.

b) Reserves

Its detail is as follows:

	Balance at 31.03.21	Balance at 31.03.20
Negative results from previous years for the Parent Company	587.799	(80.690)
Results in consolidated companies of Interplasp, S.L.	752.619	783.422
Total	1.340.418	702.732

In accordance with article 25 of Law 27/2014 of November 27 on Corporation Tax, according to which an unavailable reserve must be allocated during the five-year period for the amount of the reduction in the tax base of the Corporation tax applied as a capitalization reserve (see note 15). With a charge to the result of the three-month fiscal year ended March 31, 2020, Interplasp, S.L. it provided a capitalization reserve amounting to 420.183 euros.

The detail of the deductions applied in the consolidated corporate tax is as follows:

Año	Importe
2020-21	382.226
2020	105.450
	487.676

Additionally, Interplasp, S.L. It has a legal reserve equal to 20% of its share capital, the amount of which as of March 31, 2021 amounted to 354.625 euros.

12. Minority shareholders

The movements of the financial year ended on March 31, 2021 and the financial three-month exercises ended on March 31,2020 were as follows:

	31.03.2021				
	Balance at 01.04.20	Other adjustment	Dividends	Participation in results financial year 2020	Balance at 31.03.21
Interplasp, S.L.	803.292	4.205	(52.412)	282.872	1.037.957

	31.03.2020			
	Balance at 01.01.20	Other adjustment	Participation in results financial year 2019	Balance at 31.03.20
Interplasp, S.L.	747.849	5.116	50.327	803.292

The composition of these balances at the end of the financial year ended March 31, 2021 and the three-month financial year ended 31 March 2020 is as follows:

	Balance at 31.03.2021				
	Equity participation	Participation in Reservations	Participation in grants	Participation in results	Balance at 31.03.21
Interplasp, S.L.	112.416	638.464	4.205	282.872	1.037.957

	Balance at 31.03.2020				
	Equity participation	Participation in Reservations	Participation in grants	Participation in results	Balance at 31.03.20
Interplasp, S.L.	112.416	640.549	-	50.327	803.292

On February 28, 2021, an interim distribution of dividends was agreed to the partners of the Company for a total amount of 3.500.000 euros. At the close of the year ended on March 31, 2021, the pending interim dividend to external partners is 221.900 euros.

13. Non-current and current borrowings:

Long-term and short-term debts at the end of the financial year ended March 31,2021 and the three-month financial year ended March 31, 2020 are classified according to the following categories:

	Non-current borrowings					
	Bank borrowings		Others		Total	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
Categorías:						
Borrowings and payables	15.436.652	18.573.375	-	8.479	15.436.652	18.581.855

	Current borrowings					
	Bank borrowings		Derivatives and others		Total	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
Categorías:						
Borrowings and payables	8.322.899	5.566.399	168.282	61.986	8.491.181	5.628.385

a) Classification by maturity date

The maturity detail of the different long-term financial liabilities, with determined or determinable maturity, at the end of the financial year ended March 31, 2021 and the end of the three-month financial year ended March 31, 2020 is as follows:

	31.03.21				
	2022-23	2023-24	2024-25	2025-26	Total
Bank borrowings	(3.443.686)	(4.468.202)	(4.998.924)	(2.525.840)	(15.436.652)
	(3.443.686)	(4.468.202)	(4.998.924)	(2.525.840)	(15.436.652)

The maturity detail of the different long-term financial liabilities, with a determined or determinable maturity, at the end of the three-month financial year ended March 31, 2020 is as follows:

	31.03.20					
	2021-22	2022-23	2023-24	2024-25	Other	Total
Bank borrowings	(3.221.481)	(3.432.368)	(4.450.556)	(4.973.403)	(2.495.567)	(18.573.375)
Other financial liabilities	(8.479)	-	-	-	-	(8.479)
	(3.229.960)	(3.432.368)	(4.450.556)	(4.973.403)	(2.495.567)	(18.581.855)

a) Other information

Discounting and foreign trade facilities received are as follows:

	Balance at 31.03.21			
	Limit	Amount drawn down at 31.03.21	Amount available	Maturity
Financing facilities	3.643.000	-	3.643.000	2021
Confirming	7.850.000	6.584.412	1.265.588	2021
	11.493.000	6.584.412	4.908.588	

	Balance at 31.03.20			
	Limit	Amount drawn down at 31.03.20	Amount available	Maturity
Financing facilities	2.000.000	224.342	1.775.658	2020
Discounting facilities	1.307.000	1.128.639	178.361	2020
Confirming	2.850.000	2.293.593	556.407	2020
	6.157.000	3.646.573	2.510.427	

14. Trade and other payables

The detail of the balance sheet item for "Trade and other payables" at the end of the financial year ended March 31, 2021 and the three-month financial year ended March 31, 2020 is as follows:

