

CriteriaCaixa posts a recurring consolidated net profit of EUR 1,187 million in 2021

- The company's accounts reflect the improvement in the earnings of its main investees, both in the banking and in the industrial and services portfolio.
- The gross value of CriteriaCaixa's assets amounts to EUR 23,805 million at the end of 2021, up 22.8% as share prices in the listed equities portfolio continue to rally.
- Criteria's net asset value reaches EUR 18,092 million and exceeds pre-Covid levels.
- CriteriaCaixa distributes EUR 360 million in dividends to its sole shareholder, "la Caixa" Banking Foundation, which in 2021 continued to invest in the most vulnerable segments of society.

Barcelona, 28 February 2022. CriteriaCaixa, the company that manages the business assets of "la Caixa" Banking Foundation, posted a recurring consolidated net profit of EUR 1,187 million in 2021, up 65% on the previous year, due to the 44% improvement in the contribution of its banking stakes (mainly CaixaBank), and the 96% of the industrial and services portfolio improvement (Naturgy, among others).

Moreover, consolidated net profit amounted to EUR 1,697 million. This amount includes extraordinary results of EUR 510 million, belonging to, on the one hand, the impact attributable to CriteriaCaixa arising from the merger of CaixaBank and Bankia (negative goodwill), partially offset by the cost of the labour agreement arising from the furlough scheme implemented out by the bank, as well as other merger-related effects. On the other hand, includes the register of the Bank of East Asia (BEA) stake's deterioration.

At year-end 2021, CriteriaCaixa's gross asset value (GAV) totalled EUR 23,805 million, 22.8% more than in 2020. Of this total, 81.3% corresponded to listed equities, 10.9% to the real estate business, 3.6% to non-listed equities, 0.9% to fixed income securities and other, and 3.3% to cash and cash equivalents. This breakdown demonstrates the high liquidity of the portfolio, given that listed assets and cash and equivalents account for around 85% of the total.

Meanwhile, CriteriaCaixa's net asset value (NAV) stood at EUR 18,092 million, up 26.9% on 31 December 2020, largely due to the recovery in share prices in the equities portfolio. This is the first time that NAV has exceeded the level reported at year-end 2019 (EUR 17,026 million), right before the pandemic began to spread around the world in early 2020.

COVID-19 impacted, in addition, the 2020 income statements and shareholder remuneration policies of most of Criteria's investees. This resulted in a 16% drop in dividends received in 2021 to EUR 525 million, including EUR 331 million from Naturgy, EUR 65 million from CaixaBank, EUR 32 million from The Bank of East Asia, EUR 24 million from Telefónica and EUR 24 million from Suez, among others.

CriteriaCaixa delivered EUR 360 million in dividends to its sole shareholder, "la Caixa" Foundation, which continued investing in 2021 on the most vulnerable segments of society, such as children at risk of exclusion, the elderly and patients with advanced diseases. In 2021, the Foundation invested a total of EUR 494 million in social programmes (59.6%), culture and science (21.8%), research and health (9.6%), and education and fellowships (9%).

Business earnings

Profit attributable to the banking portfolio amounted to EUR 896 million in 2021, up EUR 274 million (+44%) on the end of the previous year. The result's improvement is mainly due to the fact that, in 2020, the banks included in the portfolio (CaixaBank, Bank of East Asia and Grupo Financiero Inbursa) posted significant provisions in anticipation of the potential impacts arising from the COVID-19 pandemic.

Earnings from the industrial and services portfolio amounted to EUR 391 million, up 96% on the same period a year earlier. This portfolio includes the attributable earnings from the stakes held in Naturgy and Saba Infraestructuras, as well as dividends from the diversification portfolio (mainly Suez and Telefónica). The increase in earnings is down to an improvement in the business of these investees in 2021 compared to the previous year, when their businesses were more heavily impacted by the COVID-19 crisis.

CriteriaCaixa's real estate portfolio was worth EUR 2,585 million in 2021 and new investments totalling EUR 85 million were added to the portfolio during the period.

Portfolio management

In 2021, Criteria acquired 1.92% of Naturgy's share capital for EUR 407 million, giving it a 26.71% stake, as part of its plan announced on 18 May 2021 to strengthen its position in the share capital of this investee, without exceeding 30%.

In recent years, CriteriaCaixa has been diversifying its portfolio by acquiring various non-controlling interests in listed companies, prioritising companies from OECD countries (mainly European and US). The portfolio now features more than 80 companies across 15 countries, including Cellnex and Telefónica. The vast majority of the names included in this portfolio are large companies that are leaders in their respective industries, with some 66% of them being large cap (companies with a stock market capitalisation of over EUR 10 billion).

In 2021, a net investment of EUR 502 million was made to expand the diversification portfolio, of which EUR 196 million and EUR 29 million relate to the investments made in Cellnex and Telefónica, respectively.

The market value of this portfolio at the end of 2021 amounted to EUR 4,826 million, in the following sectors: Infrastructure (35.7%), Energy and utilities (15.7%), Consumer (12.9%), Telecommunications and technology (11.2%), Health (8.8%), Automotive and components (7.3%), Materials and other (5.4%) and Capital goods (3%). The value of this portfolio, which already accounts for 24.9% of CriteriaCaixa's listed equity investments, has increased by 31% compared to its market value at the end of 2020.

As part of the investment process, CriteriaCaixa also looks at ESG (Environmental, Social and Governance) criteria, seeking to pick companies with robust sustainability policies that are included on recognised international sustainability indices.

Meanwhile, on 31 January 2022 the Group sold its 14.12% stake in Sanifit Therapeutics (held through Caixa Capital Risc) in exchange for EUR 35 million.

Financial profile

At year-end 2021, gross debt at the Criteria Group amounted to EUR 5,713 million (EUR 5,124 million at 31 December 2020).

In 2021, CriteriaCaixa has also continued to actively manage its sources of financing by renegotiating the terms and lengthening the maturities of its loans and credit facilities. In June, Criteria issued senior bonds exchangeable into Cellnex shares corresponding to 0.4% of its share capital, maturing in four years and for a notional amount of EUR 200 million. The exchange price includes a 35% premium over Cellnex's price at the time of issue.

These actions have had the effect of strengthening CriteriaCaixa's financial position by ensuring comfortable liquidity levels of EUR 1,341 million, including committed and undrawn credit facilities. The average maturity of debt is 2.9 years.

These liquidity levels have been further strengthened with the settlement, on January 18, 2022, of the takeover bid launched in 2020 by Veolia targeting 100% of Suez, for which Criteria has obtained EUR 737 million, generating additional slack to meet the debt maturity of EUR 1,000 million scheduled for April 2022.

The rating agencies upheld CriteriaCaixa's credit rating in 2021: BBB+ by Fitch Ratings (with a negative outlook) and Baa2 by Moody's (with a stable outlook).

APPENDICES

CriteriaCaixa's 2021 consolidated statement of profit or loss for management purposes:

<i>Millions of euros (€ Mn)</i>	2021	2020	Chg (%)
Banking portfolio	896	622	44%
Portfolio of Industrial and Services Companies	391	200	96%
Real estate business	(7)	(17)	59%
Operating costs	(36)	(32)	-13%
Operating profit	1,244	773	61%
Net financial income/(expense)	(75)	(76)	1%
Gains/(losses) on sales and others	8	2	-
Profit/(loss) before tax	1,177	699	68%
Corporate income tax	10	19	-47%
Recurring net profit	1,187	718	65%
Extraordinary results	510	(404)	-
Net profit/(loss), Criteria Group	1,697	314	-

Group structure at year-end 2021:

