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

Consolidated Annual Accounts and Directors Report for the fiscal year ended March 31, 2022

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.)

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 March 31, 2022, 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, 2022.

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 March 31, 2022, and of the results of its operations and cash flows, all of them consolidated, for the financial year ended March 31, 2022, in accordance with the applicable framework of financial reporting standards (which is identified in note 3.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 of the attached report, a consolidation goodwill has been generated with the subsidiary company Interplasp, S.L. for an amount of 29,424 thousand euros. Additionally, the Group has not amortized said goodwill, which constitutes a breach of the applicable regulatory framework for financial information. This is the result of a decision made by management at the beginning of the 2019 financial year. Based on a straight-line amortization method and an annual rate of 10%, the results for the year ended March 31, 2022 are overstated by 2,942 thousand euros, goodwill and reserves are overvalued by 7,355 and 4,413 thousand euros, respectively. Our audit report for the year ended March 31, 2021 contained a exception for this same issue, although without quantifying, since the outcome of any of the conditions established in the escrow contract detailed in note 2 was unknown.

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:

Revenue recognition

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 14 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.

Other information: Consolidated directors' report

Other information comprises exclusively the consolidated directors' report for the financial year ended March 31, 2022. 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 consolidated annual accounts does not cover the consolidated management report. Our responsibility for the consolidated management report, in accordance with the requirements of the regulations governing the activity of account auditing, consists of evaluating and reporting on the concordance of the consolidated management report with the consolidated annual accounts, based on knowledge of the Group obtained in carrying out the audit of the aforementioned accounts and without including information other than that obtained as evidence during the same. Likewise, our responsibility consists of evaluating and reporting whether the content and presentation of the consolidated management report are in accordance with the applicable regulations. If, based on the work we have performed, we conclude that there is a material misstatement, we are required to report it.

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 31, 2022 and its content and presentation are in accordance with the applicable regulations.

As described in the Basis for Qualified Opinion section, the Group has not amortized in the consolidation goodwill recorded in this year, nor in previous years.

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

May 9, 2022



GRANT THORNTON, S.L.P.

2022 Núm. 18/22/00005

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Informe de auditoría de cuentas sujeto
a la normativa de auditoría de cuentas
española o internacional
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**INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U.
AND SUBSIDIARIES**

**Consolidated Balance Sheet of
Fiscal year ending on March 31, 2022
(expressed in euros)**

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

ASSETS	Note	31.03.22	31.03.21 (*)
NON-CURRENT ASSETS		41.925.140	41.873.928
Intangible assets	5	29.429.624	29.424.026
Goodwill on consolidation		29.424.026	29.424.026
Other intangible assets		5.598	-
Property, plant and equipment	6	12.065.028	12.122.151
Land and buildings		7.141.145	7.281.038
Technical installations and other fixed assets		4.660.369	4.434.495
Assets under construction and advances		263.514	406.618
Deferred tax assets	13	430.488	327.751
CURRENT ASSETS		15.654.381	14.354.090
Inventories	8	5.812.482	4.018.312
Trade and other receivables	7	8.607.815	8.570.812
Trade receivables for sales and services rendered		8.132.878	8.189.202
Other debtors	3 h)	163.300	235.940
Current tax assets	13	311.637	145.670
Current financial investments	7	63.920	62.920
Cash and cash equivalents		1.170.164	1.702.047
TOTAL ASSETS		57.579.521	56.228.018
EQUITY AND LIABILITIES	Nota	31.03.22	31.03.21
EQUITY		20.134.435	18.024.504
Capital and reserves	11	19.126.384	16.924.431
Capital		12.003.000	12.003.000
Authorised capital		12.003.000	12.003.000
Reserves		5.143.331	1.340.418
Profit/(loss) for the year attributed to the Parent company		2.024.153	3.802.913
(Dividend on account)		(44.100)	(221.900)
Grants, donations and heritages received		78.619	62.116
Minority shareholders	12	929.432	1.037.957
NON-CURRENT LIABILITIES		21.004.559	24.483.070
Non-current debts	7	11.992.966	15.436.652
Bank borrowings		11.992.966	15.436.652
Other financial liabilities		-	-
Not-Current debts, Group companies	17	8.000.000	8.000.000
Deferred tax liabilities	13	1.011.593	1.046.418
CURRENT LIABILITIES		16.440.527	13.720.444
Current debts	7	11.717.483	8.491.181
Bank borrowings		11.571.986	8.322.899
Other financial liabilities		145.497	168.282
Current debts, Group companies	17	-	150.556
Trade and other payables	7	4.723.044	5.078.707
Suppliers		3.268.164	4.044.061
Suppliers, Group companies	17	77.667	21.519
Other payables		1.196.150	795.255
Current tax liabilities	13	181.063	217.872
TOTAL EQUITY AND LIABILITIES		57.579.521	56.228.018

Restated figures see note 2h) of the report

**INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.
AND SUBSIDIARIES**

**Consolidated Income Statement of
Fiscal year ending on March 31, 2022
(expressed in euros)**

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

	Note	01.04.21 to 31.03.22	01.04.20 to 31.03.21
CONTINUING OPERATIONS:			
Revenues:	14.a)	51.177.779	39.752.820
Ventas		51.177.779	39.752.820
Changes in inventories of finished products and work in progress		1.103.876	(427.619)
Supplies:	14.b)	(41.562.592)	(27.265.234)
Consumption of raw materials and other consumables		(41.562.592)	(27.265.234)
Other operating income:		164.353	21.983
Non-trading and other operating income		—	21.983
Operating subsidies incorporated into the profit and loss for the financial year		164.353	—
Personnel expenses:		(3.776.607)	(3.050.093)
Wages, salaries and similar compensation		(2.907.445)	(2.319.551)
Employee benefit expense	14.c)	(869.162)	(730.542)
Other operating expenses:		(3.103.765)	(2.694.047)
Losses, impairment and changes in provisions for commercial transactions	7	32.616	(306.002)
Other ordinary expenses		(3.136.381)	(2.388.045)
Amortisation/depreciation	5, 6	(718.021)	(675.813)
Attribution of subsidies for non-financial assets and other		18.611,84	15.492
Impairment and gains/(loss) on disposals of assets:		7.804	2.000
Profit/(loss) on disposals and other		7.804	2.000
Other profit/(loss)		(41.615)	3.779
OPERATING PROFIT/(LOSS)		3.269.823	5.683.270
Finance income:		77.044	30.591
Marketable securities and other financial instruments		77.044	30.591
Finance cost		(521.438)	(539.218)
Net monetary gain/(loss)	10	53.461	(12.533)
FINANCIAL INCOME/(EXPENSE)		(390.933)	(521.160)
PROFIT/(LOSS) BEFORE TAX		2.878.890	5.162.110
Corporate income tax	13	(688.320)	(1.076.325)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		2.190.570	4.085.785
PROFIT/(LOSS) FOR THE YEAR	14 e)	2.190.570	4.085.785
Profit/(loss) attributed to Parent company		2.024.153	3.802.913
Profit/(loss) attributed to minority shareholders	12	166.417	282.872

**INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U.
AND SUBSIDIARIES**

Statement of Consolidated Changes in Equity of
fiscal year ended on March 31, 2022
(expressed in euros)

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

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED MARCH 31, 2022.

Note	2021/2022	2020/2021
Consolidated profit/(loss) for the year	2.190.570	4.085.785
Grants, donations and heritages received	20.000	88.427
Tax Effect	--	(22.107)
Total income and expense attributed directly to consolidated equity	20.000	66.320
Grants, donations and heritages received	(2.340)	--
Tax Effect	--	--
Total transfers to the consolidated income statement	(2.340)	--
TOTAL CONSOLIDATED RECOGNISED INCOME AND EXPENSE	2.208.228	4.152.106
Total income and expense attributed to Parent company	2.040.655	3.865.029
Total income and expense attributed to minority shareholders	167.573	287.077

B) CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2022.

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 March 31, 2020	12.003.000	702.732	637.686	--	--	803.292	14.146.710
I. Total recognised income and expense	--	--	3.802.913	--	62.116	287.077	4.152.106
(-) Distribution of dividends	--	--	--	(221.900)	--	(52.412)	(274.312)
III. Other changes in equity	--	637.686	(637.686)	--	--	--	--
CLOSING BALANCE March 31, 2021	12.003.000	1.340.418	3.802.913	(221.900)	62.116	1.037.957	18.024.504
I. Total recognised income and expense	--	--	2.024.153	--	16.503	167.573	2.208.228
(-) Distribution of dividends	--	--	--	177.800	--	(276.097)	(98.297)
III. Other changes in equity	--	3.802.913	(3.802.913)	--	--	--	--
CLOSING BALANCE March 31, 2022	12.003.000	5.143.331	2.024.153	(44.100)	78.619	929.432	20.134.435

**INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.
AND SUBSIDIARIES**

**Consolidated Statement of Cash Flows of
fiscal year ending on March 31, 2022
(expressed in euros)**

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

	Nota	01.04.21 to 31.03.22	01.04.20 to 31.03.21
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year before tax		2.878.890	5.162.110
Adjustments:		1.124.154	1.166.948
Amortisation/depreciation (+)	5, 6	718.021	675.813
Attribution of subsidies (-)	7	(18.612)	(15.492)
Result from disposals and disposal of fixed assets	6	(7.804)	(2.000)
Finance income (-)		(77.044)	(30.591)
Finance cost (+)		521.438	539.218
Exchang differences (+/-)	10	(53.461)	--
Other incomes / expenses (+/-)		41.615	--
Cambios en el capital corriente:		(2.679.299)	(1.715.255)
Inventories (+/-)		(1.829.763)	(831.026)
Trade and other receivables (+/-)	7 a)	(260.135)	(2.068.108)
Other current assets (+/-)		(1.001)	48.225
Trade and other payables (+/-)	7 b)	(588.400)	1.135.654
Other cash flows from operating activities:		(1.131.706)	(2.272.736)
Interest paid (-)		(521.438)	(539.218)
Interest received (+)		77.044	--
Income tax received (paid) (+/-)	13	(687.312)	(1.733.518)
Cash flows from operating activities		192.039	2.341.067
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments (-):		(849.075)	(940.728)
Intangible assets	5	(5.760)	--
Material assets	6	(842.314)	(840.473)
Fixed assets		(1.001)	(100.255)
Proceeds from sale of investments (+):		173.773	591
Other financial assets		173.773	591
Cash flows from investing activities		(675.302)	(940.137)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments made and received for equity instruments		20.000	88.427
Issue:			
Issuance of equity instruments		20.000	88.427
Payments made and received for financial liability instruments:		21.257	(693.613)
Issue:			
Bank borrowings (+)		1.694.599	3.136.723
Other debts (+)		--	106.296
Return and repayment of:			
Bank borrowings (-)		(1.500.000)	(3.525.726)
Debts with group companies and associates		(150.556)	(410.906)
Other debts (-)		(22.785)	--
Dividends and interest on other equity instruments paid:		(89.879)	(274.312)
Dividends (-)		(89.879)	(274.312)
Cash flows from financing activities		(48.621)	(879.498)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		(531.884)	521.432
Cash and cash equivalents at the beginning of the year		1.702.047	1.180.615
Cash and cash equivalents at the end of the year		1.170.163	1.702.047

**INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U.
AND SUBSIDIARIES**
**Consolidated report for the year ended
on 31 of March from 2022**

1. Activity 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 office is located at Calle Monte Esquinza, nº 30 Bajo Izquierda, 28010 Madrid. The Group develops its activities in Carretera de Villena s/n Yecla (Murcia).

The main activity of the parent company is 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 investee entities. Likewise, the provision of complementary or accessory services to the management of the activities carried out by the investee entities.

The Company is integrated into 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. is not obliged to formulate separate consolidated accounts due to its size, however, the directors voluntarily formulate consolidated annual accounts. The annual accounts corresponding to the financial year ended March 31, 2021 were formulated by its administrators on May 26, 2021, approved by its sole shareholder on September 30, 2021 and deposited in the Mercantile Registry of Murcia.

2. Subsidiaries

The subsidiaries included in the consolidation, which are not listed on the stock exchange, and the information related to them at the end of the year ended March 31, 2022 and at the end of the year ended March 31, 2021, is as follows:

A 31.03.22

Name/ ddress/ Activity	Value in books of participation	% participation		Share Capital	Reservation	Other equity items	Result		
		Direct					Operating	Net	Total Equity
Interplasp, S.L. / Ctra. de Villena s/n 30510 Yecla (Murcia) / Fabricación de espumas de poliuretano	39.764.061	93,66		1.773.125	6.836.675	(14.999)	3.525.747	2.727.007	11.321.808
	<u>39.764.061</u>								

A 31.03.21

Name/ ddress/ Activity	Value in books of participation	% participation		Share Capital	Reservation	Other equity items	Result		
		Direct					Operating	Net	Total Equity
Interplasp, S.L. / Ctra. de Villena s/n 30510 Yecla (Murcia) / Fabricación de espumas de poliuretano	39.764.061	93,66		1.773.125	6.627.055	(2.791.118)	5.835.546	4.563.840	10.172.902
	<u>39.764.061</u>								

**INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U.
AND SUBSIDIARIES**
**Consolidated report for the year ended
on 31 of March from 2022**

The group signed 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 closing actions of the transfer of the shares were completed, said contract was raised to the public on October 14, 2019, which is why the Group established September 30, 2019 as the date of the first consolidation. However, the Group and the sellers agreed in that act 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, a situation that was pending resolution at the date of the formulation of the Group's annual consolidation accounts. At the end of the financial year, this amount had been released for an amount of 5.147.140 euros.

3. Basis of presentation of consolidated annual accounts

a) True and fair view and consolidation policies

The consolidated annual accounts, consisting of the consolidated balance sheet, the consolidated profit and loss account, the statement of changes in consolidated equity, the consolidated statement of cash flows and the consolidated report composed of notes 20 a, have been prepared from the accounting records of each of the companies that make up the set consolidable, having applied the legal provisions in force in accounting matters, specifically, Royal Decree 1159/2010, of September 17, which approves the rules for the formulation of the consolidated annual accounts and modifies the General Accounting Plan approved by Royal Decree 1514/2007, of November 16, 2007, and its modifications approved by the Royal Decree 1159/2010, of September 17, by Royal Decree 602/2016, of December 2, and by Royal Decree 1/2021, of January 12, in order to show the true image of the assets, of the situation results, changes in equity and cash flows of the Group during the corresponding financial year.

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

b) Non-mandatory accounting principles applied

No non-binding accounting principles have been applied. The consolidated annual accounts have been prepared in accordance with mandatory accounting principles. There is no accounting principle that, its effect being significant, has ceased to apply.

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 assessment of possible impairment losses on certain assets (note 4 g), 4 h) and 4 i)).
- The useful life of the tangible and intangible asset (note 4 e) and 4 f)).
- The fair value of certain financial instruments (Note 4h))

INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated report for the year ended
on 31 of March from 2022

At the time of formulation of these annual accounts, the Company had a negative working capital amounting to 786,146 euros, mainly since during the year 2022-23 it will have to face the payments of the loan of 20 million euros subscribed with a financial institution for the purchase of 93.66% of the shares of Interplasp, S.L. However, the administrators estimate that the subsidiary company Interplasp, S.L. will generate throughout 2022-23 a sufficient cash Flow to meet these payments and, in case this is insufficient, they have the support of their parent Company Sheela Foam Ltd. to obtain funds and be able to face these maturities, which is why they have formulated these annual accounts based on the principle of company in operation

These estimates have been made on the basis of the best information available up to the date of preparation of these consolidated accounts, and there is no fact that could change these estimates. Any future events not known at the date of preparation of these estimates could lead to changes (upwards or downwards), which would be carried out, where appropriate, prospectively.

d) Classification of assets and liabilities between current and non-current

Assets and liabilities are presented on the consolidated balance sheet classified into current and non-current. For these purposes, assets and liabilities are classified as current when they are linked to the Group's normal operating cycle and are expected to be sold, consumed, realized or liquidated in the course of the same, are different from the previous ones and their maturity, disposal or realization is expected to occur within a maximum period of one year; they are held for trading purposes or are cash and other equivalent liquid assets whose use it is not restricted for a period exceeding one year. Otherwise they are classified as non-current assets and liabilities.

e) Comparative information

In accordance with commercial legislation, it is presented, for comparative purposes, with each of the items of the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated statement of cash flows, in addition to the figures for the annual year ended March 31, 2022, those corresponding to the previous financial year. The consolidated report also includes quantitative information from the previous year, except when an accounting standard specifically establishes that it is not necessary.

Royal Decree 1/2021, of 12 January, has modified the NRV^a 9 of financial instruments and the NRV^a 14 of income from sales and provision of services of the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November 2007. The Second and Third Transitional Provisions of said Royal Decree establish the transitional rules of registration and valuation, to be applied on the date of first application, for financial instruments and the Fifth Transitory Provision, the transitional rules of registration and valuation to income from sales and provision of services. These provisions, as an exception to the general criterion established by the NRV 22^a of changes in accounting criteria, errors and accounting estimates of the General Accounting Plan, allow not to restate the comparative figures presented in these consolidated annual accounts. That is why, for the purposes of comparability of the figures, the impacts of application for the first time of these modifications must be taken into account, which have been detailed in footnote 2. n.

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f) Consolidation principles

The consolidation has been carried out for all dependent companies, by the method of global integration, by holding an effective dominance by having a majority of votes in their representative and decision-making bodies. In the cases of the associated companies, they have been included in the consolidation by the equivalence procedure. The assumption that determines the method of consolidation of these companies by this method is the significant influence, and the relative importance of them within the perimeter of consolidation.

g) Transition

The approval of Royal Decree 1/2021, of 12 January, has modified the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November 2007, and with it, the accounting treatment of various components of the consolidated annual accounts. In compliance with the provisions of the First Transitory Provision of the aforementioned Royal Decree, we include the following information on transition:

Financial Instruments

The modifications introduced by Royal Decree 1/2021, of January 12, enter into force for all years that begin on or after January 1, 2021, including the new NRV 9th of financial instruments. The Second Transitory Provision of the aforementioned norm establishes the rules on the date of first application of the norm, allowing two models of transition essentially:

- Complete retrospective, which involves the restatement of comparative figures in accordance with the provisions of the new NRV 22nd "Changes in accounting criteria, errors and accounting estimates" of the General Accounting Plan, with a series of practical exemptions that simplify the adaptation of comparative figures to the new NRV 9th of the General Accounting Plan
- Simplified retrospective, which involves the introduction of an adjustment to adjust the initial balances of the year in which the aforementioned rule begins to be applied, without the need to restate the comparative figures, benefiting from a series of practical simplifications that help to apply it on the date of adoption.

The Group has chosen to apply the simplified retrospective transition model

Financial assets

The following is a reconciliation between the classification and valuation of financial assets as of April 1, 2021 registered under the former NRV 9th of financial instruments of the General Accounting Plan, and the classification and valuation of the same financial assets registered under the new financial instruments standard:

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	Current financial assets		
		Transition adjustments (no impact on equity)	
	31.03.21		01.04.21
<u>Old categories NRV 9ª PGC:</u>			
Fair value assets with changes in profits and losses:			
Maintained to negotiate	30.435	(30.435)	-
Investments held until maturity	32.486	(32.486)	-
Loans and receivables	8.189.202	(8.189.202)	-
<u>New categories NRV 9ª PGC:</u>			
Financial assets at amortized cost	-	8.189.202	8.189.202
Financial assets at cost	-	62.921	62.921
	<u>8.252.123</u>	<u>-</u>	<u>8.252.123</u>

The Group includes as current financial assets, under the heading of "Fair value assets with changes in profit and loss" held for trading, investments in shares of financial institutions, specifically in shares of Caja Rural Central and Cajamar and the outstanding balance in an investment in Wild Latam. In addition, as investments held until maturity, the Group collects a bond constituted by a tender that Interplasp agreed to it for the award on the acquisition of polyurethane foam plates for the manufacture of mattresses and pillows. That is why, applying the new category according to the NRV 9th of the General Accounting Plan, it has been chosen to include them within the category "Financial assets at cost".

The Group collects as current financial assets under the heading of "Loans and receivables", the balances with customers for sales and provision of services. That is why, applying the new category according to the NRV 9th of the General Accounting Plan, it has been chosen to include them within the category "Financial assets at amortized cost".

Financial liabilities

The following is a reconciliation between the classification and valuation of financial liabilities as of April 1, 2021 recorded under the former NRV 9th of financial instruments of the General Accounting Plan, and the classification and valuation of the same financial liabilities recorded under the new financial instruments standard:

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	Non-current financial liabilities			Current financial liabilities		
	Transition adjustments (no impact on equity)			Transition adjustments (no impact on equity)		
	31.03.21	01.04.21		31.03.21	01.04.21	
<u>Old categories NRV 9ª PGC:</u>						
Debits and items payable	23.436.352	(23.436.352)	-	13.202.866	(13.202.866)	-
<u>New categories NRV 9ª PGC:</u>						
Financial liabilities at amortized cost		23.436.352	23.436.352		13.202.866	13.202.866
	23.436.352	-	23.436.352	13.202.866	-	13.202.866

The Group collects both non-current and current financial liabilities under the heading of "Debits and items to be paid" the debts it has with credit institutions. In addition, current financial liabilities include debts with suppliers to creditors. That is why, applying the new category according to the NRV 9th of the General Accounting Plan, it has been chosen to include all those mentioned above within the category of "Financial liabilities at amortized cost".

Revenue from sales and service delivery

The modifications introduced by Royal Decree 1/2021, of January 12, enter into force for all years that begin on or after January 1, 2021, including the new NRV 14th of "income from sales and provision of services". The Second Transitory Provision of the norm establishes the rules on the date of first application of the norm, allowing two models of transition essentially:

- Complete retrospective, which involves the restatement of the comparative figures in accordance with the provisions of the new NRV 22nd "Changes in accounting criteria, errors and accounting estimates" of the General Accounting Plan, with a series of practical exemptions that simplify the adaptation of comparative figures to the new NRV 14th of the General Accounting Plan.
- Simplified retrospective, which involves the introduction of an adjustment to adjust the initial balances of the year in which the aforementioned rule begins to be applied, without the need to revisit the comparative figures, benefiting from a series of practical simplifications that help to apply it on the date of adoption.
- Practical solution: from which only contracts with customers that are signed from the date of first adoption, the criteria established by the new NRV 14th of "income from sales and provision of services" will apply.

The Group has chosen to apply the practical solution by applying the new criteria to all contracts signed as of 1 April 2021

The main income of the group comes from the activity of Interplasp, S.L.

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h) Restatement of comparative figures

In the financial year 2021/22, the former partners of Interplasp, S.L., have compensated the Group with the amount of 235,939 euros in concept of lower amount of the purchase of the shares of said company according to an agreement adopted on September 30, 2019, an amount that has been registered retrospectively considering that it should have been estimated and registered at the end of the 2020/21 financial year, since on that date an agreement had already been reached in principle for that amount. As a result, the Group has restated the value of Goodwill in Interplasp as of March 31, 2021, reducing it by 235,939 euros and has increased the balance of debtors by the same amount. The detail is as follows:

Account	annual accounts for the financial year 2021	Registrations / reclassifications	According to re- expressed annual accounts
Goodwill on consolidation	29.659.965	(235.939)	29.424.026
Debtors	-	235.939	235.939

4. Accounting and measurement policies

The main recording and valuation rules used for the formulation of 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.

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b) Minority shareholders

The value of the minority shareholders' participation in the assets and results of the dependent companies is presented, respectively, under the headings "External partners" and "External partners profit and loss", the liabilities of the consolidated balance sheet and the "Profit attributed to external partners" in the consolidated profit and loss account.

c) Transactions between companies included in the scope of consolidation

The eliminations of reciprocal credits and debits, reciprocal expenses and income and result from internal operations have been carried out based on the provisions in this regard in Royal Decree 1159/2010, of September 17.

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 fixed assets

As a general rule, intangible fixed assets are registered as long as they meet the identifiability criterion and are initially valued by their acquisition price or cost of production, subsequently reduced by the corresponding accumulated depreciation and, where appropriate, by the impairment losses it has experienced. In particular, the following criteria apply:

e.1) 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.

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e.2) Computer software

Software that meets recognition criteria are activated at their acquisition or development cost. Its amortization is carried out linearly in a period of 3 years from the entry into operation of each application. The maintenance costs of computer applications are charged to the results of the year in which 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 purchase price or cost of production when they are not recoverable directly from the Public Treasury. Included as the highest value of property, plant and equipment, the initial estimate of the present value of the obligations assumed arising from the dismantling or withdrawal and others associated with the aforementioned asset, such as the costs of rehabilitation of the place on which it sits, provided that these obligations give rise to the registration 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%

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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:

f.1) Land and natural property

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.

f.2) 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.

f.3) Assets associated with operating leases and other operations of a similar nature

Investments made that are not separable from those elements used in leases classified as operational, are accounted for as tangible fixed assets when they meet the definition of assets.

The amortization of these investments is made according to their useful life, which will be the duration of the lease or assignment contract, including the renewal period when there is evidence to support that it will occur, when it is less than the economic life of the asset.

f.4) Fixed assets in progress and advances

It includes all payments on account incurred in the purchases of the properties, technical facilities, other fixed assets before the effective delivery of the same or put into conditions of use.

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g) Impairment of intangible and tangible fixed assets

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

The Group, at the time of initial recognition, classifies financial instruments as a financial asset, a financial liability or an equity instrument, depending on the economic background of the transaction, and bearing in mind the definitions of financial asset, financial liability and equity instrument, of the financial reporting framework applicable to it, which has been described in footnote 2.a.

The recognition of a financial instrument occurs at the moment in which the Group becomes an obligated party of it, either as an acquirer, as a holder or as an issuer of it.

h.1) Financial assets

The Group classifies its financial assets according to the business model it applies to them and the characteristics of the instrument's cash flows.

The business model is determined by the Group Management and this reflects the way in which each group jointly manages financial assets to achieve a specific business objective. The business model that the Group applies to each group of financial assets is the way in which it manages them with the aim of obtaining cash flows.

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When categorizing assets, the Group also takes into account the characteristics of the cash flows they accrue. Specifically, it distinguishes between those financial assets whose contractual conditions give rise, on specified dates, to cash flows that are collections of principal and interest on the amount of the outstanding principal (hereinafter, assets that meet the UPPI criterion), of the rest of financial assets (hereinafter, assets that do not meet the UPPI criterion).

Specifically, the Group's financial assets are classified into the following categories:

h.1.1.) Financial assets at amortised cost

They correspond to financial assets to which the Group applies a business model that aims to receive the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only collections of principal and interest, on the amount of the outstanding principal, even if the asset is admitted to trading on an organized market, so they are assets that meet the UPPI criterion (financial assets whose contractual conditions give rise, on specified dates, to cash flows that are charges of principal and interest on the amount of the outstanding principal).