Balance sheet items	Balance at 31.03.21	Balance at 31.03.20 (*)
Suppliers	4.044.061	3.122.523
Suppliers, equity consolidated companies (Note 20)	21.519	-
Other payables	478.717	220.002
Unpaid remuneration	16.832	152.211
Current tax liabilities year 2020 (Note 16)	217.872	-
Current tax liabilities year 2020 (Note 16)	-	236.982
Current tax liabilities year 2019 (Note 16)	-	361.844
Public entities, other (Note 16)	299.706	230.446
Total	5.078.707	4.324.008

(*) Figures restated

For the purposes of the second additional provision of Law 31/2014 of 3 December amending the Corporations Act and in accordance with Resolution 29 of 2016 of the Institute of Accounting and Audit of Accounts, a detail with the average period of payment to suppliers is included below, ratio of paid transactions, key figure of unpaid transactions, total payments made and total outstanding payments:

	31.03.21	31.03.20
	Days	Days
Average supplier payment period	35,00	24,00
Transactions paid ratio	39,00	22,00
Transactions payable ratio	30,00	31,00
	Importe	Importe
Total payments made	15.345.851	5.081.527
Total outstanding payments that at the closing date exceed the legal maximum payment period	6.297.568	281.374

15. Foreign currency

The amounts corresponding to purchases and sales, as well as services provided and received, denominated in foreign currency, expressed in their countervalue in euros, recognized in profit for the financial year ended March 31, 2021 and the three-month period ended March 31, 2020, are as follows:

Concept	Fiscal year from 01.04.20 to 31.03.21 Dollars	Fiscal year from 01.01.20 to 31.03.20 Dollars
Sales	1.170.065	51.724

The amount of the exchange differences recognized in profit/(loss) for the year by class of financial instrument is as follows:

Assets	31.03.21 (Expense) / Income Transactions settled in the year	31.03.20 (Expense) / Income Transactions settled in the year
Trade and other receivables	(12.533)	5.138

16. Public Administrations

The detail of the balances with Public Administrations at the end of the financial year ended March 31,2021 and the three-month period ended on March 31, 2020 period is as follows:

Balance at 31.03.21

	Balances receivable		Balances payable	
Account	Non-current	Current	Non-current	Current
Value-added tax (VAT)	-	-	-	148.879
Peronal income tax	-	-	-	65.539
Current tax	327.751	-	-	-
Current tax asset / liability		145.670		217.782
Deferred tax liability	-	-	1.046.418	-
Public administrations creditors for other concepts	-	-	-	1.093
Social Security	-	-	-	84.285
	327.751	145.670	1.046.418	517.578

Balance at 31.03.20

Account	Balances receivable Non-current	Balances payable Non-current	Balances payable Current
Value-added tax (VAT)	-	-	148.398
Peronal income tax	-	-	21.156
Current tax	85.737	-	-
Current tax liabilities 2020			236.982
Current tax liabilities 2019			361.844
Deferred tax liability	-	1.058.356	-
Public administrations creditors for other concepts	-	-	978
Social Security	-	-	59.914
	85.737	1.058.356	829.272

The Group is included in the consolidated corporate income tax declaration regime, according to a communication received on March 5, 2020, in which it is assigned a tax group number, 496/20.

The reconciliation of accounting profit before taxes for the financial year ended March 31,2021 and the three-month period ended on March 31, 2020 and corporate income tax is as follows:

Fiscal year from 01.04.20 al 31.03.21

	Profit and loss account		Equity		
	Increases	Decreases	Increases	Decreases	Total
Accounting income	4.085.784	-	88.427	(22.106)	4.152.106
Corporation tax	1.094.739	(18.414)	-	-	1.076.325
Permanent consolidation differences	46.476	-	-	-	46.476
Permanent differences individual companies	3.075	(56.645)	-	-	(53.570)
Temporary differences in individual companies					
With origin in the exercise	469.366	-	-	(66.320)	403.046
With origin in previous years	-	(21.313)	-	-	(21.313)
Temporary consolidation differences					
With origin in previous years	74.212	-	-	-	74.212
Pre-tax base					5.677.281
Reduction by capitalization reserve					(382.226)
Tax base (Tax result)					5.295.055
Pre-integrated fee					1.323.798
Deductions					(116.906)
Withholdings and payments on account					(1.352.562)
Liquid to return					(145.670)

	Fiscal year from 01.01.20 to 31.03.20		
	Profit and loss account		
	Increases	Decreases	Total
Accounting profit	688.013	-	688.013
Corporate tax	240.059	(42.353)	197.706
Permanent consolidation differences	11.619	-	11.619
Temporary differences of individual companies			
With origin in the exercise	134.128	-	134.128
With origin in previous years	-	(5.328)	(5.328)
Temporary consolidation differences			
With origin in previous years	28.360	-	28.360
Previous tax base			1.054.497
Reduction by capitalization reserve			(105.450)
Taxable base (Fiscal result)			949.048
Pre-tax base			237.262
Deductions			(267)
Withholdings and payments on account			(13)
Liquid to pay			236.982

