**DECLARATION OF RESPONSIBILITY FOR THE CONTENT OF THE ANNUAL FINANCIAL REPORT OF GENERAL DE ALQUILER DE MAQUINARIA, S.A. FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024:**

The Board of Directors submits the annual financial report for the year ended 31 December 2024 by signing the following document:

Pursuant to Article 8.1. b) of Royal Decree 1362/2007, each of the members of the Board of Directors of General de Alquiler de Maquinaria, S.A. declares that, to the best of their knowledge, the annual financial statements for the year ended 31 December 2024 have been prepared in accordance with the applicable accounting principles and give a true and fair view of the assets, liabilities, financial position and profit or loss of General de Alquiler de Maquinaria, S. A. and of the companies included in the consolidation, taken as a whole, and that the approved management report, together with the said financial statements, includes a fair analysis of the performance, business results and position of General de Alquiler de Maquinaria, S. A. and of the companies included in the consolidation, taken as a whole, as well as a description of the principal risks and uncertainties faced.

**Mr Pedro Luis Fernández**
Chief Executive Officer (President)

**Mr Francisco Lopez Peña**
Director

**Patricia Riberas López**
Director

**Ms Verónica María Pascual Boé**
Director

**Mr Jacobo Cosmen Menéndez**
Director

**Ignacio Moreno Martínez**
Director

# Auditor's Report on General de Alquiler de Maquinaria, S.A. and subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of General de Alquiler de Maquinaria, S.A. and subsidiaries for the year ended 31 December 2024)

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

KPMG Auditores, S.L.
Ventura Rodríguez, 2
33004 Oviedo

# Independent Auditor's Report on the Consolidated Annual Accounts

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

To the Shareholders of General de Alquiler de Maquinaria, S.A.

## REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

### Opinion

We have audited the consolidated annual accounts of General de Alquiler de Maquinaria, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated balance sheet at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

### Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. 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 regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

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

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Recoverability of goodwill<br>See notes 2.8, 4.1 d) and 8 to the consolidated annual accounts</th></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>At 31 December 2024 the Group has goodwill of Euros 29,367 thousand allocated to cash-generating units (CGUs) or groups of CGUs as detailed in note 8 to the consolidated annual accounts. The Group assesses the recoverable amount of goodwill at the end of each reporting period. The recoverable amount is calculated as the higher of value in use and fair value less costs to sell. The fair value less costs to sell is in turn calculated using the discounted cash flow method or on the basis of the market value of second-hand machinery less costs to sell.<br><br>As a result of the assessment performed by the Directors and management of the Parent, it has been estimated that there is no objective evidence of impairment of goodwill as the recoverable amount is considered to be higher than the carrying amount.<br><br>Estimating the recoverable amount requires value judgements and entails inherent uncertainty and we have therefore considered this a key audit matter.</td><td>Our audit procedures included the following:<br>• Regarding the determination of the fair value obtained by cash flow discounting:<br>- gaining an understanding and testing the design and implementation of the key controls related to the process for assessing indications of impairment and estimating the recoverable amount;<br>- assessing the reasonableness of the pricing model used by the Group and the main assumptions considered, with the involvement of our valuation specialists;<br>- contrasting the consistency of the segment information included in the pricing model with the business plan approved by the Parent’s governing bodies. We also contrasted the cash flow forecasts of the CGUs or groups of CGUs estimated in prior years with the actual cash flows obtained;<br>- evaluating the sensitivity of the recoverable amount to changes in certain assumptions that can be considered reasonable.<br>• Regarding the determination of fair value obtained on the basis of the market value of second-hand machinery:<br>- gaining an understanding of the process and testing the design and implementation of the key controls related to the machinery measurement process;<br>- evaluating the reasonableness of the Group’s estimation of fair value less costs to sell and comparing this value with the carrying amount;<br>- obtaining historical records of the Group’s sales of second-hand machinery;<br>- assessing, for a sample of sales of second-hand machinery in 2024, the amount of the sale, and comparing it with the carrying amount of the machinery sold;<br>- analysing the sales of second-hand machinery made after the reporting date and assessing</td></tr>
</table>

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

| **Recoverability of goodwill**<br>See notes 2.8, 4.1 d) and 8 to the consolidated annual accounts | |
|---|---|
| *Key audit matter* | *How the matter was addressed in our audit* |
| | whether they were made for an amount higher than their carrying amount.<br>- We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the applicable financial reporting framework. |

| **Machinery repair and maintenance, renewal, extension and improvement costs**<br>See notes 2.5, 4.2 c) and 7 to the consolidated annual accounts | |
|---|---|
| *Key audit matter* | *How the matter was addressed in our audit* |
| Considering the nature of the sector in which it operates, the Group annually incurs a high volume of repair and maintenance, renewal, extension and improvement costs for machinery.<br>In 2024, the Group capitalised renewal costs for an amount of Euros 13,395 thousand, recognising them as additions to property, plant and equipment under machinery. Amounts capitalised as an increase in the value of assets under the applicable financial reporting framework should reflect only renewal, extension and improvement costs, whereas repair and maintenance costs may not be capitalised and should be recognised as expenses for the year.<br>Due to the judgement required to determine whether the costs incurred meet the criteria for capitalisation, there is a risk that the Group may capitalise costs which, due to their nature, should be recognised as an expense for the year and, conversely, may recognise expenses in the income statement for the year which, due to their nature, should be classified as assets. For this reason, this has been considered a key audit matter. | Our audit procedures on the capitalisation of machinery costs included the following:<br>- gaining an understanding of the process carried out by the Group to capitalise the costs incurred;<br>- testing the design and implementation of the key controls related to the process for capitalising additions to property, plant and equipment, particularly machinery;<br>- evaluating, for a sample of additions to machinery in 2024, whether the capitalised costs meet the conditions for capitalisation set forth in the applicable financial reporting framework;<br>- assessing, for a sample of additions to machinery in 2024 related to renewals, whether for every addition an associated replaced item was derecognised.<br>We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the applicable financial reporting framework. |

## Other information: Consolidated directors' report

Other information solely comprises the 2024 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2024, and that the content and presentation of the report are in accordance with applicable legislation.

## Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

## 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 prevailing legislation regulating the audit of accounts in Spain 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 prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.

- Conclude on the appropriateness of the Parent's Directors' 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 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 annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

- Plan and execute the audit of the Group to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the Group as the basis to form an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the work performed for the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the Parent's audit committee with a statement that we have complied with the ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, safeguarding measures adopted to eliminate or reduce the threat.

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

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### European Single Electronic Format

We have examined the digital files of General de Alquiler de Maquinaria, S.A. and subsidiaries for 2024 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Company, which will form part of the annual financial report.

The Directors of General de Alquiler de Maquinaria, S.A. are responsible for the presentation of the 2024 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation").

Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

### Additional Report to the Audit Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 25 February 2025.

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

## Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 22 June 2023 for a period of three years, from the year ended 31 December 2023.

Previously, we had been appointed for a period of three years, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2017.

KPMG Auditores, S.L.
On the Spanish Official Register of Auditors ("ROAC") with No. S0702

*(Signed on original in Spanish)*

Este informe se corresponde con el sello distintivo nº *09/25/00053* emitido por el Instituto de Censores Jurados de Cuentas de España

Alberto Fernández Solar

On the Spanish Official Register of Auditors ("ROAC") with No. 22,472

# GENERAL DE ALQUILER DE MAQUINARIA, S.A. AND SUBSIDIARIES

Consolidated financial statements as at 31 December 2024 and consolidated directors' report for 2024

Contents of the consolidated financial statements for 2024

Expressed in thousands of euros

| | | As at 31 December | |
|---|---|---|---|
| **ASSETS** | **Note** | **2024** | **2023** |
| **Non-current assets** | | | |
| Property, plant and equipment | 7 | 216,876 | 218,301 |
| Goodwill | 8 | 29,367 | 28,525 |
| Other intangible assets | 8 | 5,603 | 6,166 |
| Right-of-use assets | 16 | 136,446 | 126,099 |
| Financial assets | 9 and 11 | 2,753 | 2,205 |
| Other non-current assets | 9 | 2,375 | 3,171 |
| Deferred tax assets | 19 | 13,038 | 8,336 |
| **Total non-current assets** | | **406,458** | **392,803** |
| **Current assets** | | | |
| Inventory | 12 | 30,647 | 26,113 |
| Trade and other receivables | 9 and 10 | 82,032 | 76,221 |
| Other current assets | 11 | 1,715 | 3,003 |
| Cash and cash equivalents | 13 | 30,376 | 39,084 |
| **Total current assets** | | **144,770** | **144,421** |
| **TOTAL ASSETS** | | **551,228** | **537,224** |

**The accompanying Notes on pages 20 to 117 are an integral part of these Consolidated Financial Statements.**

# GENERAL DE ALQUILER DE MAQUINARIA, S.A. and SUBSIDIARY COMPANIES
# CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER 2024

Expressed in thousands of euros

| | | As at 31 December | |
|---|---|---|---|
| **LIABILITIES** | **Note** | **2024** | **2023** |
| **EQUITY** | | | |
| **Equity attributable to owners of the parent** | | **105,165** | **101,947** |
| Share capital | 14 | 94,608 | 94,608 |
| Share premium | 14 | 58,476 | 58,476 |
| Treasury shares | 14 | (627) | (475) |
| Accumulated losses and Legal reserve | 14 | (49,282) | (53,687) |
| Other equity instruments | | 6,999 | 6,999 |
| Translation differences | | (5,009) | (3,974) |
| **Non-controlling interests** | | **2,039** | **2,079** |
| **Total equity** | | **107,204** | **104,026** |
| **Non-current liabilities** | | | |
| Provisions | 20 | 3,217 | 3,842 |
| Bond issues and other marketable securities | 9 and 17 | 29,889 | 29,821 |
| Borrowings and other financial liabilities | 9 and 17 | 129,845 | 147,104 |
| Lease liabilities | 9 and 16 | 78,266 | 77,597 |
| Contract liabilities from contracts with customers | 18 | 17,492 | 14,893 |
| Deferred tax liabilities | 19 | 447 | 253 |
| **Total non-current liabilities** | | **259,156** | **273,510** |
| **Current liabilities** | | | |
| Provisions | 20 | 890 | 2,251 |
| Bond issues and other marketable securities | 9 and 17 | 43,039 | 17,127 |
| Borrowings and other current financial liabilities | 9 and 17 | 36,480 | 30,587 |
| Lease liabilities | 9 and 16 | 29,819 | 34,711 |
| Contract liabilities from contracts with customers | 18 | 7,919 | 6,535 |
| Trade and other payables | 9 and 15 | 65,961 | 68,069 |
| Current corporation tax liabilities | | 760 | 408 |
| **Total current liabilities** | | **184,868** | **159,688** |
| **TOTAL LIABILITIES AND EQUITY** | | **551,228** | **537,224** |