The Panel finds that contractual cash flows from a financial asset are only charges of principal and interest on the amount of outstanding principal, when these are those of an ordinary or common loan, without prejudice to the transaction being agreed at a zero or below-market interest rate. The Panel finds that this criterion does not meet, and therefore does not classify within this category, financial assets convertible into equity instruments of the issuer, loans with inverse variable interest rates (i.e. a rate that has an inverse relationship with market interest rates); or those in which the issuer may defer the payment of interest if such payment would affect its solvency, without deferred interest accruing additional interest.

The Group, in assessing whether it is applying the business model of collecting contractual cash flows to a group of financial assets, or, on the contrary, is applying another business model, takes into consideration the timing, frequency and value of sales that are occurring and have occurred in the past within this group of financial assets. Sales in themselves do not determine the business model and therefore cannot be considered in isolation. Therefore, the existence of one-off sales, within the same group of financial assets, does not determine the change of business model for the rest of the financial assets included within that group. To assess whether such sales determine a change in the business model, the Group takes into account existing information on past sales and on expected future sales for the same group of financial assets. The Group also takes into account the conditions that existed at the time of the past sales and the current conditions, when evaluating the business model that it is applying to a group of financial assets.

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In general, credits for commercial operations and credits for non-commercial operations are included within this category:

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

They are initially recorded at the fair value of the consideration delivered plus transaction costs that are directly attributable.

Notwithstanding the foregoing, credits for commercial transactions with a maturity not exceeding one year and which do not have a contractual interest rate are initially valued at their nominal value, provided that the effect of not updating cash flows is not significant, in which case they will continue to be valued later at that amount, unless they had deteriorated.

After their initial recognition, they are valued at amortized cost. Accrued interest is recorded in the consolidated profit and loss account.

At the end of the year, the Group makes appropriate impairment valuation corrections whenever there is objective evidence that the value of a financial asset, or of a group of financial assets with similar characteristics of collectively valued risks, has deteriorated as a result of one or more events occurring after its initial recognition, that cause a reduction or delay in the collection of estimated future cash flows, which may be motivated by the insolvency of the debtor.

Impairment valuation adjustments are recorded on the basis of the difference between their carrying value and the present value at the end of the year of the future cash flows that are estimated to be generated (including those from the enforcement of collateral and/or personal guarantees), discounted at the effective interest rate calculated at the time of their initial recognition. For variable interest rate financial assets, the Group uses the effective interest rate which, in accordance with the contractual conditions of the instrument, corresponds to apply at the end of the year. These corrections are recognized in the consolidated profit and loss account.

h 1.2.) Financial assets at cost

This category includes the following financial assets:

- Investments in equity instruments whose fair value can not be determined by reference to an active market, or cannot be reliably estimated, and derivatives that have as underlying this type of investment.

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- Hybrid financial assets whose fair value cannot be reliably estimated unless it meets the criteria to be classified as a financial asset at amortised cost.
- Contributions made to joint accounts and the like.
- Participatory loans whose interest is contingent, either because a fixed or variable interest rate is agreed conditional on the fulfillment of a milestone in the borrower (e.g. the obtaining of profits), or because they are calculated with reference to the evolution of the activity of this.
- Any financial asset, which could initially be classified as a financial asset at fair value with changes in the profit and loss account, when it is not possible to obtain a reliable estimate of fair value.

They are initially recorded at the fair value of the consideration delivered plus transaction costs that are directly attributable. Fees paid to legal advisors, or other professionals, involved in the acquisition of the asset are accounted for as an expense in the consolidated profit and loss account. Nor are the expenses generated internally in the acquisition of the asset recorded as the greatest value of the asset, recorded in the consolidated profit and loss account.

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

The contributions made as a result of a joint venture account contract and the like are valued at the cost, increased or decreased by the profit or loss, respectively, that correspond to the Group as a non-managing shareholder, and less, where appropriate, the accumulated amount of the valuation corrections for impairment.

The same criterion applies to equity loans whose interest is contingent, either because a fixed or variable interest rate is agreed on the fulfilment of a milestone in the borrowing company, or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company. If in addition to a contingent interest it includes an irrevocable fixed interest, the latter is accounted for as a financial income based on its accrual. Transaction costs are charged to the consolidated profit and loss account on a linear basis over the life of the equity loan.

At least at the end of the year, the Group makes the necessary valuation corrections whenever there is objective evidence that the carrying value of an investment is not recoverable.

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The amount of the valuation correction is calculated as the difference between its carrying value and the recoverable amount, understood as the largest amount between its fair value minus the costs of sale and the present value of future cash flows derived from the investment, which in the case of equity instruments is calculated, either by estimating those expected to be received as a result of the distribution of dividends made by the investee entity and the disposal or withdrawal from accounts of the investment in it, or by estimating its participation in the cash flows that are expected to be generated by the investee, from both its ordinary activities and its disposal or withdrawal from accounts.

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

h 1.3.) Loss of financial assets

Financial assets are removed from the consolidated balance sheet, as established in the Conceptual Accounting Framework of the General Accounting Plan, approved by Royal Decree 1514/2007, of November 16, taking into account the economic reality of the transactions and not only the legal form of the contracts that regulate it. In particular, the write-off of a financial asset is recorded, in whole or in part, when the contractual rights to the cash flows of the financial asset have expired or when they are transferred, provided that such transfer substantially transfers the risks and benefits inherent in its ownership. The Group understands that the risks and benefits inherent in the ownership of the financial asset have been substantially assigned where their exposure to changes in cash flows ceases to be significant in relation to the total change in the present value of net future cash flows associated with the financial asset.

If the Group has not substantially divested or retained the risks and benefits of the financial asset, the financial asset is terminated when control is not retained. If the Group maintains control of the asset, it continues to recognize it by the amount to which it is exposed by changes in the value of the transferred asset, that is, by its continued involvement, recognizing the associated liabilities.

The difference between the net consideration received from the attributable transaction costs, considering any new assets obtained less any liabilities assumed, and the carrying value of the transferred financial asset, plus any accumulated amount that has been directly recognized in the consolidated net worth, determines the gain or loss arising from the cancellation of the financial asset and is part of the result of the year in which it occurs.

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The Group does not deregister financial assets in assignments in which it substantially retains the risks and benefits inherent in its ownership, such as write-off, "recourse factoring" operations, sales of financial assets with a repurchase agreement at a fixed price or at the sale price plus interest and securitisations of financial assets in which the Group retains subordinated or other financing. of guarantees that absorb substantially all expected losses. In these cases, the Group recognizes a financial liability in an amount equal to the consideration received.

h.2) Financial liabilities

A financial liability is recognised on the consolidated balance sheet when the Group becomes an obligated party to the legal contract or business in accordance with the provisions of the contract or business. In particular, the financial instruments issued are classified, in whole or in part, as a financial liability, provided that, according to the economic reality of the same, it implies for the Group a contractual obligation, direct or indirect, to deliver cash or other financial assets or to exchange financial assets or liabilities with third parties under unfavorable conditions.

Also classified as a financial liability, any contract that may be settled with the Group's own assets instruments, provided that:

- It is not a derivative and obliges or may oblige to deliver a variable amount of its own equity instruments.
- If it is a derivative with an unfavourable position for the Group, which can be settled by a form other than the exchange of a fixed amount of cash or other financial asset for a fixed amount of the Group's equity instruments; for this purpose those that are , in themselves, contracts for the future receipt or delivery of the Group's own assets instruments.

In addition, the rights, options or warrants that allow obtaining a fixed number of instruments of the Group's own assets are registered as equity instruments, provided that the Group offers such rights, options or warrants in proportion to all partners of the same class of instruments. of heritage. However, if the instruments give the holder the right to liquidate them in cash or by delivering equity instruments based on their fair value or at a fixed price, these are classified as financial liabilities.

Contributions made as a result of a joint-stock account contract and the like are valued at the cost, increased or decreased by profit or loss, respectively, that correspond to the Group as a non-managing shareholder, and less, where appropriate, the accumulated amount of impairment valuation corrections. In this case, when the entire cost of the joint account has deteriorated, the additional losses generated by the joint account will be classified as a liability.

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Participatory loans that accrue interest of a contingent nature are recorded in the same way, either because a fixed or variable interest rate is agreed conditional on the fulfillment of a milestone in the borrowing company (for example, the obtaining of profits), or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company. The financial expenses accrued by the equity loan are recognised in the consolidated profit and loss account in accordance with the accrual principle, and the transaction costs shall be charged to the consolidated profit and loss account on a financial basis or, if not applicable, on a linear basis over the life of the equity loan.

In those cases, in which the Group does not transfer the risks and benefits inherent in a financial asset, it recognizes a financial liability in an amount equivalent to the consideration received.

The categories of financial liabilities, among which the Group classifies them, are as follows:

- Financial liabilities at amortized cost
- Financial liabilities at fair value with changes in the profit and loss account

h. 2. 1) Financial liabilities at amortized cost

In general, the Group classifies the following financial liabilities into this category:

- Debits for commercial operations: are those financial liabilities that originate in the purchase of goods and services for traffic operations with deferred payment.

Additionally, all those financial liabilities that do not meet the criteria to be classified as financial liabilities at fair value with changes in the profit and loss account will be classified within this category.

Amortized cost finance liabilities are initially valued at the fair value of the consideration received, adjusted for directly attributable transaction costs.

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

Subsequently, they are valued for their amortized cost, using the effective interest rate. Those that, according to what was mentioned in the previous paragraph, are initially valued at their nominal value, continue to be valued at that amount.