In accordance with article 25 of Law 27/2014 of November 27 on Corporation Tax, the Group through the company Interplasp, S.L. allocated an unavailable reserve for a period of five years amounting to 420.183 euros (see note 11 b)), to apply a reduction for the same amount in the income tax for the three-month fiscal year ended March 31, 2020. However, the Law itself establishes a deduction limit of 10% of the previous tax base and therefore the amount of the reduction has finally been 105.450 euros, which is 10% of the consolidated tax base, a difference that has been applied in the 2020/21 fiscal year together with the 66.845 euros that it proposes to allocate in the 2021-22 fiscal year corresponding to the equity increase for the three-month fiscal year that began on January 1, 2020 and ended on March 31, 2020.

The breakdown of corporate income tax for group companies is as follows:

	Fiscal year from 01.04.20 to 31.03.21				
	Assets			Liabilities	
	Current tax	Adjustments to direct taxation	Deferred tax	Deferred tax	Total expense
Recognised in income statement					
Continuing operations	1.214.789	(125.239)	5.328	(18.553)	1.076.325

	Fiscal year from 01.01.20 to 31.03.20				
	Assets			Liabilities	
	Current tax	Adjustments to direct taxation	Deferred tax	Deferred tax	Total expense
Recognised in income statement					
Continuing operations	238.727	(35.263)	(7.090)	1.332	197.706

Tax-loss carryforwards yet to be offset recorded by the individual companies are as follows:

Company	Taxable income
International Foam Technologies Spain, S.L.	26.228

Details of the deferred taxes applied at the end of the financial year ended March 31, 2021 and the three-month financial year ended March 31, 2020, are as follows:

	Balance at 31.03.21		Balance at 31.03.20	
	Debtor Balances	Creditor balances	Debtor Balances	Creditor balances
Loss credits to be offset	6.557	-	6.557	-
Deferred tax (deductibility limit for the interests of the Parent Company)	171.213	-	53.872	-
Credits for losses to be compensated under the fiscal transparency regime	130.000			
Amortization limit 30%	19.981	-	25.309	-
Registered grants pending imputation	-	146.865	-	140.250
Differences of consolidation	-	899.553	-	918.106
	327.751	1.046.418	85.737	1.058.356

As established by current legislation, taxes cannot be considered to be definitive until the relevant returns have been inspected by the tax authorities or four years have elapsed since filing. At the end of the financial year ended March 31, 2021, all The Group companies' tax returns for the years that are not statute-barred and those that are pending review are open to inspection by the tax authorities. The Parent Company's directors consider that the aforementioned taxes have been appropriately settled and, consequently, even if there are discrepancies with respect to the interpretation of current legislation for the tax treatment given to the transactions, any potential resulting liabilities would not have a material effect on the accompanying consolidated annual accounts.

Merger by absorption of the entity ALMACENES LA GIRALDA, S.L.

On June 20, 2016, the General Meeting of Partners unanimously agreed to the merger by absorption of the company INTERPLASP, S.L. (absorbent company) to the company ALMACENES LA GIRALDA, S.L. (company absorbed), with the next dissolution without liquidation and extinction of the absorbed society and block transmission of the entire assets of it as a universal title to the absorbing society. These agreements were raised to the public on October 13, 2016 and registered in the commercial register of Murcia.

Since these are transactions between group companies, their effects have been having since 1 January 2016. The assets transferred to the absorbing company have been incorporated into their accounting records for the value granted to them in the individual annual accounts. There are no assets that have been incorporated into the accounting books of the absorbing company for a different value than that which was in the accounting records of the company absorbed prior to the completion of the transaction. The last closed balance sheets of the absorbed companies are attached as a document annexed to this report.

The merger operations described above are subject to the special tax regime set out in Chapter VII of Title VII of Law 27/2014 of 27 November on corporation tax.