**The accompanying Notes on pages 20 to 117 are an integral part of these Consolidated Financial Statements.**

## GENERAL DE ALQUILER DE MAQUINARIA, S.A. and SUBSIDIARY COMPANIES
## CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER 2024

Expressed in thousands of euros

| | | As at 31 December | |
|---|---|---|---|
| | Note | 2024 | 2023 |
| Recurring revenue | 21 | 304,038 | 280,855 |
| Other revenue | 7 | 13,395 | 12,786 |
| Change in inventories of finished goods and work in progress | 12 | 2,920 | - |
| Procurement | 22 | (113,371) | (105,537) |
| Staff costs | 24 | (76,472) | (67,954) |
| Depreciation (amortisation) | 7, 8 and 16 | (54,931) | (49,621) |
| Profit (loss) on investments accounted for using the equity method | | - | 12 |
| Negative goodwill on business combinations | 6 | 771 | 810 |
| Other operating expenses | 23 | (51,127) | (48,107) |
| **Operating profit (loss)** | | **25,223** | **23,244** |
| Financial income | 25 | 346 | 145 |
| Financial expenses | 25 | (21,265) | (15,828) |
| Exchange differences | 25 | (1,627) | (641) |
| **Financial profit (loss)** | | **(22,546)** | **(16,324)** |
| **Pre-tax profit (loss)** | | **2,677** | **6,920** |
| Corporation tax | 26 | 1,680 | 2,124 |
| **Profit (loss) for the year** | | **4,357** | **9,044** |
| **Profit (loss) attributable to:** | | | |
| **Equity holders of the parent** | | **4,397** | **9,069** |
| **Non-controlling interests** | | **(40)** | **(25)** |

| **Earnings (loss) per share in euros (Note 28):** | | |
|---|---|---|
| **Basic** | 0.05 | 0.10 |
| **Diluted** | **0.05** | **0.10** |

**The accompanying Notes on pages 20 to 117 are an integral part of these Consolidated Financial Statements.**

## GENERAL DE ALQUILER DE MAQUINARIA, S.A. and SUBSIDIARY COMPANIES
## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME RECOGNISED AS AT 31 DECEMBER 2024

Expressed in thousands of euros

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| **PROFIT (LOSS) FOR THE YEAR** | **4,357** | **9,044** |
| **OTHER COMPREHENSIVE INCOME** | | |
| **Items that can subsequently be reclassified to profit or loss:** | | |
| Foreign currency translation differences | (1,035) | (186) |
| **Total items that can subsequently be reclassified to profit or loss** | **(1,035)** | **(186)** |
| **Total comprehensive income for the year, net of tax** | **3,322** | **8,858** |
| **Attributable to:** | | |
| - Equity holders of the parent | 3,362 | 8,883 |
| - Non-controlling interests | (40) | (25) |
| | **3,322** | **8,858** |

**The accompanying Notes on pages 20 to 117 are an integral part of these Consolidated Financial Statements.**

## GENERAL DE ALQUILER DE MAQUINARIA, S.A. and SUBSIDIARY COMPANIES
## CONSOLIDATED CASH FLOW STATEMENT AS AT 31 DECEMBER 2024

Expressed in thousands of euros

| | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| **Pre-tax profit (loss) for the year** | **4,357** | **9,044** |
| **Adjustments to profit (loss)** | **75,443** | **61,109** |
| + Corporation tax expense | (1,680) | (2,124) |
| + Amortisation/depreciation (Note 7, 8 and 16) | 54,931 | 49,599 |
| + Impairment losses (Notes 7, 10 and 12) | 711 | 549 |
| + Financial expense | 21,265 | 15,828 |
| - Financial income | (346) | (145) |
| Profit (loss) on investments accounted for using the equity method | - | (12) |
| - Negative goodwill on business combinations | (773) | (810) |
| - Exchange differences | 1,627 | 641 |
| +/- Other adjustments to profit (loss) | (292) | (2,417) |
| **Changes in working capital** | **1,940** | **13,421** |
| Change in inventories (Note 12) | (5,985) | 8,508 |
| Change in trade and other receivables | (6,271) | (9,128) |
| Change in other current assets and liabilities | 1,095 | (2,247) |
| Change in trade and other payables (Note 15) | (2,190) | 2,936 |
| Change in other assets and liabilities | 15,291 | 13,352 |
| **Other cash flows from operating activities** | **(2,784)** | **(1,886)** |
| - Corporation tax paid | (2,784) | (1,886) |
| **1) Cash flows from operating activities** | **78,956** | **81,688** |
| | | |
| **Investment payments** | **(46,956)** | **(83,715)** |
| Business combinations | - | (19,938) |
| Cash outflows from investments in property, plant and equipment, intangible assets and rights of use | (46,956) | (63,777) |
| **2) Cash flow from investing activities** | **(46,956)** | **(83,715)** |

Expressed in thousands of euros

| | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| **Proceeds and payments for equity instruments** | **(152)** | **(426)** |
| - Acquisition of treasury shares | (152) | (426) |
| **Cash inflows and outflows from financial liabilities** | **(40,556)** | **(16,004)** |
| + Proceeds from borrowings (Note 17) | 55,042 | 57,587 |
| +/- Change in other debts (Note 17) | 2,524 | (7,167) |
| - Repayment of debts (Note 17) | (46,937) | (20,891) |
| - Financial expenses (Note 25) | (19,500) | (15,539) |
| - Lease liability payments (Note 16) | | |
| Operating investments | (23,805) | (23,311) |
| Other leases | (7,879) | (6,683) |
| **Cash flows from financing activities** | **(40,708)** | **(16,430)** |
| **Total change in cash flow** | **(8,708)** | **(18,457)** |
| | | |
| **Cash and cash equivalents at beginning of year** | **39,084** | **57,541** |
| **Cash and cash equivalents at end of year** | **30,376** | **39,084** |
| **Change** | **(8,708)** | **(18,457)** |

**The accompanying Notes on pages 20 to 117 are an integral part of these Consolidated Financial Statements.**

## STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2024

Expressed in thousands of euros

| | Share capital | Share premium | Treasury shares | Accumulated losses | Other equity instruments | Translation differences | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| **BALANCE AS AT 31 DECEMBER 2022** | **94,608** | **58,476** | **(49)** | **(62,740)** | **6,999** | **(3,788)** | **4,039** | **97,545** |
| Profit (loss) | - | - | - | 9,069 | - | - | (25) | 9,044 |
| Total other comprehensive income | - | - | - | - | - | (186) | - | (186) |
| **Total comprehensive income** | **-** | **-** | **-** | **9,069** | **-** | **(186)** | **(25)** | **8,858** |
| Purchase of treasury shares (Note 14) | - | - | (426) | - | - | - | - | (426) |
| Other adjustments in equity | - | - | - | (16) | - | - | (1,935) | (1,951) |
| **BALANCE AS AT 31 DECEMBER 2023** | **94,608** | **58,476** | **(475)** | **(53,687)** | **6,999** | **(3,974)** | **2,079** | **104,026** |

| | Share capital | Share premium | Treasury shares | Accumulated losses | Other equity instruments | Translation differences | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| **BALANCE AS AT 31 DECEMBER 2023** | **94,608** | **58,476** | **(475)** | **(53,687)** | **6,999** | **(3,974)** | **2,079** | **104,026** |
| Profit (loss) | - | - | - | 4,397 | - | - | (40) | 4,357 |
| Total other comprehensive income | - | - | - | - | - | (1,035) | - | (1,035) |
| **Total comprehensive income** | **-** | **-** | **-** | **4,397** | **-** | **(1,035)** | **(40)** | **3,322** |
| Purchase of treasury shares (Note 14) | - | - | (152) | - | - | - | - | (152) |
| Other adjustments in equity | - | - | - | 8 | - | - | - | 8 |
| **BALANCE AS AT 31 DECEMBER 2024** | **94,608** | **58,476** | **(627)** | **(49,282)** | **6,999** | **(5,009)** | **2,039** | **107,204** |

**The accompanying Notes on pages 20 to 117 are an integral part of these Consolidated Financial Statements.**

# 1 General information

General de Alquiler de Maquinaria, S.A., (hereinafter, the Parent Company or GAM) is a commercial company which as at year-end 2024 is the head of a group (hereinafter, the Group or GAM Group), comprising 29 companies (29 companies in 2023): General de Alquiler de Maquinaria, S.A., the Parent Company, and 28 subsidiaries and associates within its scope of consolidation. The registered address and address of its offices for tax purposes is Calle Velázquez 64, 4º izquierda, 28010 Madrid. Annex I to these notes contains additional information on the entities within the scope of consolidation.

All shares are recorded as book entries and are listed on the stock exchanges of Madrid, Barcelona, Valencia and Bilbao (Spain), the first listing date being 13 June 2006.

GAM prepares its financial statements, including all subsidiaries, associates and joint arrangements.

During the 2023 financial year, the Group added Carretillas Mayor, S.A., Ozmaq, S.A. de C.V. and Kirleo Chile SpA to its scope of consolidation. It also acquired the remaining 50% of GAM Arabia Company Limited, thus acquiring a 100% holding in this company, which was previously consolidated using the equity method.

The impact of these transactions on these consolidated financial statements for the year 2024 and on the main figures in the consolidated income statement and balance sheet are disclosed in Note 6.

On 1 March 2019, a framework debt restructuring and investment agreement was signed by certain financial institutions, companies belonging to the GAM Group and the company Gestora de Activos y Maquinaria Industrial S.L. (GAMI or the investor).