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h.2. 2) Reduction of financial liabilities

The Group cancels a financial liability when the obligation has been extinguished. The Group also cancels its own financial liabilities that it acquires (even if it is with the intention of selling it in the future).

When there is an exchange of debt instruments with a lender, provided that they have substantially different conditions, the reduction of the original financial liability is recorded and the new financial liability that arises is recognized. In the same way, there is a substantial change in the current conditions of a financial liability.

The difference between the carrying value of the financial liability, or the portion thereof that has been written off, and the consideration paid, including attributable transaction costs, and which also includes any assigned assets other than the cash or liability assumed, is recognised in the consolidated profit and loss account for the period in which it occurs.

When there is an exchange of debt instruments that do not have substantially different conditions, the original financial liability is not removed from the consolidated balance sheet, recording the amount of commissions paid as an adjustment to its book value. The new amortized cost of the financial liability is determined by applying the effective interest rate, which is the one that equals the carrying value of the financial liability on the date of modification with the cash flows to be paid under the new conditions.

For these purposes, the terms of the contracts are considered to be substantially different when the lender is the same as the one that granted the initial loan and the present value of the cash flows of the new financial liability, including net commissions, differs by at least 10% from the present value of the outstanding cash flows of the original financial liability, both updated to the effective interest rate of the original liability. Additionally, the Group in those cases in which this difference is less than 10% also considers that the conditions of the new financial instrument are substantially different, when there are other types of substantial modifications in it of a qualitative nature, such as: change from fixed interest rate to variable interest rate or vice versa, restatement of the liability in a different currency, an ordinary loan that becomes a participatory loan, etc.

i) Inventories

Inventories are valued at their acquisition price, cost of production or net realizable value, the lowest. The weighted average price method is applied for its valuation. Commercial discounts, rebates obtained, other similar items and interest incorporated into the nominal of the debits are deducted in the determination of the purchase price.

The cost of production includes material costs, labor and other direct costs.

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The net realizable value represents the estimate of the sale price deducted from the estimated costs to finish its manufacture and the costs that will be incurred in the marketing, sale and distribution processes.

For those stocks that need a period of time greater than one year to be able to be sold, the cost includes the financial expenses that have been remitted by the supplier or correspond to loans or other type of external financing, specific or generic, directly attributable to the manufacture or construction.

Where the net realisable value of the inventory is less than its purchase price or cost of production, appropriate valuation corrections are made recognising them as an expense in the profit and loss account.

Such corrections are reversed if the circumstances that caused the correction of the value of the inventory had ceased to exist, being recognized as income in the profit and loss account.

In the case of raw materials and other consumable materials in the production process, no valuation correction is made when the finished products to which they are incorporated are expected to be sold above cost. When it is appropriate to make the valuation correction, the replacement price is taken as a measure.

- The valuation of obsolete, defective or slow-moving products has been reduced to their possible realisation value, with the correction made in the profit and loss account for the year being recorded.

j) Transactions denominated in foreign currency

The conversion into functional currency of the debit and creditor balances generated in the operations expressed in foreign currency is carried out applying the exchange rate in force at the time of carrying out the corresponding operation, being valued at the end of the year according to the exchange rate in force at that time. In cases of exchange coverage, only the part of uncovered risk is considered.

Exchange differences resulting from the year-end valuation of foreign currency debits and credits are charged directly to the profit and loss account.

k) Grants, donations and legacies received

They are initially accounted for as income directly imputed to equity, being recognized in the profit and loss account as income on a systematic and rational basis in a manner correlated with the expenses derived from the grant, donation or bequest according to the criteria described below:

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

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-If they are granted for the acquisition of assets or inventories, they are imputed to results in proportion to the amortization or, where appropriate, when their disposal occurs, valuation correction due to impairment or loss in the balance sheet.

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

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

l) Corporate income tax

The companies of the Group are taxed separately by corporation tax. Profit tax expense or income is calculated by the sum of the current tax expense or income plus the portion of the deferred tax expense or income.

The current tax is the amount that results from the application of the tax rate on the taxable base of the year and after applying the deductions that are taxable.

Deferred tax expense or income corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences that are identified as those amounts that are expected to be payable or recoverable arising from differences between the carrying amounts of assets and liabilities and their tax value. These amounts are recorded by applying to the temporary difference 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 in which the Group can control the timing of the reversal and are not likely to reverse for the foreseeable future. For their part, deferred tax assets are only recognized to the extent that it is considered likely that the Group will have future tax gains against which to make them effective.

Deferred tax assets and liabilities arising from transactions with direct charges or credits to equity accounts are also accounted for in equity consideration.

At each accounting close, the deferred taxes recorded are reviewed in order to verify that they remain in force, making the appropriate corrections to them. In addition, unrecorded tax deferred assets are assessed and recognized to the extent that they become likely to be recovered with future tax benefits.

The Group is covered by the consolidated corporate tax return regime according to a communication received on March 5, 2020, in which it is assigned as tax group number 496/20. Since then, the corporate tax return for the years corresponding to the Group's companies will be carried out under a tax consolidation regime.

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m) Related party transactions

Transactions between related parties, regardless of the degree of linkage, are accounted for in accordance with the general rules. Accordingly, in general, the items to be transacted are accounted for at the initial time at their fair value. If the price agreed in a trade differs from its fair value, the difference is recorded according to the economic reality of the transaction. The subsequent assessment is carried out in accordance with the provisions of the corresponding standards.

n) Income and expense

They are imputed according to the accrual criterion, that is, when the real flow of goods and services that they represent occurs, regardless of the moment in which the monetary or financial flow derived from them occurs. Such income is valued at the fair value of the consideration received, minus discounts and taxes.

The recognition of sales revenue occurs at the time when the significant risks and benefits inherent in the ownership of the sold good have been transferred to the buyer, and the Group does not maintain current management over the good, nor does it retain effective control over it.

As for the income from the provision of services, these are recognized considering the degree of realization of the provision at the balance sheet date, provided that the result of the transaction can be reliably estimated.

o) Consolidated Cash Flow Statement

The consolidated cash flow statement has been prepared using the indirect method, and it uses the following expressions with the following meaning:

- Operating activities: activities that constitute the Group's ordinary income, as well as other activities that cannot be classified as investment or financing.
- Investment activities: activities of acquisition, disposal or disposal by other means of long-term assets and other investments not included in cash and their equivalents.
- Financing activities: activities that produce changes in the size and composition of consolidated net worth and liabilities that are not part of the operating activities.

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5. Intangible fixed assets

The balances and variations during the years ended March 31, 2022 and 2021, in the items that make up the intangible fixed assets, are the following:

	Goodwill of consolidation Interlasp, S.L.	Computer software and other intangible assets	Total
<u>Gross values</u>			
Balance at 01.04.20	29.424.026	340.997	29.765.023
Balance at 31.03.21	29.424.026	340.997	29.765.023
Additions	-	5.760	5.760
Balance at 31.03.22	29.424.026	346.757	29.770.783
<u>Accumulated amortisation</u>			
Balance at 01.04.20	-	(339.268)	(339.268)
Allocation	-	(1.729)	(1.729)
Balance at 31.03.21	-	(340.997)	(340.997)
Allocation	-	(161)	(161)
Balance at 31.03.22	-	(341.158)	(341.158)
Carrying amount at 31.03.21	29.424.026	-	29.424.026
Carrying amount 31.03.22	29.424.026	5.599	29.429.624

The gross value of the items in use that are fully amortized is as follows:

Account	Balance at 31.03.22	Balance at 31.03.21
Computer software	325.996	325.996

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6. Property, plant and equipment

The balances and variations during the years ended March 31, 2022 and 2021, of the gross values, the accumulated amortization and the valuation correction are:

	Land and building	Technical installations and other fixed assets	Assets under construction and advances	Total
<u>Gross values</u>				
Balance at 01.04.20	8.712.147	11.421.472	174.217	20.307.835
Additions	-	608.072	232.401	840.473
Departures, casualties or reductions	-	(22.685)	-	(22.685)
Balance at 31.03.21	8.712.147	12.006.859	406.618	21.125.624
Additions	3.956	435.994	402.364	842.314
Departures, casualties or reductions	-	(183.653)	-	(183.653)
Transfers to/ other items	-	545.467	(545.467)	-
Balance at 31.03.22	8.716.103	12.804.667	263.515	21.784.285
<u>Accumulated depreciation</u>				
Balance at 01.04.20	(1.287.415)	(7.063.986)	-	(8.351.402)
Allocation to depreciation	(143.694)	(530.381)	-	(674.075)
Departures, casualties or reductions	-	22.003	-	22.003
Balance at 31.03.21	(1.431.109)	(7.572.364)	-	(9.003.473)
Allocation to depreciation	(143.849)	(574.011)	-	(717.860)
Departures, casualties or reductions	-	2.077	-	2.077
Balance at 31.03.22	(1.574.958)	(8.144.298)	-	(9.719.256)
Carrying amount at 31.03.21	7.281.038	4.434.495	406.618	12.122.151
Carrying amount at 31.03.22	7.141.145	4.660.369	263.514	12.065.029