The assets and liabilities recognized for their value in the individual annual accounts of Almacenes La Giralda, S.L. have been the following:

Asset	Amount	Liabilities	Amount
Non-current assets		Non-current liabilities	
Fixed assets	742.824	Long-term debt	491.790
Real estate investments	61.853	Debts to group companies and associates	301.000
Deferred tax assets	682.280	Non-current commercial creditors	-
Current assets		Current liabilities	
Inventory	212.080	Short-term provisions	-
Commercial debtors and other receivables	55.393	Short-term debts	31.670
Short-term financial investments	-	Suppliers and other payables	388.113
Short-term accruals	9.015	Short-term accruals	-
Efectivo y otros activos líquidos equivalentes	24.556	Debts with special characteristics	-
Total active	1.788.000	Total liabilities	1.212.573

The detail of the material fixed elements incorporated in connection with the merger is as follows:

Account	Description	Acquisition cost	Accumulated depreciation
210800000	TERRENOS DEL CARCHE	5.818	-
210800002	SOLAR PARTIDA LA LOMICA	8.660	-
210803001	TERRENOS ANEXOS NAVE DEL CARCHE	131	-
211800000	CONSTRUCCIONES, YECLA	7.444	(6.927)
211800001	NAVE DEL CARCHE	18.213	(18.213)
211800002	ASFALTO DE CALLES	14.847	(14.884)
211800004	RECONSTRUCCION NAVE SINIESTRO INC	424.900	(157.976)

211800007	REFORMAS COMERCIALES	7.832	(2.585)
211800008	REFORMAS NAVE S.	103.441	(35.194)
211800009	REFORMAS NAVE 2006 (C.P.)	36.986	(9.709)
211800010	REFORMAS NAVE 2007 (T.P.)	8.201	(2.212)
211800011	REFORMAS NAVE 2007 (J.M.P.)	6.065	(13.824)
211800012	REFORMAS NAVE (CH.A.P.)	63.727	(405)
211800013	REFORMAS NAVE (P.S.)	2.253	(1.274)
211803001	NAVE EXPANDIDO	178.988	(515)
211803002	NAVE PLASTICO BURBUJAS (A.P.)	33.448	(7.871)
211803003	NAVEPATRI	2.855	(600)
211803004	RECONST.NAVE SINIESTRO INCENDIO	1.562	(48.208)
212800000	INSTALACIONES TECNICAS-YECLA	14.567	(14.567)
212800010	INST.TRANSFORMADOR PARA MAQUINA B	21.795	(21.795)
212803003	INSTALACION PLACAS SOLARES N. EXPA	456	(319)
212803004	INST.HUMIDIFICAC.NAVE EXPANDIDO	6.471	(5.176)
212803005	INSTALACION GAS, N.EXP.PROPA DOME	28.310	(22.648)
212803014	INST.CONTRA INC.NAVE NUEVE PLAST.	82.604	(49.563)
212803015	TRASLADO MAQ.INST.NAVES NUEVAS 6-	20.278	(12.167)
212803016	INSTALAC.ELECT.NAVES NUEVAS PLAST	422	(253)
212803017	CENTRAL.PANASONIC KXTA 308SP(S.CA	660	(413)
212803018	TELEF.INAL.SIEMENS GIGASET(S.CAST	166	(83)
212803019	TELEF.INAL.PANASONIC KXTA308SP(S.	160	(96)
212803020	GRABADOR DIGITAL MPEG4(PROTEC.YTE	1.581	(791)
212803021	TELEF.INAL.SIEM.GIGASETAL170(DIGI	27	(11)
212803022	CAMARA NETWORK INT.PANORAM.(PROTE	15.670	(1.567)
213800004	MAQUINA PLASTICO DE BUBUJAS MODEL	327.551	(327.551)
213800012	MAQ.CORT.TELA SAMBA N?434.1 ASCO	7.750	(6.667)
213800013	MAQ.CORT.TELA SAMBA N?434.2(ASCO	7.750	(5.554)
213803002	MAQUINA ENVOL.EXTRABAND MOD.311.3	11.720	(11.720)
213803003	DOSIFICADOR TCL-600,DOSIFIC.DC-3	15.626	(15.626)
213803006	MAQUINA CONFECCION BOLSAS PLASTIC	71.833	(71.833)
213803008	MAQUINA PLASTICO BURBUJAS (PEQUE?	12.020	(12.020)
213803010	MAQUINA CONF.BOLSAS PLAST.MOD.MST	54.091	(54.091)
213803012	MAQUINA DE ORILLOS	33.238	(33.238)
213803015	MAQUINA HACER BOLSAS LISAS	13.925	(13.925)
213803017	LINEA LAMINACION PLASTIBUR	23.307	(23.307)
213803019	MOLINO TIPO 19/25 M5-5 INSONORIZA	12.717	(12.717)
213803020	REFRIGERADOR INTECO,MOD.RCA.SH.35	17.804	(17.952)
213803024	LAMINADORA FOAM-LAMB (POLYPRISE I	45.651	(46.031)
213803031	MAQ.PLASTICO BURBUJAS 2,40 ANCHO	370.569	(370.569)
213803033	MAQ.EXPANDIDO MOD.PM/140(POLY)	235.748	(235.312)
213803034	MAQ.TUBOS MOD.PM80(POLY)	108.083	(108.083)
213803037	MAQ.BOLSAS CMV. MOD. BC-1800	72.000	(72.600)
213803038	DEPOSITO GLP MAQ.EXTR.(PROPA DOM.	28.310	(28.546)
213803039	REGRANUL.EXACT MOD.EVOL. 10	28.420	(28.657)