As a result of this agreement, as at 24 April 2019, the Company formed part of a group of companies controlled by Gestora de Activos y Maquinaria Industrial, S.L. During 2021, a merger by absorption of the company GAMI by Orilla Asset Management, S.L. took place. The ultimate Parent Company of the Group is Orilla Asset Management, S.L., whose registered office is at Calle Alcalá, 52, planta 3, puerta izquierda, Madrid. As at 31 December 2024 and 2023, it holds 43.24% of the shares of the Company (Note 14).

For the purpose of preparing consolidated financial statements, a group is deemed to exist when the parent company has one or more subsidiaries over which it exercises direct or indirect control. The principles applied when preparing the Group's consolidated financial statements, and the scope of consolidation, are set out in Note 2.

General de Alquiler de Maquinaria, S.A., the Parent Company of the GAM Group, was incorporated in Spain on 29 October 2002 as a limited liability company. It is registered in the Companies Register of Madrid, in Section 8, Page M-314333. On 9 February 2006, the Company's General Shareholders' Meeting approved changing its corporate form from a limited liability company to a public limited company. This resolution was registered as a public deed on 28 March 2006. There have been no changes in its corporate name since the date of incorporation.

On 13 May 2021, the Board of Directors of the Parent Company approved changing the Company's registered address to Calle Velázquez 64, 4º izquierda, 28010 Madrid. The deed was registered in the Companies Register of Madrid on 29 July 2021.

The latest amendment to its Articles of Association, amending Article 30 on Directors' remuneration, was approved by the Company's Annual General Meeting on 24 May 2022, and was registered in the Companies Register of Madrid on 19 August 2022, in Volume 38065, Folio 17, Section 8, Page M-314333, Entry 150.

The corporate purpose of the Parent Company is the trading, subscription, exchange and sale of transferable securities on its own account and without intermediation for the purpose of conducting, administering and managing such securities. GAM's corporate purpose also includes the trading, leasing and repair of machinery and vehicles.

These consolidated financial statements, which were authorised for issue by the Board of Directors on 25 February 2025, will be submitted for approval by the Annual General Meeting, and are expected to be approved without any changes.

The consolidated financial statements for the year 2023 were approved by the Annual General Meeting of the parent company on 13 June 2024.

The figures contained in the consolidated financial statements are expressed in thousand euros unless otherwise stated.

# 2 Summary of significant accounting policies

The significant accounting policies applied when preparing these consolidated financial statements are set out below. These policies have been applied consistently for all years reported.

## 2.1. Basis of presentation

The consolidated financial statements have been prepared on the basis of the accounting records of General de Alquiler de Maquinaria, S.A. and consolidated entities. The consolidated financial statements for 2024 have been prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRS-EU) and other provisions of the applicable financial reporting framework, in order to present a true and fair view of the consolidated equity and consolidated financial position of General de Alquiler de Maquinaria, S. A. and subsidiaries as at 31 December 2024 and of their consolidated financial performance, consolidated cash flows and changes in consolidated equity for the year then ended (IAS 1.16)..

The financial information has been prepared using the historical cost method, adapted where required by IFRS-EU, whereby certain assets and liabilities are measured at fair value.

Expressed in thousands of euros

The preparation of consolidated financial statements in accordance with IFRS-EU requires the use of certain critical accounting estimates. It also requires that Management should exercise judgement when applying the GAM Group's accounting policies. Note 4 discloses the areas involving a higher degree of judgement or complexity, and areas where assumptions and estimates are significant to the consolidated financial statements.

There are no accounting principles or measurement bases with a material effect on these consolidated financial statements that have not been applied during their preparation.

The accounting policies applied in these consolidated financial statements are consistent with those applied in the Group's consolidated financial statements for the year ended 31 December 2023, with the exception of the application of the following amendments adopted by the European Union to be applied in Europe on 1 January 2024 , although they have not had a material impact on the Group's financial statements.

| Standards and amended standards adopted by the European Union | Effective date |
|---|---|
| Amendment to IFRS 16 - "Lease liability in a sale and leaseback" | 1 January 2024 |
| Amendments to IAS 1 "Presentation of financial statements" | 1 January 2024 |
| Amendments to IAS 1 - "Non-current liabilities with covenants" | 1 January 2024 |
| Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements" | 1 January 2024 |

In addition, other standards and amendments to standards will become effective from 1 January 2025 onwards, some of which have been issued by the IASB but have yet to be adopted by the European Union at the date of preparation of these consolidated financial statements. The Group does not expect these standards to have a material impact on its consolidated financial statements.

| Standards coming into force on 1 January 2025 and thereafter | Effective date |
|---|---|
| Amendments to IAS 21 “Lack of Exchangeability” | 1 January 2025 |
| Amendments to IFRS 9 and IFRS 7 "Contracts referencing nature-dependent electricity” | 1 January 2025 |
| Amendments to IFRS 9 and IFRS 7 “Classification and measurement of financial instruments” | 1 January 2025 |
| Amendments to IFRS 9 "Disclosure of subsidiaries without public accountability" | 1 January 2025 |
| Amendments to IFRS 18 "Presentation and Disclosure of Financial Statements" | 1 January 2025 |

None of these standards and amendments have been applied prospectively. The adoption of these amendments is not expected to have a material impact.

## 2.2. Consolidation principles

### (a) *Subsidiaries*

Subsidiaries are all entities over which the Company has direct or indirect control. The Company controls an entity when it is exposed to, or has rights over, variable returns from its involvement with the entity and can affect those returns through the power it has over the entity. The Company has power when it has substantive rights in place that enable it to manage the relevant activities. The Company is exposed to, or has rights over, variable returns from its involvement with a subsidiary when the returns it earns from that involvement may vary as a result of the economic performance of the entity. (IFRSs 10.6, 10 and 15).

The income, expenses and cash flows of subsidiaries are included in the consolidated financial statements from the date of acquisition, which is the date on which the Group effectively gains control of the subsidiaries. Subsidiaries are excluded from consolidation from the date on which control is lost.

The acquisition method is used account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary is the sum of the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised as an expense in the years in which they are incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair value at the acquisition date. For each business combination, the Group may choose to recognise any non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable asset.

The Group recognises assets acquired and liabilities assumed at their fair value at the acquisition date. Liabilities assumed include contingent liabilities to the extent that they are current obligations arising from past events and their fair value can be reliably measured. Moreover, the Group recognises indemnification liabilities granted by the seller at the same time and using the same measurement methods as for the indemnified item of the acquired business, taking into account any insolvency risk and any contractual limitations on the indemnified amount.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes in the fair value of a contingent consideration that is considered an asset or liability are recognised in profit or loss accordance with IFRS 9.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value at the date of acquisition of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the sum of the consideration transferred, the non-controlling interest recognised and the previously held interest is less than the fair value of the net assets of the subsidiary acquired in a bargain purchase, the difference is recognised directly in the consolidated income statement.

If the business combination is achieved in stages, the carrying amount of the acquirer's previously held equity interest in the acquiree at the date of acquisition is remeasured to its fair value at the date of acquisition and any gain or loss arising from this remeasurement is recognised in the consolidated profit or loss.

Expressed in thousands of euros

On 27 March 2023, the Group, acting through the company General de Alquiler de Maquinaria, S.A., acquired 100% of the shares of Carretillas Mayor, S.A. The main business of the company, which is based in Valladolid, is the provision of machinery rental and maintenance services.

On 2 May 2023, the Group, acting through Grupo Internacional de Inversiones en Maquinaria, S.A., obtained control of GAM Arabia Company Limited through the acquisition of shares, thereby increasing its interest in the company's share capital to 100%. Previously, the GAM Group, acting through the same company, held a 50% interest in its share capital, which was accounted for using the equity method. The main business of the company, which is based in Jeddah, is the provision of machinery rental and maintenance services.

On 24 July 2023, the Group, acting through GAM Alquiler de Mexico SA de CV, the Group acquired 60% of the share capital of Ozmaq SA de CV. In addition, the parties entered into a call option agreement whereby the GAM Group could acquire the remaining 40% of the shares. The exercise period of this call option will be between the third and fifth year after the initial acquisition transaction. The company, whose registered office is in San Luis Potosí, is mainly engaged in the rental and sale of handling and stevedoring equipment.

The group recognises put options to sell interests in subsidiaries granted to non-controlling interests at the acquisition date of a business combination as an advance acquisition of those interests, recording a financial liability at the present value of the best estimate of the amount payable, which forms part of the consideration given.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment loss on the transferred asset. The accounting policies of subsidiaries are changed when necessary to ensure consistency with the policies applied by the Group.

The exchange rates of the Group companies' main currencies against the euro were as follows:

| Currency | Average exchange rate in 2024 | Exchange rate as at 31 December 2024 |
|---|---|---|
| Mexican peso | 19.81 | 21.28 |
| Peruvian nuevo sol | 4.32 | 4.22 |
| Saudi riyal | 4.50 | 4.50 |
| US dollar | 1.08 | 1.04 |
| Moroccan dirham | 10.76 | 10.54 |
| Chilean peso | 1,020.26 | 1,033.57 |
| Colombian peso | 4,403.60 | 4,570.14 |
| Dominican peso | 64.30 | 63.62 |

Expressed in thousands of euros

| Currency | Average exchange rate in 2023 | Exchange rate as at 31 December 2023 |
|---|---|---|
| Mexican peso | 19.20 | 18.72 |
| Peruvian nuevo sol | 4.25 | 4.38 |
| Saudi riyal | 4.50 | 4.50 |
| US dollar | 1.08 | 1.11 |
| Moroccan dirham | 10.96 | 10.94 |
| Chilean peso | 908.03 | 979.40 |
| Colombian peso | 4,680.79 | 4,222.60 |
| Dominican peso | 60.58 | 64.24 |

### *(b) Associates*

Associates are all entities over which the Group exercises significant influence but not control, generally through an ownership interest of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognised at cost. The carrying amount is increased or decreased to recognise the investor's share of the investee's post-acquisition profit or loss. The Group's investment in associates includes goodwill (net of any accumulated impairment losses) identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only the proportionate share of any amounts previously recognised in other comprehensive income is reclassified to profit or loss, when appropriate.