The gross value of the items in use that are fully amortized is as follows:

Account	Balance at 31.03.22	Balance at 31.03.21
Land and building	225.565	225.565
Technical installations and other fixed assets	2.774.205	2.759.843
	<u>2.999.770</u>	<u>2.985.408</u>

During the year ended March 31, 2022, tangible fixed assets were disposed of for a gross book value of 147,858 euros and a profit as a result of these losses of 7.804 euros. During the year ended March 31, 2021, there were losses due to sales of fixed assets with a gross book value of 22,003 euros. A profit was made as a result of these sales of 2.000 euros

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The net value separately of the construction and the land, of the properties owned, is as follows:

Account	Balance at 31.03.22	Balance at 31.03.21
Land	176.474	176.474
Buildings	6.964.671	7.104.564
	<u>7.141.145</u>	<u>7.281.038</u>

7. Financial instruments

7.a.) Financial assets

The carrying value of each of the categories of financial instruments set out in the "Financial Instruments" registration and valuation standard is as follows:

	Current financial assets					
	Wealth instruments		Credits, derivatives and others		Total	
	31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21
<u>Categories:</u>						
Financial assets at amortized cost	-	-	8.132.878	8.189.202	8.132.878	8.189.202
Financial assets at cost	30.434	30.434	33.486	32.486	63.920	62.920
	<u>30.434</u>	<u>30.434</u>	<u>8.166.364</u>	<u>8.221.688</u>	<u>8.196.797</u>	<u>8.252.122</u>

7.a.1) Financial assets at amortised cost

The breakdown of the amortized cost financial assets classified in this category as of March 31, 2022 and 2021 is as follows:

Concept	Current	
	31.03.22	31.03.21
Appropriations granted	8.132.878	8.189.202
Customers for sales and services	8.132.878	8.189.202
Total	<u>8.132.878</u>	<u>8.189.202</u>

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7.a.1.1.) Commercial debtors and other accounts receivable

The details of the balance sheet heading of "Commercial debtors and other accounts receivable" are as follows :

Concept	31.03.22	31.03.21
Customers for sales and services	8.132.878	8.189.202

The changes resulting from impairment losses caused by credit risk by financial asset class have been as follows:

	31.03.22	31.03.21
	Customers	Customers
Concepto	Current	Current
Loss due to initial deterioration	1.715.221	1.409.219
Impairment valuation correction	18.047	318.263
Credit impairment reversal	(46.589)	(12.261)
Outputs and reductions	(4.074)	-
Loss due to final deterioration	1.682.605	1.715.221

As of March 31, 2022, the Group had collected a balance of customers who were provisioned in the amount of 4.074 euros.

7.a.2.) Financial assets at cost

The details of the financial assets classified in this category as of March 31 , 2022 and 2021 are as follows:

	31.03.22		31.03.21	
	Current		Current	
	Adquisition cost	Net book value	Adquisition cost	Net book value
Wealth instruments	30.434	30.434	30.434	30.434
Other financial assets	33.486	33.486	32.486	32.486
	63.920	63.920	62.920	62.920

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The fair value of financial assets included in this category as at 31 December is as follows:

	31.03.2022		31.03.2021	
	Current		Current	
	Net book value	Fair value	Net book value	Fair value
Wealth instruments	30.434	30.434	30.434	30.434
Other financial assets	33.486	33.486	32.486	32.486
	63.920	63.920	62.920	62.920

7.b.) Financial liabilities

Except for the balances with group companies are included in note 17, the carrying value of each of the categories of financial instruments established in the "Financial Instruments" registration and valuation standard is as follows:

	Non-current financial liabilities					
	Bank borrowings					
	31.03.2022	31.03.2021				
Financial liabilities at amortized cost	11.992.966	15.436.352				
	Current financial liabilities					
	Bank borrowings	Other	Total			
	31.03.2022	31.03.2021	31.03.2022	31.03.2021		
Financial liabilities at amortized cost	11.571.986	8.322.899	4.218.633	4.707.892	15.790.620	13.030.791

7.b.1) Financial liabilities at amortised cost

The breakdown of the balances of financial liabilities classified in this category as at 31 March 2022 and 2021 are as follows:

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Concept	Non-current		Current	
	31.03.22	31.03.2021	31.03.22	31.03.2021
Bank borrowings	11.992.966	15.436.652	11.571.986	8.322.899
Variable type	11.992.966	15.436.652	11.571.986	8.322.899
Trade and other payables	-	-	4.073.136	4.539.610
Suppliers	-	-	3.268.165	4.044.061
Miscellaneous creditors	-	-	555.694	478.349
Personal	-	-	249.277	16.832
Customer advances	-	-	-	368
Other financial liabilities	-	-	145.497	168.282
Total	11.992.966	15.436.652	15.790.620	13.030.791

7.b.1.1) Commercial creditors and other accounts payable

The details of the heading of the consolidated balance sheet of "Commercial creditors and other accounts payable" are:

Concept	31.03.22	31.03.21
Suppliers	3.268.165	4.044.060
Miscellaneous creditors	555.694	478.718
Personal (unpaid remuneration)	249.277	16.832
Total	4.073.136	4.539.610

For the purposes of the provisions of the second additional provision of Law 31/2014, of December 3, which modifies the Capital Companies Law and in accordance with the Resolution of February 29, 2016 of the Institute of Accounting and Auditing of Accounts, a detail is included below with the average period of payment to suppliers, ratio of operations paid, ratio of operations outstanding, total payments made and total outstanding payments:

	31.03.22	31.03.21
	Days	Days
Average suppliers payment period	50	35
Transactions paid ratio	52	39
Transactions payable ratio	17	30
	31.03.22	31.03.21
	Amount	Amount
Total payments made	86.877.151	12.345.851
Total outstanding payments that at the closing date exceed the legal maximum payment period	970.416	9.297.598

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7.b.1.2) The discount lines and credit policies granted are as follows:

	31.03.2022		
	Limit	Amount disposed of 31.03.22	Available amount
Financing facilities	3.650.000	2.601.736	1.048.264
Confirming	7.889.000	6.658.373	1.230.627
Credit card	3.000	52	2.948
	<u>11.542.000</u>	<u>9.260.161</u>	<u>2.281.839</u>
	31.03.2021		
	Limit	Amount disposed of 31.03.21	Available amount
Financing facilities	3.643.000	-	3.643.000
Confirming	7.850.000	6.584.412	1.265.588
	<u>11.493.000</u>	<u>6.584.412</u>	<u>4.908.588</u>

7.b.1.3) Classification by maturity

The breakdown by maturity of the different long-term financial liabilities, with a determined or determinable maturity, at the end of the year ended March 31, 2022 is as follows:

	2023-24	2024-25	2025-26	Total
Financial liabilities at amortized cost				
Bank borrowings	4.468.203	4.998.923	2.525.841	11.992.966

The breakdown by maturity of the different long-term financial liabilities, with a determined or determinable maturity, at the end of the year ended March 31, 2021 is as follows:

	2022-23	2023-24	2024-25	2025-26	Total
Financial liabilities at amortized cost					
Bank borrowings	3.443.686	4.468.202	4.998.924	2.525.540	15.436.352

8. Inventories

At the end of the year ended March 31, 2022 and the 2021 financial year, there are no firm commitments to buy and sell, as well as futures or options contracts relating to stocks.

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9. Information regarding the nature and level of risk from financial investment

The management of the Group's financial risks is centralized in , which has established the necessary mechanisms to control exposure to changes in interest rates, as well as to credit and liquidity risks. The following are the main financial risks impacting the Group: la Dirección Financiera

a) Credit risk:

In general, the Group maintains its treasury and equivalent liquid assets in financial institutions with a high credit level. Additionally, most of its accounts receivable from customers are secured by credit insurance, guarantees and other similar guarantees.

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

b) Liquidity risk:

In order to ensure liquidity and to be able to meet all the payment commitments arising from its activity, the Group has the treasury that shows its balance sheet, as well as the financing lines detailed in the note of debts with credit institutions.

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

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

Regarding exchange rate risk, it is mainly concentrated in commercial operations with different American countries and the Asian continent, denominated in dollars, yen, pounds, Argentine pesos, Brazilian reals and Chinese yuan. In order to mitigate this risk, the Group follows the policy of contracting exchange insurance that reduces exchange differences for transactions in foreign currency (see Note Debts in foreign currency).

10. Foreign currency

The amount of exchange differences recognised in the profit and loss for the years ended 31 March 2022 and 2021 by class of financial instruments is as follows:

The amounts corresponding to purchases and sales, as well as to services provided and received, denominated in foreign currency, expressed in their equivalent in euros, are the following:

	31.03.22	31.03.21
Concept	Dollars	Dollars
Sales	4.218.102	1.170.065

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The amount of exchange differences recognised in the results for the financial years ended 31 March 2022 and 2021 by class of financial instruments is as follows:

	31.03.22 (Expense) / Income	31.03.21 (Expense) / Income
Activos	Transactions settled in the year	Transactions settled in the year
Trade and other receivables	53.461	(12.533)

11. Capital and reserves

a) Share capital

The dominante Company was incorporated on June 12, 2019 with a share capital of 3,000 euros, represented by 3,000 shares of 1 euro of nominal value each, numbered correlatively from 1 to 3,000, both inclusive, indivisible, and which granted the same rights to their holders.