213803041	MAQ.PLAST.BURB.A/160 MOD.SPCS	166.899	(158.866)
213803042	DOSIFICADOR TCL1200(MASA TRANS.)	37.388	(37.700)
213803043	MAQUINA MARCA CMV.MOD.PALET-1800	36.122	(36.122)
213803045	MAQ.RECIC.PLAST.EXTRUF.250KG/HORA	69.136	(55.309)
213803046	TRITURADOR MRE-S 34-100(OVER)	48.600	(38.880)
213803049	COMPRESOR IRN22K(F.Y GANDIA)	12.305	(9.844)
213803050	SECADOR I.RAND TMS-55(F.Y GANDIA)	1.800	(1.440)
213803051	CARRET.ELEV.MECANOCAR STILL M.R60	12.000	(9.600)
213803052	SILO VERT.304 100M3 METALOGONDE N	30.000	(21.000)
213803053	DEPOSITO DE POLIESTER(PEREIRA)	3.000	(2.100)
213803054	ADECUACION MAQUINAS PLASTIBUR(ADE	11.946	(8.362)
213803055	DEPOSITO (VINAGRERIAS RIOJANAS)PL	4.404	(3.083)
213803056	REFRIGERAD.INTECO RCA SH50(R-407C	10.000	(4.350)
213803057	2 MAQUINAS 2?MANO B.PEQUE?A(POLIS	13.409	(5.587)
213804056	BOMBA TRASVASE DE GLP(PROPA DOMES	4.865	(2.027)
213831000	MAQUINA PLASTICO BURBUJAS,V.RIO	32.085	(32.085)
217803048	FOTOCOPIAD.SHARP AR 5520-N(CANON)	1.500	(900)
217803050	IMPRESORA OKI ML-3321(COPIYEC)	104	(49)
217803051	IMPRESORA MATRIC.OKI ML3391(COPIY	501	(238)
217803052	IMPRESORA MULT.OKI ES-5461(QUILEZ	1.128	(705)
218800008	VEHICULO MARCA SEAT PANDA COMERCI	2.773	(2.773)
218800011	REMOLQUE CAMION IVECO MU-0897-BC	9.015	(9.015)
218800018	MERCEDES MOD.170435 SLK.200 ROADS	27.361	(27.361)
218800028	CAMION RENAULT MOD.PREMIUM 370.18	56.495	(56.495)
218800032	TURISMO ALFA ROMEO 4697 BPZ	19.337	(19.337)
218800034	TRACTOR JOHN DEERE MODELO 6620 4W	31.854	(31.854)
218800035	FURGON CADDY WOLKSWAGEN 4751 CDH	12.564	(12.564)
218800039	REMOLQUE MARSEMAR MOD.RB14000(MAR	4.000	(4.050)
218801000	VEHICULO MARCA SEAT TRANS	3.371	(3.371)
218803004	VOLKSWAGEN POLO 1886 DXG, PLASTIB	14.389	(14.569)
218803041	TURISMO CITROEN JUMPY MATR.8328-F	17.629	(17.849)
218803048	REMOLQUE MARSEMAR MD.RB14000 PLAS	4.000	(4.050)
218803052	CAMION DAF 9287-BVD(SINDEL)	9.500	(5.938)
218803053	REMOLQUE MIROFRET MU-04798-R(SIND	1.000	(988)
Total		3.327.127	(2.584.303)

17. Income and expense

a) Net amount of turnover

The breakdown, by geographical segment and each consolidated company, of revenue is as follows:

Company	Fiscal year 01.04.20 a 31.03.21	Fiscal year 01.01.20 a 31.03.20	%
Interplasp, S.L.	39.752.820	6.480.536	100

The distribution of the net amount of turnover for each company and by geographic markets for the consolidated group for the year ended March 31, 2021 and at the end of the three-month year ended March 31, 2020, is as follows:

Geographical markets	Fiscal year 01.04.20 a 31.03.21	%	Fiscal year 01.01.20 a 31.03.20	%
Spain	37.768.841	95,0%	6.263.028	96,6%
Other European Union countries	279.096	0,7%	37.556	0,6%
Rest of world	1.704.883	4,3%	179.952	2,8%
	39.752.820	100%	6.480.536	100%

b) Consumption of merchandise, raw materials and other consumable materials.

	Fiscal year 01.04.20 a 31.03.21	%	Fiscal year 01.01.20 a 31.03.20	%
Supplies				
National	(28.488.287)	104,5%	(5.015.585)	105,6%
Stock variation (increase)	1.223.053	-4,5%	267.669	-5,6%
	(27.265.234)	100%	(4.747.916)	100%

c) Employee benefit expense

This item breaks down as follows:

	Fiscal year 01.04.20 a 31.03.21	Fiscal year 01.01.20 a 31.03.20
Social Security contributions payable by company	(730.542)	(156.096)
	(730.542)	(156.096)

d) Average number of employees

The average number of Group employees by professional category and the final figures at year-end by gender is as follows:

Professional categories	Fiscal year 01.04.20 a 01.03.21	Fiscal year 01.01.20 a 31.03.20
Administrators	2	2
Employees of the admin type	15	16
Production	91	76
	108	94

The number of Administrators and persons employed at the end of the financial year ended March 31,2021 and at the three-month financial year ended March 31, 2020, distributed by professional categories and sex, is as follows:

	31.03.21		31.03.20	
Professional category	Men	Women	Men	Women
Administrators	3	-	1	-
Employees of the admin type	8	6	8	8
Production	88	3	76	3
	99	9	85	11

The average number of persons employed in the financial year ended March 31,2021 and at the three-month financial year ended 31 March 2020 with a disability greater than or equal to thirty-three per cent is 3 and 2 persons respectively in the category of production pawn.

At the end of the financial year ended March 31, 2021 and at the three-month financial year ended 31 March 2020, senior management was composed of the Administrators of International Foam Technologies Spain, S.L. Administrators have not received remuneration over the period.

There are no advances or appropriations granted to all members of the administrative body, in force as of March 31, 2021.

There are no pension and life insurance obligations for the former and current members of the administrative body.

e) Contribution to consolidated results

The contribution of each company to consolidated results, indicating the portion attributed to minority shareholders expressed in euro, is as follows:

	Fiscal year 01.04.20 a 31.03.21	Fiscal year 01.01.20 a 31.03.20
	Consolidated profits/(losses)	Consolidated profits/(losses)
International Foam Technololgies Spain, S.L.	(375.921)	(105.790)
Interplasp, S.L.	4.461.706	793.803
	4.085.785	688.013

18. Environmental information

The Company has among its fixed assets a photovoltaic solar installation for self-consumption to promote the generation and self-consumption of final energy acquired. The net book value of said fixed assets acquired during the year amounts to 103.380 euros at the end of the year ended March 31, 2021. This fixed asset has been subsidized by the Ministry of Business, Industry and Spokesperson, by which subsidies were called for the promotion of energy efficiency and the use of renewable energies by companies within the scope of the FEDER 2014/2020 operational program for the Region of Murcia, for the year 2020, 80% of the total amount of the investment, co-financed by the FEDER.

The Company has not made provisions to cover risks and expenses for environmental actions, considering that there are no contingencies related to the protection and improvement of the environment.

The Company does not have greenhouse gas emission rights assigned in the period of validity of the National Assignment Plan, nor does it have assets included in property, plant and equipment related to greenhouse gas emission rights, nor has it incurred expenses or received grants during the year related to greenhouse gas emission rights. Similarly, it has not made provisions for greenhouse gas emission rights, estimating that there are no contingencies related to penalties or provisional measures, in the terms provided in Law 1/2005.

The expenses incurred during the fiscal year ended March 31, 2021 and during the three-month fiscal year ended March 31, 2020 whose purpose has been to protect and improve the environment have amounted to 8.355 euros and 3.478 euros respectively. The destination of said expenses has been, fundamentally to the management and removal of waste.

19. Business combinations

The Company acquired by contract dated 29 July 2019 and raised to the public on October 14, 2019 before notary 93.66% of the shares of Interplasp, S.L. As part of the closing actions of the transfer of the shares, and to guarantee the obligations of payment of the sellers with respect to the guaranteed payment obligations, as determined by the contract of sale between both parties, the sellers and the buyer have agreed to create a deposit, from the purchase price amount of 6.874.150 euros and signed a escrow contract regulating the releases and instructions that the sellers and/or the buyer will make as they comply with the agreed conditions of purchase. At the end of 2019, it was pending release in its entirety and the valuation process necessary to apply the acquisition method could not be completed and the 2019 consolidated annual accounts were drawn up using the following provisional values:

INTERPLASP, S.L
Balance Sheet at 31 December 2019 (expressed in euros)

ASSETS	31.12.2019	LIABILITIES	31.12.2019
NON-CURRENT ASSETS	**15.391.007**		
Intangible assets	**4.273**	**NON-CURRENT LIABILITIES**	**2.935.272**
Computer software	4.273	**Non-current payables**	**1.056.420**
Property, plant and equipment	**15.358.761**	Bank borrowings	970.489
Land and buildings	10.710.576	Other financial liabilities	85.931
Plant and other PPE	3.963.773	**Deferred tax liabilities**	**1.878.852**
Under construction and prepayments	684.412	**CURRENT LIABILITIES**	**11.307.185**
Deferred tax assets	**27.973**	**Current payables**	**6.690.108**
CURRENT ASSETS	**12.301.041**	Bank borrowings	5.007.175
Inventories	**2.124.758**	Other financial liabilities	1.682.933
Trade and other receivables	**7.047.486**	**Trade and other payables**	**4.617.077**
Trade receivables for sales and services rendered	6.710.332	Suppliers	2.727.048
Public entities, other	337.154	Sundry payables	199.379
Current financial investments	**62.920**	Personnel (salaries payable)	144.522
Prepayments and accrued income	**32.398**	Current tax liabilities	1.110.544
Cash and cash equivalents	**3.033.479**	Public entities, other	435.584
TOTAL ASSETS	**27.692.048**	**TOTAL LIABILITIES**	**14.242.457**

The Group has obtained an appraisal of its land and buildings and has reduced its value by 212.833 euros as a result of it, however, it has pending the final valuation of a part of the land that is expected to have been completed during the 2020-2021 financial year (note 6).

20. Related party transactions

The detail of transactions carried out with related parties during the financial year ended March 31,2021 and during the three-month financial year ended 31 March 2020, expressed in euros, is as follows:

31.03.21	
Sociedad	Tipo de vinculación
Sheela Foam Limited	Parent company
D. Tushaar Gautam	Manager-Administrator
D. Rahul Gautam	Manager-Administrator
D. Alejandro Juan Palao Serrano	Manager-Administrator
D. Jose Miguel Palao Serrano	Other related party

31.03.20

Company/Name	Tipe of linkage
Sheela Foam Limited	Entidad Dominante
D. Tushaar Gautam	Directivo-Administrador
D. Rahul Gautam	Directivo-Administrador
D. Alejandro Juan Palao Serrano	Directivo-Administrador of Interplasp, S.L.

The detail of balance sheet balances with related parties is as follows:

	31.03.21	31.03.20
	Parent entity	Parent entity (*)
CURRENT ASSETS		
Trade and other receivables	-	**25.333**
Trade receivables, Group companies	-	25.333
NON-CURRENT LIABILITIES	**8.000.000**	**8.000.000**
Debts to group companies and long-term associates	8.000.000	8.000.000
CURRENT LIABILITY		
Debts to group companies and short-term associates	**150.556**	**561.462**
Trade and other payables	**21.519**	-
Suppliers, Group companies	21.519	-

(*) Figures restated

The pricing policy followed in all transactions carried out during the financial year is due to the application of the normal market value, in accordance with Article 18 of the Law on Corporation Tax.

The detail of transactions carried out with related parties during the financial year ended March 31, 2021 and during the three-month financial year ended 31 March 2020, expressed in euros, is as follows:

	Fiscal year from 01.04.20 to 31.03.21	Fiscal year from 01.01.20 to 31.03.20
Concept	Interest paid	Interest paid
Parent entity	55.168	70.934
Total group companies	55.168	70.934

At the end of the year ended March 31, 2021 and at the end of the three-month year ended March 31, 2020, the heading "Long-term debts with group companies and associates" includes a credit for the amount of 8.000.000 euros plus accrued interest granted by the parent entity, with a maximum maturity of 8 years that accrues 1,25% interest, commissions and expenses paid by it to financial entities on behalf of the Group for the amount of 368.848 euros and other amounts delivered for the payment of current expenses.

At the end of the fiscal year ended March 31, 2021 and at the end of the three-month fiscal year ended March 31, 2020, Senior Management is made up of three Administrators.
Senior management is made up of one of the administrators, Mr. Alejandro Juan Palao Serrano, who is responsible for making decisions that affect the economic and strategic policies of the Company.

The remuneration received during the financial year ended March 31, 2021 and during the three-month financial year ended March 31, 2020 by the members of the Board of Directors and by the company's senior management staff, classified by concepts, were as follows:

Amounts received by Senior Management	Fiscal year from 01.04.20 to 31.03.21	Fiscal year from 01.01.20 to 31.03.20
Salaries, allowances and other remuneration	131.706	30.260

21. Other information

The members of the Parent Company's Board of Directors and persons related to them as defined by Article 231 have not reported any direct or indirect conflicts of interest that could affect the Parent Company.

During the financial year ended March 31, 2021 and during the three-month period ended March 31, 2020 the fees accrued by the auditor of the consolidated annual accounts and for other services rendered by companies associated to the auditor through control, common ownership or common management, as well as the fees for services invoiced by the auditors of the annual accounts prepared by the companies included in consolidation were as follows:

	Fiscal year from 01.04.20 to 31.03.21	Fiscal year from 01.01.20 to 31.03.20
	Services rendered by auditors or related companies	Services rendered by auditors or related companies
Auditing services	12.900	10.900
Other services related to the audit.	9.000	-
Other services provided.	13.643	4.375

22. Segment reporting

The Directors consider that all transactions carried out by the companies forming part of The Group fall within the same segment and therefore no segment information is provided.