The Group's share of the post-acquisition profits or losses of its associates is recognised in the consolidated income statement, and its share of post-acquisition transactions is recognised in other comprehensive income. Cumulative post-acquisition transactions are adjusted against the carrying amount of the investment.

The Group's exposure to losses incurred by an associate is limited to the amount of its net investment in the associate, except where the Group has entered into legal or constructive obligations or has made payments on behalf of the associate. For the purpose of recognising impairment losses in an associate, the net investment is the sum of the carrying amount resulting from the application of the equity method plus the carrying amount of any other item that is essentially part of the investment in the associate.

At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of the impairment loss as the difference between the associate's recoverable amount and its carrying amount and recognises the amount in the consolidated income statement under "Share of profit (loss) of an associate".

Gains and losses arising from upstream and downstream transactions between the Group and its associates are recognised in the Group's consolidated financial statements only to the extent of the unrelated investors' interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of a loss through impairment of the assets transferred. The accounting policies of associates have been changed when necessary to ensure consistency with the policies applied by the Group.

#### *(c) Joint arrangements*

Joint arrangements are those in which there is a contractual agreement to share control over an economic activity, such that decisions about the relevant activities require the unanimous consent of the Group and the other participants or operators. The existence of joint control is determined on the basis of the definition of control of subsidiaries.

A joint arrangement is classified as a joint operation when the parties with joint control have rights to the assets and obligations for the liabilities arising from the arrangement. In such an arrangement, the Group recognises its assets in the consolidated financial statements, including its share of the jointly controlled assets; its liabilities, including its share of the liabilities incurred jointly with the other operators; the revenue from the sale of its share of the product/service resulting from the joint operation; and its expenses, including its share of the joint expenses.

A joint arrangement is classified as a joint venture when there is a contractual agreement with a third party to share control of its activities and where strategic decisions relating to the business, both financial and operational, require the unanimous consent of all venturers sharing control. The Group's interests in jointly controlled entities are accounted for using the equity method in accordance with IFRS 11.

Under the equity method, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the GAM Group's share of post-acquisition profits and losses and movements in other comprehensive income.

At each reporting date, the GAM Group determines whether there is any objective evidence that the value of the investment in a joint venture is impaired. If this is the case, the GAM Group calculates the amount of the impairment loss as the difference between the recoverable amount of the joint venture and its carrying amount and recognises the amount in the consolidated income statement under Profit (loss) of entities accounted for using the equity method".

Assets and liabilities attributable to joint operations are recognised in the consolidated balance sheet according to their specific nature and the ownership interest held by the GAM Group. Similarly, income and expenses arising from joint operations are recognised in the consolidated income statement according to their specific nature and the ownership interest held by the GAM Group.

## 2.3. Segment reporting

Management has established operating segments as components of the Group. The components engage in business activities from which it may earn recurring revenue and incur expenses; their operating profit (loss) is reviewed on a regular basis by the Group's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance; and discrete financial information is available for the component.

Operating segments are presented to the Chief Decision Maker in a manner consistent with internal reporting. The Chief Decision Maker is responsible for allocating resources to and assessing the performance of the operating segments. The Chief Decision Maker has been identified as the Board of Directors with responsibility for making strategic decisions (Note 5).

The accounting policies of the segments are the same as those applied and described in these consolidated financial statements.

## 2.4. Transactions in foreign currencies

### *(a) Functional and presentation currency*

Items included in the financial statements of each Group company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euros (€), which is the functional and presentation currency of the parent company.

***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at closing rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.
Foreign exchange gains and losses are recognised in the consolidated income statement under "Financial income" or "Financial expenses".

### *(b) Group entities*

The profit (loss) and financial position of all Group entities (none of which have a currency from a hyperinflationary economy) that have a functional currency other than the presentation currency are translated into the presentation currency as follows:

- The assets and liabilities in each balance sheet are translated at the closing rate at the balance sheet date;

- Income and expenses in each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates at the dates of the transactions, in which case income and expenses are translated at the dates of the transactions); and

- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of a net investment in a foreign entity and of loans and other foreign currency instruments designated as hedges of such investments are taken to other comprehensive income. When such an investment is sold, these exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Any such exchange differences are recognised in other comprehensive income.

Expressed in thousands of euros

## 2.5. Property, plant and equipment

Land and buildings consist mainly of the facilities required to provide the Group's services in Madrid, Granada, León, the Canary Islands, Lugo, Llanes and Lisbon. Property, plant and equipment are recognised at cost less depreciation and any accumulated impairment losses, except for land, which is not depreciated.

The historical cost includes expenses directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement in the year incurred.

Depreciation is calculated using the straight-line method to write down their costs to their residual values over their estimated useful lives.

| | Useful lives | Weighted average useful life |
|---|---|---|
| **Buildings** | 20 to 33 years | 25 years |
| **Machinery** | | |
| - Lifting | 2 to 17 years | 12 years |
| - Energy | 3 to 17 years | 12 years |
| - Events | 3 to 13 years | 9 years |
| - Industrial | 3 to 19 years | 10 years |
| - Handling | 8 to 16 years | 12 years |
| - Last mile | 4 to 6 years | 6 years |
| - Other equipment | 3 to 17 years | 9 years |
| **Furniture, fixtures, and equipment** | 3 to 20 years | 9 years |
| **Other fixed assets** | 4 to 10 years | 5 years |

***Recalculation of residual values***

The residual values and useful lives of assets are reviewed, and adjusted if necessary, at each balance sheet date.

Although IAS 16 indicates that the residual value of fixed assets is not usually particularly significant, the market for second-hand rental equipment has proven to be an active, attractive and profitable market, justifying the market prices at which they are sold today. Moreover, the fact that rental equipment does not have very specific characteristics that can only be adapted to certain companies is an incentive to replace this type of asset, thus justifying higher residual values than other assets whose characteristics require them to remain on companies' balance sheets for longer periods of time.

When the carrying amount of an asset exceeds its estimated recoverable amount, its carrying amount is written down immediately to its recoverable amount (Note 2.8).

Gains and losses on the sale of property, plant and equipment are calculated by comparing the agreed proceeds with the carrying amount and are recognised in the consolidated income statement.

The Group regularly sells property, plant and equipment previously held for lease to third parties in the ordinary course of its business. The Group reclassifies assets to inventories when they are no longer leased and are held for sale. Disposals of these assets are recognised as recurring revenue.

## 2.6. Intangible assets

### *(a) Goodwill*

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill relating to acquisitions of subsidiaries is included in intangible assets. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances suggest a potential impairment loss. The carrying amount of goodwill is compared with its recoverable amount, which is the higher of its value in use or its fair value less the selling cost. Any impairment loss is immediately recognised as an expense and is not subsequently reversed. Gains and losses on the sale of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to derive benefits from the synergies of the combination. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity at which the goodwill is controlled for internal management purposes. Goodwill is monitored at the level of the segments receiving the machinery acquired in business combinations.

### *(b) Intangible assets acquired in business combinations*

The cost of identifiable intangible assets acquired in business combinations is their fair value. They include the portfolio of customer relationships resulting from business combinations. They are amortised to the consolidated income statement on a straight-line basis over their estimated useful life of between 10 and 14 years, and impairment tests are performed to adjust the carrying amount to the achievement of the agreed objectives.

Customer relationships have been determined by identifying the existing customer portfolio at the date of acquisition using the following key assumptions: (i) flows provided by each customer taking into account customer churn, (ii) gross margin provided by customers based on historical data, (iii) market growth rate and (iv) specific return for each business combination.

Identifiable intangible assets are separable. Consequently, they have been recognised separately from goodwill.

### *(c) Computer software*

All acquired software licences are capitalised on the basis of the costs incurred to acquire and prepare for the use of the specific software. These costs are amortised over their estimated useful life (4 years).

Software maintenance costs are recognised as an expense when incurred.

Development costs directly attributable to the design and testing of software that is identifiable and unique and which can be controlled by the Group are recognised as intangible assets when the following conditions are met:

(a) It is technically feasible to complete production of the intangible asset so that it is available for use or sale;

(b) The Management intends to complete the intangible asset in question for use or sale;

c) The entity can use or sell the intangible asset;

(d) It can be demonstrated how the intangible asset will generate probable future economic benefits;

(e) Adequate technical, financial or other resources are available to complete the development and to use or sell the intangible asset; and

(f) The expenditure attributable to the intangible asset during its development can be measured reliably.

Directly attributable costs include the costs of software development staff and an appropriate percentage of overheads.

Expenditure that does not meet these criteria is recognised as an expense when it is incurred. Expenditure on an intangible asset that is initially recognised as an expense for the period is not subsequently recognised as an intangible.

## 2.7. Borrowing costs

Borrowing costs incurred in the construction of any qualifying asset are capitalised over the period of time necessary to complete and prepare the asset for its intended use. All other borrowing costs are recognised as an expense for the year. As at 31 December 2024 and 2023 no such amount has been capitalised.

## 2.8. Losses due to impairment of non-financial assets

Intangible assets that have indefinite useful lives and those that are not in a usable condition are not amortised and are tested annually for impairment. As at 31 December 2024 and 2023 there are no intangible assets with indefinite useful lives other than goodwill.

Assets subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the selling cost and its value in use. For the purpose of assessing impairment losses, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that have suffered an impairment loss are tested for reversal of the loss at each balance sheet date.

## 2.9. Financial assets

The classification of financial assets depends on the purpose for which they were acquired. Management classifies its financial assets at initial recognition and reviews the classification at each reporting date.

During 2024 and 2023 the Group did not hold any financial assets classified as "available-for-sale".

### *(a) Classification of financial assets*

The Group classifies its financial assets under Loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except when they mature more than 12 months after the balance sheet date, in which case they are classified as non-current assets. Current loans and receivables are included in trade and other receivables in the consolidated balance sheet (Note 2.10), and non-current loans and receivables are recorded under financial assets. Loans and receivables are carried at amortised cost using the effective interest method.