On October 14, 2019, the sole shareholder of the Parent Company adopted the decision to increase the capital by 12. 000,000 euros. After this decision, the share capital was divided into 12,003,000 shares of nominal value of 1 euro each, numbered correlatively from 1 to 12,003,000, both inclusive, indivisible and granting the same rights to their holders.

b) Reserves

Its detail is as follows:

	Balance at 31.03.22	Balance at 31.03.21
Negative results from previous years for the Parent Company	4.290.001	587.799
Results in consolidated companies of Interplasp, S.L.	853.330	752.619
Total	5.143.331	1.340.418

In accordance with article 25 of Law 27/2014 of November 27 on Corporation Tax, according to which an unavailable reserve must be provided during the period of five years for the amount of the reduction in the taxable base of the Corporation Tax applied as a Capitalization Reserve (see note 15). Charged to the result of the year ended March 31, 2021, Interplasp, S.L. provided a capitalization reserve amounting to 325.540 euros.

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The details of the deductions applied in the consolidated corporate tax are as follows:

Year	Amount
2021-22	263.428
2020-21	382.226
2020	105.450
	<u>751.104</u>

Additionally, Interplasp, S.L. has a legal reserve equivalent to 20% of its share capital, whose amount as of March 31, 2021 amounted to 354,625 euros.

12. Minority shareholders

The movements of the exercises ended on March 31, 2022 and 2021 and have been the following:

31.03.22					
	Balance at 01.04.20	Other adjustment	Dividends	Participation in results financial year 2021	Balance at 31.03.21
Interplasp, S.L.	1.037.957	1.156	(276.098)	166.417	929.432

31.03.21					
	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

The composition of this item at the end of the financial years ended 31 March 2022 and 2021 is as follows:

	Balance at 31.03.22				
	Equity participation	Participation in reservations	Participation in grants	Participation in results	Balance at 31.03.22
Interplasp, S.L.	112.416	645.237	5.361	166.417	929.432

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	Saldo al 31.03.21				
	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

On December 13, 2021, an interim distribution of dividends to the members of the Company for a total amount of 650.965 euros is agreed. At the end of the annual financial year ended March 31, 2022, the outstanding interim dividend to external partners is 44.100 euros (221.900 at the end of the previous financial year).

13. Fiscal situation

The details of the accounts related to Public Administrations in the years ended March 31, 2022 and 2021 are as follows:

31.03.2022				
Account	Balance receivable		Balance payable	
	Non-current	Current	Non-current	Current
Value added tax (VAT)	-	-	-	265.816
For grants awarded	-	163.300	-	-
Personal income tax	-	-	-	36.131
Deferred tax asset	430.488	-	-	-
Current tax asset / liabilities	-	311.637	-	181.063
Deferred tax liability	-	-	1.011.593	-
Current tax liability	-	-	-	1.973
Social Security	-	-	-	87.258
	430.488	474.937	1.011.593	572.241
31.03.2021				
Account	Balance receivable		Balance payable	
	Non-current	Current	Non-current	Current
Value added tax (VAT)	-	-	-	148.789
Personal income tax	-	-	-	65.539
Deferred tax asset	327.751	-	-	-
Current tax asset / liabilities	-	145.670	-	217.872
Deferred tax liability	-	-	1.046.418	-
Current tax liability	-	-	-	1.093
Social Security	-	-	-	84.285
	327.751	145.670	1.046.418	517.578

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

The reconciliation between the consolidated accounting result and the sum of taxable bases of the consolidation perimeter of the years ended March 31, 2022 and 2021, is as follows:

	Fiscal year from 01.04.21 to 31.03.22		
	Profit and loss account		
	Increases	Decreases	Total
Accounting income	2.190.570		2.190.570
Corporation tax	706.873	(18.553)	688.320
Permanent consolidation differences	1.497.463		1.497.463
Permanent differences individual companies	85.167	(1.629.071)	(1.543.904)
Temporary differences in individual companies			
With origin in the exercise	432.262		432.262
With origin in previous years		(21.313)	(21.313)
Temporary consolidation differences			
With origin in previous years	74.212		74.212
Pre-tax base			3.317.611
Reduction by capitalization reserve			(325.540)
Tax base (Tax result)			2.992.071
Pre-integrated fee			748.018
Deductions			(263.428)
With holdings and payments on account			(796.227)
Liquid to return			(311.637)

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	Financial year from 01.04.20 to 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)
With holdings and payments on account					(1,352,562)
Liquid to return					(145,670)

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

The breakdown of the corporate tax expense of the companies that make up the group is as follows:

	Fiscal year from 01.04.21 to 31.03.22				
	Assets			Liabilities	
	Current tax	Adjustments to direct taxation	Deferred tax	Deferred tax	Total expense
<u>Recognised in income statement</u>					
Continuing operations	820.267	(108.066)	(5.328)	(18.553)	688.320

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

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

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

The details of the deferred taxes recorded are as follows:

	Balance at 31.03.22		Balance at 31.03.21	
	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)	279.278	-	171.213	-
Credits for losses to be compensated under the fiscal transparency regime	123.340	-	130.000	-
Amortization limit 30%	21.313	-	19.981	-
Registered grants pending imputation	-	130.593	-	146.865
Differences of consolidation	-	881.000	-	899.553
	430.488	1.011.593	327.751	1.046.418

According to current legislation, taxes cannot be considered definitively settled until the returns submitted have been inspected by the tax authorities or the four-year limitation period has elapsed. As of March 31, 2022, the companies of the Group have open to inspection the non-prescribed years and pending review by the tax authorities for the taxes that apply to them. The Directors of the Parent Company consider that the settlements of the aforementioned taxes have been properly practiced, so that, even in the event of discrepancies in the current regulatory interpretation due to the tax treatment granted to the operations, the possible resulting liabilities, if they materialize, would not significantly affect the attached consolidated annual accounts.

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

On June 20, 2016, the General Shareholders' Meeting unanimously agreed to the Merger by absorption of the company INTERPLASP, S.L. (acquiring company) to the company ALMACENES LA GIRALDA, S.L. (absorbed company), with the following dissolution without liquidation and extinction of the absorbed company and block transfer of all the assets of the same to universal title to the Acquiring Company. These agreements were submitted to the public on October 13, 2016 and registered in the Mercantile Registry of Murcia.

Since these are transactions between group companies, it has had an accounting effect since 1 January 2016. The assets transferred to the acquiring company have been incorporated into its 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 acquiring company for a value different from that for which they appeared in the accounting records of the company being acquired prior to the completion of the operation. The last closed balance sheets of the acquired companies are attached as a document annexed to this report.

The merger operations described above are subject to the special tax regime established in Chapter VII, Title VII of Law 27/2014 of November 27, 2014 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
<u>Non-current assets</u>		<u>Non-current liabilities</u>	
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	-
<u>Current assets</u>		<u>Current liabilities</u>	
• 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	<u>1.788.000</u>	Total liabilities	<u>1.212.573</u>

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The details of the tangible fixed assets incorporated on the occasion of the merger are 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)

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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 (POLYPRIDE 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 DOME	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)

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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)

14. Income and expense

a) Net turnover

The distribution of the net amount of turnover for each company and by geographic markets of the consolidated set of the annual year ended March 31, 2022 and at the year ended March 31, 2021, is as follows:

Geographical markets	Fiscal year from 01.04.21 to 31.03.22	%	Fiscal year from 01.04.20 to 31.03.21	%
Spain	46.265.130	90,4%	37.768.841	95,0%
Other European Union Countries	325.759	0,6%	279.096	0,7%
Rest of world	4.586.891	9,0%	1.704.883	4,3%
	<u>51.177.779</u>	<u>100%</u>	<u>39.752.820</u>	<u>100%</u>

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

Its breakdown is as follows:

	Fiscal year from 01.04.21 to 31.03.22	%	Fiscal year from 01.04.20 to 31.03.21	%
Supplies				
National	(42.252.886)	101,7%	(28.488.287)	104,5%
Stock variation (increase)	690.294	-1,7%	1.223.053	-4,5%
	<u>(41.562.592)</u>	<u>100%</u>	<u>(27.265.234)</u>	<u>100%</u>

c) Employee benefit expense

Its breakdown is as follows:

	Fiscal year from 01.04.21 to 31.03.22	Fiscal year from 01.04.20 to 31.03.21
Social Security contributions payable by company	<u>(869.162)</u>	<u>(730.542)</u>

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d) Average number of employees

The average number of Directors and persons employed during the years ended March 31, 2022 and 2021 is as follows:

Profesional categories	Fiscal year from 01.04.21 to 31.03.22	Fiscal year from 01.04.20 to 31.03.21
Administrators	1	1
Employees of the admin type	14	14
Production	121	91
	<u>136</u>	<u>106</u>

The number of directors and persons employed at the end of the financial years ended 31 March 2022 and 2021, distributed by professional categories, is as follows:

Profesional category	31.03.22		31.03.21	
	Men	Women	Men	Women
Administrators	1	-	1	-
Employees of the admin type	7	7	8	6
Production	115	6	88	3
	<u>123</u>	<u>13</u>	<u>97</u>	<u>9</u>

The average number of persons employed during the exercises ended 31 March 2022 and 2021 with disabilities greater than or equal to thirty-three per cent is 3 persons respectively in the category of production pawn.