23. Subsequent events

At the date of preparation of these annual accounts, Management has carried out an evaluation of the possible events that could have an impact on the Company and its operations, reaching the conclusion that no significant short-term impacts are expected that could affect the volume of operations or normal development of the Company's activity, the expected results, the valuation of its assets and other relevant figures.

PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS BY THE GOVERNING BODY

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

In compliance with the provisions of current legislation, the Directors of INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U. have prepared the consolidated annual accounts (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and the notes to the consolidated annual accounts) for INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U. AND SUBSIDIARIES for the year beginning on April 01, 2020 ended March 31, 2021

In addition, they declare that they have signed these documents by signing this sheet attached to the Notes to the Annual Accounts, which are included on pages 1 through 33.

Madrid, 26 May 2021

Tushaar Gautam
Common Administrators

Rahul Gautam
Common Administrators

Consolidated Directors' Report

**INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated directors' report for the financial year
ended March 31, 2021**

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

The evolution and development of the business and the activity is highlighted both financially and financially in the accompanying consolidated annual accounts that collect the information for the financial year ended March 31, 2021.

Following the outbreak of the COVID-19 crisis, the Group has taken the appropriate steps, taking measures both to preserve people's health and to contain all its expenses, in particular personnel expenses through an ERTE of its staff, to face the situation and minimize its impact. Despite the effects that COVID-19 is having in all sectors of the economy, both nationally and internationally, IFTS Group sales have reached a global figure of 39.752.820 in the year ended March 31, 2021 euros, 40% higher than the last 12-month period closed by Interplasp, SL which is the company that provides all the activity and a similar profit after tax, 4.468.284 euros, all operations correspond to Interplasp, S.L. The Parent Company's sole activity is that of holding company. It is an instrumental company constituted for the acquisition of the social participations of Interplasp, S.L.

The Group carries out most of its business in the national market. The most significant risks refer to the purchase prices of raw materials, as well as the collection and interest rate risks for the debt assumed by the Parent Company for the purchase of the shares of Interplasp, S.L.

The risks of raw material purchase prices are covered through price and volume negotiations with the main suppliers and we do not believe that they represent significant figures that may affect the course of business. On the other hand, the recent entry into the Sheela Foam Group will allow for a better negotiating position with suppliers.

The risks inherent in the sale such as the customer diversification policy, sale prices to public entities, etc. no significant risks that may affect the course of business are considered. The Company has underwritten insurance policies that cover a significant part of the risk of collectability to clients.

Additionally, decisions and strategies continue to be taken that are considered adequate to strengthen and confirm the objectives set in previous years: differentiation of our products with respect to those of the competition, improvements in quality and increase in the share both in the national market and in foreign markets through the reinforcement and positioning of our product.

No research and development expenses were incurred during the three-month fiscal year ended March 31, 2021.

During the year ended March 31,2021 and during the three month year ended March 31, 2020, no shares in the Parent Company were acquired.

In compliance with Law 31/2014, of December 3, amending the Corporations Act for the improvement of corporate governance, in which changes are made affecting the content of the annual accounts and the management report and amending paragraph 1 of Article 262 of the TRLSC, International Foam Technologies Spain, S.L.U., according to the information contained in its Report, does not exceed the average payment periods set out in Law 15/2010 of 5 July on measures to combat the delinquency of the commercial operations. It is a priority interest during 2020-2021 to continue the improvement process in all affected areas, including, demanding our suppliers and creditors, to operate with due diligence in the sending of their invoices, which allows us to ensure compliance with current regulations regarding maximum payment periods.

INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated directors' report for the financial year
ended March 31, 2021

Except for what was said regarding the crisis caused by COVID-19, there have been no events after the end of the year that substantially or significantly change the data at the end of the year for The Group.

This management report is issued in accordance with the provisions of Royal Legislative Decree 1/2010, of July 2, which approves the consolidated text of the Law on Capital Companies and its subsequent amendments.

PREPARATION OF THE CONSOLIDATED DIRECTORS' REPORT BY THE GOVERNING BODY

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

In compliance with the provisions of current legislation, the Directors of INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U. have prepared the Consolidated Directors Report for INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U. AND SUBSIDIARIES for the year of the year beginning on April 01, 2020 ended March 31, 2021.

In addition, they also declare that they have signed this document by signing this sheet attached to that report, consisting of two pages.

Madrid, 26 May 2021

Tushaar Gautam
Common Administrators

Rahul Gautam
Common Administrators