Acquisitions and disposals of investments are recognised on the trade date, i.e. the date on which the Group commits to acquire or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

The Group analyses each contract individually. The transfer of risks and rewards is assessed by comparing the Group's exposure, before and after factoring, to changes in the amounts and timing of the net cash flows of the transferred asset. If the Group's exposure to such changes is eliminated or substantially reduced, then the financial asset has been transferred; if not, it has not been transferred and the Group continues to recognise the asset by additionally registering the amount received as a short-term commercial discount with banks under current liabilities.

### *(b) Impairment of financial assets*

At each balance sheet date, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets may be impaired, in the same way as for trade and other receivables (Note 2.10). A financial asset or a group of financial assets is impaired and an impairment loss is incurred if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (a "loss event") and when that loss event (or events) has an impact on the estimated future cash flows from the financial asset or group of financial assets that can be reliably estimated.

The Group recognises an allowance for expected credit losses on its financial assets in profit or loss.

At each reporting date, the Group measures the allowance at an amount equal to the expected credit losses over the next twelve months for financial assets for which the credit risk has not increased significantly since the date of initial recognition or when it considers that the credit risk of a financial asset has no longer increased significantly.

However, the Group recognises the expected credit loss over the life of the instrument for trade receivables.

The Group measures expected credit losses by considering reasonable and supportable information that is available without undue effort and cost about past events, current conditions and projected future economic conditions.

The percentages are based on current experience with defaults over the last few years and are adjusted for differences between current and historical economic conditions and considering the forward-looking information available.

## 2.10. Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest method, less the provision for impairment losses. An allowance is made for impairment losses on trade receivables when there is objective evidence that the Group will not be able to collect all amounts due to it as per the original terms of the receivables. The existence of significant financial difficulties on the part of the debtor, the likelihood that the debtor will enter bankruptcy or undergo financial reorganisation, and non-payments or late payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the effective interest rate.. The asset's carrying amount is reduced as the allowance is used and the loss is recognised in the consolidated income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables. The subsequent recovery of amounts previously written off are recognised in the consolidated income statement. The criteria set out in Note 2.9 b) are used to calculate impairment.

The Group records provisions for bad debts to cover balances of a certain age or when circumstances make it reasonable to classify them as doubtful.

## 2.11. Inventory

Inventories are stated at the lower of cost and net realisable value. The Group uses the weighted average cost method to determine the value of its inventories.

Machinery held for sale is also included in inventory. Net realisable value is the estimated selling price less the estimated selling cost.

In the machinery remanufacturing line of business, the production cost of inventories includes the purchase price of the spare parts needed to repair the Group's machinery, and the costs directly related to the units produced and a systematically calculated portion of the direct, indirect, variable or fixed costs incurred during the transformation process. Net realisable value is the estimated selling price of the corresponding finished products, less the estimated costs of completion and the estimated costs.

Valuation adjustments and reversals due to inventory impairment are recognised under the headings 'Changes in inventories of finished goods and work in progress' and 'Procurements', depending on the type of inventory.

## 2.12. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with credit institutions and other short-term, highly liquid investments with original maturities of three months or less. In the consolidated balance sheet, bank overdrafts are classified as borrowings under current liabilities.

## 2.13. Share capital

All of the Parent Company's shares are classified as equity.

Incremental costs directly attributable to the issuance of new shares or options are recognised in equity as a deduction, net of tax.

## 2.14. Treasury shares

When any Group entity acquires treasury shares, the consideration paid, including any directly attributable incremental costs (net of income tax), is deducted from equity attributable to equity holders of the Parent until they are cancelled, reissued or disposed of. When these shares are subsequently sold or reissued, any amount received, net of any directly attributable incremental transaction costs and the related income tax effects, is recognised in equity attributable to equity holders of the Parent.

## 2.15. Grants received

Repayable grants are recognised as a liability until they meet the conditions to be considered non-repayable, while non-repayable grants are recognised as a consolidated liability or as a reduction in the value of an asset and are recognised as income on a systematic and rational basis in relation to the expenses resulting from the grant.

For these purposes, a grant is considered to be non-repayable when an individual agreement exists for the provision of the grant, all conditions established for the provision thereof have been met and there is no reasonable doubt that the grant will be received.

In the case of grants that require, in addition to the performance of a specific action, the maintenance of a certain behaviour on the part of the recipient company over a number of years, the grant is considered to have been received as long as the company has performed the specific action required under the grant conditions (for example, the acquisition of an asset or the creation of a certain number of jobs). With respect to future maintenance conditions, it may be presumed that they have been met if, at the date of preparation of the financial statements, the behaviour required by the condition is being fulfilled and there is no reasonable doubt that the company will not alter that behaviour during the required period. If the terms of the grant require a minimum period of permanence, the Group considers the grant to be repayable at the end of the period and recognises the grant as a liability in the consolidated balance sheet for the period and simultaneously reclassifies it to the income statement as described below. If the conditions of the grant require the completion of an action plan and evidence that the subsidised activities have been carried out, the grant is considered to be non-repayable if the action has been carried out, in whole or in part, at the date of the financial statements. In the event of partial performance, the grant is classified as non-refundable to the extent of the expenditure incurred, provided that there is no reasonable doubt that it will be completed in accordance with the terms and conditions of the grant. Monetary grants are measured at the fair value of the amount granted and non-monetary grants are measured at the fair value of the asset received, in both cases at the date of recognition.

The Group recognises official grants related to assets (or capital), including non-monetary grants measured at fair value, as a deduction from the carrying amount of the assets to which they relate.

## 2.16. Trade and other payables

Commercial accounts payable are obligations to pay for goods and services purchased from suppliers in the ordinary course of business. Creditors and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Short-term payables without a fixed interest rate are carried at the original invoice amount if the effect of discounting is not material. They are classified as current liabilities unless they fall due more than 12 months after the balance sheet date, in which case they are classified as non-current liabilities.

## 2.17. Loans and other financial debts

Borrowings (financial debt) are initially recognised at fair value, net of transaction costs incurred. Subsequently, borrowings are
measured at amortised cost Any difference between the proceeds (net of borrowing costs) and the redemption value is recognised in the income statement over the life of the debt using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the consolidated balance sheet date.

An exchange of debt instruments between a lender and a borrower is accounted for by extinguishing the original and recognising a new financial liability, provided that the instruments have substantially different terms. Similarly, a substantial modification of the current terms of a financial liability or part of a financial liability (whether or not due to financial difficulties on the part of the debtor) is accounted for by extinguishing the original and recognising a new financial liability.

For the purpose of applying the above, the Group considers the terms to be substantially different if the present value of the discounted cash flows under the new terms, including any fees paid net of any fees received, and discounted at the original effective interest rate, differs by at least 10% from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or a modification of the terms is accounted for as an extinguishment, the costs or fees incurred are recognised as part of the gain or loss on extinguishment. If such an exchange or modification is not accounted for as an extinguishment, the costs and fees adjust the carrying amount of the liability and are amortised over the remaining life of the modified liability.

The Group has contracted reverse factoring arrangements with a number of financial institutions to manage payments to suppliers. The Group applies the above criteria to assess whether it should derecognise the original trade payables and recognise a new liability to the financial institutions. Trade payables that are settled by the financial institutions are recognised under trade and other payables, provided that the Group has only transferred the management of such payments to the financial institutions and remains the primary obligor for the payment of the trade payables.

Furthermore, debts owed to financial institutions as a result of the sale of trade payables are recognised in the consolidated balance sheet as trade payables for reverse factoring transactions under trade and other payables. As at 31 December 2024, there are liabilities in this category in the consolidated balance sheet amounting to 973,000 euros (1,165,000 euros as at 31 December 2023).

However, when the creditor is replaced and it becomes the primary obligor to the financial institutions, these debts are transferred to borrowings and other financial liabilities in the consolidated balance sheet.

## 2.18. Current and deferred tax

The Parent Company files consolidated tax returns for certain subsidiaries (Note 19).

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items that are recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax expense is calculated on the basis of the laws enacted or substantively enacted at the balance sheet date in the countries in which the Company and its subsidiaries operate and in which they generate taxable profit. Management regularly reviews the positions taken in tax returns for situations where the applicable tax regulations are subject to interpretation and, if necessary, makes provisions based on the amounts expected to be paid to the tax authorities.

Deferred tax is calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognised if it arises from the initial recognition of a liability or asset in a transaction other than a business combination which, at the time of the transaction, affects neither accounting profit nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets arising from tax credits for offsettable losses, tax relief and income tax credits are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities arise from income tax levied by the same tax authority on the same taxable entity or taxable person, or different taxable entities or taxable persons, who intend to settle the current tax assets and liabilities on a net basis.

## 2.19. Employee benefits

### *(a) Termination benefits*

Termination benefits are paid to employees when the Group decides to terminate their employment contract before the normal retirement age or when the employee voluntarily agrees to resign in exchange for these benefits. The Group recognises these benefits when it is demonstrably committed to terminate the employment of current employees in accordance with a detailed formal plan without possibility of withdrawal or to provide termination benefits.

### *(b) Profit-sharing and bonus schemes*

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that is linked to certain performance-related inputs. The Group recognises a provision when it has a contractual obligation or a constructive obligation based on past practice and when the requirements set out in Note 2.20 are met.

### *(c) Share-based payments*

**2018 Extraordinary Variable Remuneration Scheme**

On 3 July 2018, a New Extraordinary Variable Remuneration Scheme (hereinafter "the 2018 scheme") was entered into by the Parent Company and a number of financial institutions that were grantors of the Extraordinary Variable Remuneration Scheme launched in 2015 (hereinafter "the 2015 scheme").

Under said scheme, the Group receives services from employees who have opted in and, in return, equity instruments of the Parent Company are transferred to those employees.

The key features of the scheme are as follows:

- Grantors: The financial institutions participating in the scheme, all of which are grantors of the scheme launched in 2015.
- Beneficiaries: The individuals who opted into the 2015 scheme and are currently beneficiaries of that scheme, who have waived their rights under Tranche A of the 2015 scheme in favour of the present scheme. Tranches B and C of the 2015 scheme remain unchanged.