At the end of the financial years ended March 31, 2022 and 2021, the Senior Management is composed of the Group Administrators, including Interplasp, S.L. The remuneration received during the years ended March 31, 2022 and 2021 by the members of the Board of Directors and by the staff of Senior Management of the Company, classified by concepts, have been the following:

	Amounts received by Senior Management	
	Fiscal year from 01.04.21 to 31.03.22	Fiscal year from 01.04.20 to 31.03.21
Salaries, allowances and other remuneration	<u>131.690</u>	<u>131.706</u>

There are no advances or credits granted to all members of the administrative body in force at the end of the year ended March 31, 2022 or at the end of the year ended March 31, 2021.

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

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e) Contribution to consolidated results

The contribution of each company to the consolidated results, expressed in euros, is indicated below:

	Fiscal year from 01.04.21 to 31.03.22	Fiscal year from 01.04.20 to 31.03.21
	Consolidated profits / (losses)	Consolidated profits / (losses)
International Foam Technologies Spain, S.L.U.	(482.339)	(375.921)
Interplasp, S.L.	2.672.908	4.461.706
	<u>2.190.570</u>	<u>4.085.785</u>

15. Information on the environment

The Group 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 Group has not provided 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 Group has not been allocated greenhouse gas emission allowances in the period of validity of the National Allocation Plan, nor does it have assets included in the tangible fixed assets related to greenhouse gas emission allowances, nor has it incurred expenditures or received subsidies during the year related to greenhouse gas emission rights. Similarly, it has not provided provisions for greenhouse gas emission rights, considering that there are no contingencies related to sanctions or measures of a provisional nature, in the terms provided for in 1/2005.la Ley

The expenses incurred during the years ended March 31, 2022 and 2021 whose purpose has been the protection and improvement of the environment have amounted to 8,355 euros and 6,911 euros respectively. The destination of these expenses has been, fundamentally, to the management and removal of waste.

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16. Business combinations

The Company acquired by contract dated July 29, 2019 and raised to the public on October 14, 2019 before the 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 payment obligations 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, charged to the purchase price in the amount of 6,874,150 euros and signed an escrow contract regulating the releases and instructions that the sellers and / or the buyer will perform as the agreed purchase conditions are met. At the end of the year, said amount had been released for an amount of 5,147,140 euros, the reference values used to calculate the Goodwill were as follows:

INTERPLASP, S.L.
Balance on December 31, 2019

ASSET	31.12.2019	LIABILITIES	31.12.2019
NON-CURRENT ASSETS	15.391.007	NON-CURRENT LIABILITIES	2.935.272
Intangible assets	4.273	Non-current debts	1.056.420
Computes software	4.273	Bank borrowings	970.489
Property, plant and equipment	15.358.761	Other financial liabilities	85.931
Land and buildings	10.710.576	Deferred tax liabilities	1.878.852
Technical installations and other fixed assets	3.963.773	CURRENT LIABILITIES	11.307.185
Assets under construction and advances	684.412	Current debts	6.690.108
Deferred tax assets	27.973	Bank borrowings	5.007.175
CURRENT ASSETS	12.238.121	Other financial liabilities	1.682.933
Inventories	2.124.758	Trade and other payables	4.617.077
Trade and other receivables	7.047.486	Suppliers	2.727.048
Trade receivables for sales and services rendered	6.710.332	Miscellaneous creditors	199.379
Other debtors	337.154	Personal (unpaid remuneration)	144.522
Financial investment short time	32.398	Current tax liability	1.110.544
Cash and cash equivalents	3.033.479	Other payables	435.584
TOTAL ASSETS	27.629.128	TOTAL LIABILITIES	14.242.457

In the financial year 2021/22, the former partners of Interplasp, S.L., have compensated the Group with the amount of 235.939 euros in concept of lower amount of the purchase of the shares of said company according to an agreement adopted on September 30, 2019, an amount that has been registered retrospectively considering that it should have been estimated and registered at the end of the 2020/21 financial year, since on that date an agreement had already been reached in principle for that amount. As a result, the Group has restated the value of Goodwill in Interplasp as of March 31, 2021, reducing it by 235,939 euros. Although some of the terms of the Escrow contract are pending expiration, it is estimated that goodwill will not undergo further modifications.

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17. Related party transactions

The details of the transactions carried out with related parties during the years ended 31 March 2022 and 2021, expressed in euros, are as follows:

31.03.22	
Company	Type of link
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

31.03.21	
Company	Type of link
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

The breakdown of the balance sheet balances with related parties at the close of the financial years ended 31 March 2022 and 2021 is as follows:

	31.03.22	31.03.21
	Parent entity	Parent entity
NON-CURRENT LIABILITIES		
Debts to group companies and long-term associates	8.000.000	8.000.000
CURRENT LIABILITIES		
Debts to group companies and short-term associates	-	150.556
Trade and other payable	77.667	21.519
Suppliers, Group companies	77.667	21.519

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

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The detail of the transactions carried out with related parties during the years ended 31 March 2022 and 2021, expressed in euros, are as follows:

	Fiscal year from 01.04.21 to 31.03.22	Fiscal year from 01.04.20 to 31.03.21
Concepto	Interest paid	Interest paid
Entidad dominante	100.979	55.168

At the end of the financial years ended March 31, 2022 and 2021, the heading "Debts with group companies and long-term associates" includes a loan amounting to 8.000.000 euros plus accrued interest granted by the parent entity, with a maximum maturity of 8 years that accrues an interest of 1.25%, commissions and expenses paid by it to financial institutions on behalf of the Group in the amount of 368,848 euros and other amounts delivered for the payment of current expenses.

18. 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 years ended March 31, 2022 and 2021, the fees accrued by the auditor of the consolidated annual accounts, as well as the fees for services invoiced by the auditors of the annual accounts of the companies included in the consolidation have been the following:

	Fiscal year from 01.04.21 to 31.03.22	Fiscal year from 01.04.20 to 31.03.21
	Services rendered by auditors or related companies	Services rendered by auditors or related companies
Auditing services	14.850	12.900
Other services related to the audit	10.500	9.000
Other services provided	10.778	13.643

19. Segmented information

The Administrators consider all the operations carried out by the companies that make up the Group within the same segment, which is why segmented information is not provided.

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AND SUBSIDIARIES
Consolidated report for the year ended
on 31 of March from 2022

20. 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 1, 2021 ended March 31, 2022

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 46.

Yecla, 6 May 2022



Tushaar Gautam
Common Administrators

Rahul Gautam
Common Administrators

Consolidated Management Report

(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 activity is shown both from the economic and financial point of view in the attached consolidated annual accounts that collect the information for the annual year ended March 31, 2022.

After the outbreak of the COVID-19 crisis, the Group has carried out the appropriate procedures, taking measures both to preserve the health of people and measures to contain all its expenses, in particular personnel expenses through an ERTE of its staff, in order to face the situation and minimize its impact. Despite the effects that COVID-19 is having on all sectors of the economy, both nationally and internationally, ifTS Group sales have reached a global figure of 51,177,779 euros in the year ended March 31, 2021, 29% higher than the last 12-month period closed by Interplasp, S.L. which is the company that contributes all the activity and a lower profit after taxes, 2,727,007 euros, due to the increase in the price of raw materials and the reduction of margins.

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

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

The risks inherent in the sale such as the policy of customer diversification, sales prices to public entities, etc. do not pose significant risks that may affect the progress of the business. The Company has subscribed insurance policies that cover a significant part of the risk of collection from customers. There are no significant risks in relation to price, credit risk, liquidity risk and cash flow risk related to the Group's financial instruments.

Additionally, decisions and strategies continue to be made that are considered appropriate 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 of share in both the domestic market and foreign markets through the reinforcement and positioning of our product.

No research and development costs recognised as expenditure have been incurred during the annual year ended 31 March 2022 or during the year ended 31 March 2021.

During the year ended 31 March 2022 and during the annual year ended 31 March 2021, no shares of the Parent Company have been acquired.

In compliance with Law 31/2014, of December 3, which modifies the Capital Companies Law for the improvement of corporate governance, which introduces modifications that affect the content of the annual accounts and the management report and modifies section 1 of article 262 of the TRLSC, the Group, according to the information contained in its Report, does not exceed the average payment periods established in Law 15/2010 of July 5, 2010 on measures to combat the late payment of commercial operations. In the next year it is a priority interest to continue with the improvement process in all the affected areas, including, requiring our suppliers and

creditors, to operate with due diligence in sending their invoices, which allows us to ensure compliance with current regulations on maximum payment periods.

There have been no events after the end of the year that substantially or significantly modify for the Group the data at the end of the year, in this sense it is expected that neither the situation caused by Covid-19, nor the war conflict triggered after the invasion of Ukraine by Russia, will have a significant effect on the Group.

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

**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 Directors Report for INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U. AND SUBSIDIARIES for the year of the year beginning on April 1, 2021 ended March 31, 2022.

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

Yecla, 6 May 2022



Tushaar Gautam
Common Administrators



Rahul Gautam
Common Administrators