- Description of the scheme: The grantors award the beneficiaries 10% of the consideration received by the former from the transfer of GAM shares held by them.
- Acceptance by the beneficiaries implies full relinquishment of their rights under Tranche A in the 2015 scheme in respect of the portion corresponding to the grantors that are party to this agreement.
- Vesting will take place no later than 31 December 2019, after which date the 2018 scheme will no longer be in effect and the beneficiaries will not be entitled to any consideration or compensation and the obligation of the grantors to the beneficiaries in respect of Tranche A of the 2015 scheme will not be reinstated.
- Form of payment: Payment will be made in the same form as the consideration received by the grantors (either cash, securities or a combination of both), although each entity may choose to settle the payment of the non-cash consideration received with the cash equivalent.
- Quantitative limit: The maximum amount payable by each grantor cannot exceed the value of the GAM shares that the beneficiaries would have been entitled to receive under Tranche A of the 2015 scheme.

**Methodology and measurement variables of the 2018 stock option scheme**

Based on the inputs obtained at the measurement date (the date of approval of the scheme, 3 July 2018), the Group calculated the estimated market value of the new scheme taking into account historical share prices, the number of shares being transferred (13,382,201), and the percentage to be transferred from the transaction with Orilla Asset Management, S.L. (formerly Halekulani, S.L., a company related to the main shareholder), which was 10%, resulting in the scheme having a total market value of 1,526,000 euros.

Based on the specific conditions of the approved scheme, it was classified as a share option transaction in accordance with IFRS 2, whereby the Company acquires the services provided by the directors, incurring an obligation for an amount based on the value of the shares, which is recognised in the Company's equity. The fair value of the employee services received in exchange for these options is recognised as a staff cost, credited to equity. IFRS 2 stipulates that when the terms and conditions of an equity-settled award are modified and such modification results in an increase in the fair value of the equity instruments, measured immediately before and after the modification, the Company must recognise the incremental fair value in the measurement of the instruments granted.

The procedure followed to recalculate the 2015 remuneration scheme as at 3 July 2018 is as follows:

- Monte Carlo simulation calculation of the normal value of GAM shares assuming that their returns follow a normal distribution.

- In each Monte Carlo simulation, the number and value of shares were calculated using the formulas described in the previous section and taking into account the effect of the reduction in the retention bonus.

- The discounted average of each tranche was calculated and the final value of the scheme was obtained.

For the whole life of the old scheme, the initial measurement as at 3 July 2018 was 933,000 euros, with an expected maturity date of 31 March 2019.

The inputs used for the measurement as at 3 July 2018 were as follows:

- Spot share price: 1,935 euros
- Volatility: 57.08%
- Interest rate: -0.08%

The total expense is recognised over the vesting period, which is the period during which all vesting conditions must be met, i.e. 31 March 2019. The Company has estimated this date based on the agreements entered into on 5 December 2018 by Orilla Asset Management, S.L., (formerly Halekulani, S.L., a company related to the main shareholder), and the Company's shareholding financial institutions for the sale and purchase of the Company's shares.

GAM deemed the vesting commencement date to be 3 July 2018. At the end of each accounting period, the Company reviews its estimates of the number of options expected to vest based on the non-market vesting conditions. Where appropriate, the effect of revising the initial estimates is recognised in the consolidated income statement, with a corresponding adjustment to equity.
In 2019, one of the financial institutions finally became the holder of 2,823,944 shares from GAM's share capital. As the divestment of the financial institutions was not complete, the beneficiaries were required to maintain their employment relationship for a further two years before the vesting of the 2018 ratchet entitlement. Therefore, in 2019, the duration of the 2018 ratchet vesting period was re-estimated to 31 March 2021, as was the incremental fair value estimate, which amounted to 1,346,000 euros.

There were no changes to the schemes during 2024 and 2023. No amounts accrued in 2024 or 2023.

The most significant assumptions and judgements are detailed in Note 4.2.b

## 2.20. Provisions

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is likely that an outflow of resources will be required to settle the obligation; and
- the amount can be reliably measured.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax rate that reflects the current market valuation of the time value of money and the risks specific to the obligation. Any increase in the provision due to the passage of time is recognised as an interest expense.

## 2.21. Recognition of income

### *(a) Sale of goods*

Sales are recognised when control of the products is transferred, which is when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product.

### *(b) Provision of services*

Furthermore, revenue from the provision of services is recognised over the period in which the services are rendered. In the case of fixed-price contracts, revenue is recognised as the actual services are provided, at the end of the period and as a proportion of the total services rendered. In the case of leases, it is recognised on a straight-line basis over the lease term.

### *(c) Sale of property, plant and equipment held for leasing*

The Group regularly purchases machinery for lease to third parties and subsequently sells it in the ordinary course of business. Such machinery is recognised and depreciated in accordance with the accounting policy for property, plant and equipment. For this purpose, the Group periodically reviews the depreciation charge and the residual value of the assets in accordance with the price and the expected term of sale. The Group reclassifies assets to inventories when they are no longer leased and are held for sale. Disposals of these assets are recognised when control of the assets is transferred, as recurring revenue at the selling price and as procurements (cost of sales) at the net book value.

### *(d) Sales of machinery with repurchase obligations and options*

The Group sells machinery with repurchase options or repurchase obligations. On the sale of machinery where the Group has a repurchase obligation or right, the Group accounts for the transaction as a lease in accordance with IFRS 16 Leases, to the extent that the repurchase amount is less than the original selling price, unless it is a sale and leaseback.

For signed agreements involving a financing transaction, the Group continues to recognise the asset and records a financial liability for the consideration received including the repurchase obligation or repurchase option.

For signed agreements that do not involve a financing transaction, the Group continues to recognise the asset and records a contract liability for the amount corresponding to the delivery of future rental services and a financial liability for the amount corresponding to the repurchase obligation or option.

## 2.22. Lease agreements

### *(a) When a Group entity is the lessee*

The Group recognises a lease agreement when it has the right to exercise control over the use of an asset for a period of time in exchange for a consideration.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability. The lease commencement date is the date on which the lessor makes the underlying asset available for use by the lessee.

The cost of the right of use includes the initial measurement of the lease liability and is subsequently amortised and impaired in accordance with IFRS 16 and adjusted for changes in the lease liability following commencement of the lease.

Assets associated with a finance lease agreement that includes a purchase option are depreciated over the useful lives of the related assets, which are always longer than the terms of the finance lease agreements.

Rights of use recognised as a result of applying IFRS 16 and which are not associated with a legal finance lease, are amortised over the term of the lease agreements.

The Group applies the impairment criteria for non-current assets set out in Note 2.8 to right-of-use assets.

Lease liabilities are recognised at the start of the agreement at the lower of the fair value of the leased right of use and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the debt and the finance charge, so that a constant interest rate is obtained on the outstanding balance of the debt to be repaid.

When the interest rate is not defined in the lease agreement, assumptions are used to calculate the discount rate, which depends primarily on the incremental borrowing rate for the estimated terms and reflects the interest rate that a lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment, for a similar term, and with similar security.

The Group estimates the lease term based on the non-cancellable period, plus periods covered by options to extend the lease, the exercise of which is at the Group's discretion and which it believes to be reasonably certain.

The payment obligation arising from the lease, net of finance charges, is recognised as a long-term or short-term lease liability depending on whether payment is due after 12 months or earlier. The interest portion of the finance charge is recognised in the consolidated income statement over the lease term in order to obtain a constant periodic interest rate on the outstanding balance of the liability for each period.

The Group recognises variable payments that have not been included in the initial measurement of the liability in profit or loss in the period in which the events that trigger them occur.

The Group recognises a lease modification as a separate lease if it increases the scope of the lease by adding one or more rights of use and the amount of the lease consideration increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to the stand-alone price to reflect the particular circumstances of the lease.

In the case of intangible assets, short-term leases (lease term of less than 12 months) and leases of assets that are individually of low value, the Group applies the practical exceptions permitted by the standard and therefore recognises the related lease payments as an expense on a straight-line basis over the lease term or using another systematic method if it better represents the Group's profit pattern.

The agreements in which some GAM Group companies act as lessees mostly relate to operating investments in machinery (machinery financed through finance leases), as well as leases of real estate at the operating sites where the various GAM Group companies conduct their business, and leases of vehicles used by GAM Group staff in the course of its business activities.

***(b) When a Group entity is the lessor***

Assets leased to third parties under operating leases are included in property, plant and equipment in the balance sheet. These assets are depreciated over their expected useful lives using methods consistent with those applied to similar items used by the Group. Lease income is recognised on a straight-line basis over the lease term.

The agreements in which all GAM Group companies act as lessors are mainly for the rental of machinery. These agreements are for different periods of time (daily, weekly, monthly, annual rentals, etc.).

When the term of a lease is longer than one year, the group assesses whether the lease term represents a significant portion of the useful life of the leased assets.

The main characteristics of these types of agreements are as follows:

- transfer of the right to use the property in a leasing arrangement
- the lessee does not have the option to purchase the property
- there is no transfer of ownership of the property, the property is owned by the lessor (GAM Group)
- the lessee is responsible for making proper use of the machinery

In view of the above, in accordance with the definition of leases in IFRS 16, the GAM Group recognises all its leases as operating income on a straight-line basis over the lease term and therefore retains ownership of the leased asset under Property, plant and equipment until a decision is made to dispose of it, at which time it is reclassified to inventory.

Due to the nature of the agreements in which the GAM Group acts as the lessor and given the terms of the leases, the existence of significant contingent rents has not been considered.

The GAM Group does not have any non-cancellable leases, i.e. it does not have any finance leases, given that it is a lessor.

## 2.23. Environment

Expenses arising from business activities aimed at protecting and enhancing the environment are recognised as an expense in the period in which they are incurred. When these expenses involve additions to property, plant and equipment for the purpose of minimising environmental impact and protecting and enhancing the environment, they are recognised as an increase in the value of property, plant and equipment.

## 2.24. Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and recognised at the lower of carrying amount and fair value less the selling cost if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

As at 31 December 2024 and 2023, there are no non-current assets that are classified as assets held for sale.

## 2.25. Distribution of dividends

On 19 December 2024, GAM entered into a financing agreement with a syndicate of banks, tranche A of which is intended to partially replace the existing financing agreement signed on 31 March 2015 and renewed on 29 November 2022 (Note 17).

Under the pre-existing financing agreement, GAM was subject to a number of conditions relating to the distribution of dividends:

- there are no amounts due under Tranche B, i.e. the amount of Tranche B is fully settled;
- no Early Maturity Event has occurred, nor will an Early Maturity Event occur as a result of the dividend payout;
- according to the latest available Compliance Certificate, the Net Financial Debt / EBITDA Ratio at the time the dividend payout is agreed and after the dividend payout has been made is less than or equal to 3x.
- once the dividend payout has been made, the Obligors must continue to hold cash at least equivalent to the Minimum Cash Balance, which is set at 15 million euros.

These restrictions disappear upon the signing of the New Financing Agreement (Note 17), which limits the payment of dividends to the fulfilment of the following conditions:

- that the Net Financial Debt / EBITDA ratio is not breached in the financial year following the payment of the relevant dividend (i.e. it remains equal to or less than the levels specified in Note 17); and
- there is no Event of Default which has not been waived and is ongoing;

The financing agreement signed with the European Investment Bank (EIB) on 30 November 2022 and the agreement signed on 29 March 2023 with the Instituto Oficial de Crédito (ICO) set out the same restrictions on the distribution of dividends as the Syndicated Financing Agreement signed in 2015 and described above (Note 17). However, GAM is in the process of novating both financing agreements in order to align the clauses with the New Financing Agreement. At the date of preparation of these consolidated financial statements, the relevant novations had not been formalised before a notary public.

In addition, the Basic Information Document for the listing of securities on the Alternative Fixed Income Market relating to the issue of the Bonds makes the payment of dividends conditional on compliance with certain financial ratios during the life of the contract, namely

- the Net Financial Debt-to-EBITDA Ratio is equal to or below the levels set out in Note 17.

## 2.26. Going concern assumption

As at 31 December 2024, the Group has negative working capital of 40,098,000 euros (negative by 15,267,000 euros as at 31 December 2023) and positive book equity of 107,204,000 euros as at 31 December 2024 (104,026 as at 31 December 2023).

The Directors of the Parent Company have prepared these consolidated financial statements as at 31 December 2024 on a going concern basis, based on a number of factors which make it possible to foresee that the company will have no problems in meeting its short-term obligations, which are set out below:

On 25 February 2025, the Board of Directors approved the Business Plan for the 2025-2029 period, which aims to diversify sectors, business lines and geographic markets.

One of the strategic pillars of the Business Plan is the Reviver circular economy project, which will enable GAM to give machines a second life by refurbishing them at a cost below the market purchase price. This will help reduce capital expenditure and improve return on capital employed.

The inorganic transactions carried out in recent years have accelerated the fulfilment of this business plan, although they have required the use of resources that will be recovered in the long term.

During the first half of 2023, the Group acquired Carretillas Mayor, S.A. and 50% of the remaining shares of GAM Arabia Company Limited. In the second half of the year the Group acquired Ozmaq, S.A. de C.V. These acquisitions resulted in an outlay of 19,888,000 euros in 2023, with a deferred amount of 9,799,000 euros payable between 2026 and 2028.

The Group generates sufficient operating resources to meet its short-term obligations and there are no restrictions on cash transfers between Group companies. The total operating profit was 25,223,000 euros (23,244,000 euros at 31 December 2023) and the profit for the year was 4,357,000 euros (9,044,000 euros at 31 December 2023). Cash flows from operating activities for the financial year 2024 amount to a total of 78,956,000 euros (81,688,000 euros in the financial year 2023).

In addition, in recent years the Group has further diversified its funding sources, giving it greater flexibility to deal with shifting and unpredictable socioeconomic conditions. It has also increased the average maturity of its debt, bearing in mind that the Group's main business consists of leasing its fixed assets to third parties, so it takes over 5 years to yield economic returns.

Among the Group's relevant financing operations, the formalisation in December 2024 of a new Syndicated Loan of 60 million euros stands out, of which a total of 20 million euros (corresponding to Tranche A) are available at 31 December 2024 and 15 million euros related to Tranche B will be available from March 2025.

In addition, at 31 December 2024, the Group has undrawn credit lines amounting to 28,457,000 euros, of which 25 million euros correspond mainly to the "revolving credit facility" tranche associated with the new syndicated financing (for an amount of 6,694,000 euros at 31 December 2023) with an initial maturity of 3 years, extendable for a further 2 years, as well as an undrawn confirming line of 11,589,000 euros at 31 December 2024. The Group's liquidity budget for the financial year 2025 indicates that the Group will have no difficulty in meeting its future payment obligations for that year, and it expects to be able to meet its payment obligations with the operating resources generated by its activity, as well as with the amounts obtained from the financing channels mentioned above.

The Group has also entered into other relevant financing operations, including the 'GAM 2024 Sustainability Linked Note Programme' (listed on the Alternative Fixed Income Market 2021 and renewed on 29 January 2024), with a maximum outstanding amount of 50 million euros; the "GAM 2023 Fixed Income Programme" (included in the Alternative Fixed Income Market 2021 and renewed on 5 June 2024) for a maximum amount of 100 million euros; the 35 million euro financing operation signed with the European Investment Bank (EIB) on 30 November 2022, supported by the European Fund for Strategic Investments, and the 10 million euro loan granted by the Official Credit Institute on 30 November 2023, all of which are earmarked for investments related to various sustainability and innovation projects undertaken by the Group..

These new funding sources are enabling the Group to make the strategic investments necessary to implement its business plan, including a number of sustainability and innovation projects.

# 3. Financial risk management

## 3.1. Financial risk factors

The Group's businesses are exposed to various financial risks: interest rate risk, credit risk and impairment of financial assets, liquidity risk and foreign exchange risk. The Group's Finance Department manages the above risks in accordance with the instructions of the Board of Directors. Its decisions are monitored and approved by the Board of Directors.

### *(a) Interest rate risk*

During 2024 and 2023 the Group's financing was subject to fixed and variable interest rates. The new Syndicated Financing Agreement provides for a floating rate based on Euribor plus a margin, as described in note 17, and therefore there is an interest rate risk as described in Note 3.4. In addition, some of the Group's debt is at fixed interest rates, mainly bonds and notes issued and borrowings from the European Investment Bank (Note 17). The Group generates sufficient operating funds to meet its short-term obligations and has a cash flow from operating activities of 78,956,000 euros at the end of 2024.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's financing costs were impacted in 2024 by, firstly, the increase in interest rates on new fixed-rate agreements and, secondly, on existing variable-rate agreements. However, these increases were taken into account in the 2024 budget and will also be taken into account in the 2025 budget. The Group considers that 2024 marked the peak of the assumed total financing costs and that interest rates will tend to stabilise in the coming years.

The GAM Group does not anticipate any significant risk from the reform of interbank interest rates (IBOR indices). With regard to Euribor, the reference rate for financing part of the Group's debt, a new calculation methodology was developed in previous years. This new methodology was approved by the authorities and it is therefore not necessary to modify the existing Euribor-linked agreements.

### *(b) Credit risk and impairment of financial assets*

The Group has different methods for measuring expected credit losses for loans and financial assets at fair value through other comprehensive income for trade receivables, contract assets from contracts with customers and finance lease receivables.

The Group's credit risk arises mainly from trade accounts payable and there is no significant concentration of credit risk in the balances of these accounts. A significant proportion of sales are to listed or creditworthy companies in the industrial, wind power, events, energy and, to a lesser extent, construction sectors. Sales to smaller or less creditworthy customers are insured on a case-by-case basis and the insurer is liable for 95% (Note 10) of the potential non-payment risk of the insured customers.

The Group manages its credit risk prospectively, servicing its customers within the risk limits set by insurance policies, and on the basis of each customer's credit history and expected future credit rating.

The Company is continuing with its strategy of refocusing its business on industrial customers and increasing the scale of its distribution and trading business, allowing it to obtain customers with increasingly higher credit ratings, and to reduce its average collection period, which has fallen from 67 days as at 31 December 2023 to 61 days as at 31 December 2024. However, it has not been necessary to change the credit management policies implemented in previous years, as they have been deemed adequate to cope with the current socio-economic conditions.
The maximum exposure to credit risk is detailed in Note 10.

### *(c) Liquidity risk*

On a monthly basis, the Finance Department analyses the financial debt repayment schedule and the corresponding short- and medium-term liquidity needs and manages its financing resources on this basis.

Growth investing (beyond the refurbishment of machines) requires high levels of investment, the return on which is obtained over the life of the machinery, and as a result, the Group regularly uses sources of finance with long-term maturities.

In order to finance its working capital, the Group has contracted long-term credit facilities with various financial institutions, which allow it to obtain immediate funds up to a total limit of 32,782,000 euros in the financial year 2024 (the amount drawn down at 31 December 2024 is 4,325,000 euros). In addition, the Group has entered into reverse factoring agreements with various financial institutions for the management of payments to suppliers up to a total limit of 18,220,000 euros (the amount drawn down at 31 December 2024 is 6,631,000 euros), see Note 17.

In addition, in 2021 the Group registered a Promissory Note Programme on the Alternative Fixed-Income Market with a maximum outstanding balance of 50 million euros. It issued several notes in the same year for a total amount of 20 million euros. This programme was renewed in 2024, with the amount of issues made in that year increasing to 43 million euros (16.7 million euros in 2023).

Due to the mismatch in its cash flow caused by having an average collection period of approximately 61 days in 2024 (67 days in 2023), the Company habitually resorts to commercial discounting, the assignment of receivables to banks through factoring contracts and the availability of credit policies (note 17) that the Company has taken out with various financial institutions.

The maturity of financial liabilities is detailed in Note 17.

With regard to the problems with the economic environment in which the company operates in recent years, mainly in Spain, the GAM Group took the appropriate measures to ensure adequate levels of liquidity to meet the needs of the business. Although it has overcome these difficulties and the Group has seen a gradual improvement, it has continued to implement these measures, most notably:

- GAM is continuing to further diversify into sectors other than construction and into services that complement machinery rental. In particular, GAM has increased and continues to increase its revenues from CapEx-free businesses, such as trading, distribution, training and maintenance, which allow cash to be generated with a lower level of investment.

- There are certain operational levers that GAM is able to take advantage of, which will result in cost reductions, such as optimising corporate facilities and resources, focusing on the most profitable ranges of machines, etc.

As at 31 December 2024, working capital is negative by an amount of 40,098,000 euros (negative by an amount of 15,267,000 euros as at 31 December 2023), although there were no defaults of any kind during the year. The Group generates sufficient operating resources to meet its short-term commitments (see note 2.26).

***(d) Foreign exchange risk***

The Group operates globally and is therefore exposed to limited foreign exchange risk on transactions in foreign currencies, principally the US dollar, Mexican peso, Chilean peso, Peruvian sol, Colombian peso and Moroccan dirham. The Parent Company's functional currency is the euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Generally, the Group's policy is that operations in each country are financed with debt denominated in the functional currency of each country, so that the risk only affects the portion corresponding to the capital investment.

Since the outbreak of COVID-19, the US dollar has been the main safe haven for the world's economy. Latin American currencies have depreciated as a result of capital flight to safer destinations and the prospect of an economic downturn. Mexico, Chile and Colombia, where the Group has investments, have been among the countries most badly hit by the depreciation of their currencies.

Several Group companies have long-term loans or receivables in euros with other Group companies that are foreign businesses. The Group does not expect any part of these loans to be settled in the foreseeable future, nor is it likely that they will be settled. Therefore, a portion of these loans has been treated as part of the entity's net investment in that foreign operation. As a result, exchange differences arising on monetary items that form part of the entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the foreign operation. In the consolidated financial statements, such exchange differences are initially recognised in consolidated other comprehensive income and are reclassified from equity to profit or loss when the foreign operation is disposed of.

In general, the Group's policy is to finance its operations in each country with debt denominated in the functional currency of that country, with the exception of Mexico and Chile, which have financing contracts denominated in a currency other than their functional currency (in this case US dollars). As a result, the Group is exposed to foreign exchange risk due to this particular situation. This risk is limited to transactions that are not settled at the end of the financial year, since the part that is settled is not exposed to exchange rate differences, as the company meets its obligations in dollars generated by its own activities. The exchange differences arising in these countries at 31 December 2024 amount to 1,904,000 euros (523,000 euros at 31 December 2023).

At 31 December 2024, if the Mexican and Chilean pesos had appreciated by 10% against the US dollar, with all other variables held constant, profit after tax would have been 796,000 euros higher (191,000 euros in 2013), mainly as a result of the conversion of financing from dollars to Mexican and Chilean pesos.

The Group continuously monitors exchange rate fluctuations and performs an annual sensitivity analysis of the possible impact of exchange rate fluctuations on its equity and earnings.

The sensitivity of earnings and equity to fluctuations in the exchange rates of the currencies in which the Group operates against the euro is shown below, in thousands of euros.

Expressed in thousands of euros

| Currency | Exchange rate increase | | | Exchange rate decrease | | |
|---|---|---|---|---|---|---|
| | Year-on-year change | Change in consolidated profit (loss) 2024 | | Year-on-year change | Change in consolidated profit (loss) 2024 | |
| | | (thousands of euros) | (%) | | (thousands of euros) | (%) |
| Mexican peso | 2% | -31.0 | -0.75% | -2% | 32 | 0.78% |
| Peruvian sol | 2% | -8.1 | -0.19% | -2% | 8 | 0.20% |
| US dollar | 1% | -19.7 | -0.48% | -1% | 20 | 0.49% |
| Moroccan dirham | - | -2.1 | -0.05% | - | 2 | 0.05% |
| Chilean peso | 5% | -39.4 | -0.95% | -5% | 43 | 1.06% |
| Colombian peso | 4% | 24.7 | 0.59% | -4% | -28 | -0.65% |
| Dominican peso | 2% | -13.8 | -0.33% | -2% | 14 | 0.35% |
| Romanian leu | 1% | - | - | -1% | - | -% |

| Currency | Exchange rate increase | | | Exchange rate decrease | | |
|---|---|---|---|---|---|---|
| | Year-on-year change | Change in consolidated profit (loss) 2023 | | Year-on-year change | Change in consolidated profit (loss) 2023 | |
| | | (thousands of euros) | (%) | | (thousands of euros) | (%) |
| Mexican peso | 2% | -41 | -0.72% | -2% | 42 | 0.74% |
| Peruvian sol | 3% | -4 | -0.06% | -3% | 4 | 0.07% |
| US dollar | - | - | -0.01% | - | - | 0.01% |
| Moroccan dirham | - | -1 | -0.02% | - | 1 | 0.02% |
| Chilean peso | 3% | -37 | -0.65% | -3% | 39 | 0.69% |
| Colombian peso | 6% | 6 | 0.10% | -6% | -6 | -0.11% |
| Dominican peso | 3% | -11 | -0.19% | -3% | 12 | 0.20% |
| Romanian leu | 11% | - | - | -11% | - | - |

The % change of each exchange rate has been calculated based on the historical year-on-year changes of each exchange rate over the last few years.

## 3.2. Estimating fair value and credit risk exposure

According to IFRS 13, for financial reporting purposes, fair value measurements are categorised into levels according to the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, both directly (i.e. prices) and indirectly (i.e. derived from prices) (level 2).
- Inputs for assets or liabilities that are not based on observable market data (i.e. unobservable inputs) (level 3)

Expressed in thousands of euros

The fair value of financial instruments that are not quoted in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions prevailing at each balance sheet date (market prices of the underlying of the option, the quoted interest rate curve, volatility based on market inputs).

Non-current financial assets recognised as at 31 December 2024 and 2023 consist mainly of deposits and bonds provided for the leased premises in which the group operates. The fair value of these assets is similar to their carrying amount and their maximum exposure to credit risk at the reporting date is their carrying amount.

Current financial assets consist mainly of trade payables. The carrying amount less provision for impairment of receivables and payables is considered to approximate fair value.

For financial reporting purposes, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments. The fair value of financial liabilities is similar to their carrying amount.

As at 31 December 2024 and 2023 there are no financial assets and liabilities to be offset.

Exposure to credit risk and impairment of financial assets

As outlined in the accounting policy on impairment, the Group has different methods for measuring expected credit losses for loans and financial assets at fair value through other comprehensive income for trade receivables, contract assets from contracts with customers and finance lease receivables.

As at 31 December 2024 and 2023, the fair value of profit participation loans granted by the Group to third parties is zero.

The Directors believe that the financial assets measured at amortised cost, other than trade receivables, have a very high credit rating as they consist of loans to staff that are deducted from their salaries and fixed-term securities and deposits for leases, and therefore no material loss is expected and consequently no loss associated with these assets has been recognised.

The following table shows the internal risk rating, the gross amount and the amount of impairment recognised as at 31 December 2024 and 2023 for trade receivables:

| | Thousands of euros | | |
|---|---|---|---|
| **Internal risk rating for 2024** | **Expected loss ratio in percent** | **Trade receivables** | **Impairment** |
| Not due | 0% | 57,885 | 37 |
| 0 - 60 days | 0% | 8,994 | 43 |
| 60 - 120 days | 1% | 2,547 | 32 |
| 120 - 180 days | 5% | 5,662 | 261 |
| Over 180 days | 96% | 11,646 | 11,180 |
| Balance as at 31 December 2024 | 20% | 86,734 | 11,553 |

Expressed in thousands of euros

| Internal risk rating for 2023 | Thousands of euros | | |
|---|---|---|---|
| | Expected loss ratio in percent | Trade receivables | Impairment |
| Not due | 0% | 62,632 | 33 |
| 0 - 60 days | 1% | 5,820 | 53 |
| 60 - 120 days | 1% | 3,084 | 29 |
| 120 - 180 days | 5% | 1,301 | 63 |
| Over 180 days | 97% | 11,270 | 10,915 |
| Balance as at 31 December 2023 | 21% | 84,107 | 11.093 |

Movements in impairments of trade and other receivables during 2024 are detailed in Note 10.

As mentioned in Note 3.1(b), a significant portion of the Group's sales is insured. Trade receivables insured at year-ends 2024 and 2023 amount to 42,049,000 euros and 49,378,000 euros, respectively. The Group does not expect any significant losses to arise on these assets.

***Non-financial assets and liabilities***

For the purposes of Note 4.1.e, under given circumstances, the Group uses the disposal value less cost of sale to analyse the recoverability of property, plant and equipment, based on recent market transactions carried out by the Group. Therefore, given that comparable transactions are used, the valuation technique used to measure fair value is level 2 or level 3 of the fair value hierarchy, depending on the valuation method used (based on market value adjusted for sale costs or based on discounted cash flows).

## 3.3. Sensitivity to interest rate fluctuations

As explained in Note 17, a significant portion of the financial debt at 31 December 2024 and 2023 is tied to fixed interest rates and recognised at amortised cost. Therefore, it is not exposed to interest rate risk as defined by IFRS 7, because neither the carrying amount nor the cash flows will fluctuate due to a change in market interest rates.

The Group does not believe that changes in floating interest rates pose a significant risk to the Group's debt, which is tied to these rates. Although these rates are variable, the market outlook is that they will fall and gradually level off over time (Euribor).

## 3.4. Equity management and level of indebtedness

The Group's aim is to have sufficient equity to obtain the necessary funding through borrowings to continue its operations, without jeopardising its solvency, and to maximise the return that shareholders can obtain on the equity invested. The Group does not operate in sectors with specific capital requirements and complies with the general legislation (the Spanish Corporate Enterprises Act) on minimum capital requirements.

In general, purchases of machinery have historically been financed in the past through finance lease agreements and other loans; acquisitions of companies through the deferral of part of the payment, bank loans and, when necessary, through capital increases; purchases of property and land through mortgages; and the Group uses trade discounting, factoring, credit facilities and the Alternative Fixed-Income Market to finance working capital.

Due to existing financing requirements, the Group has not paid out dividends since its incorporation and, as explained in Note 2.25, GAM will not be able to pay out dividends under certain conditions due to the obligations arising from the 2021 Alternative Fixed-Income Market (MARF) bond issue, the contract signed with the EIB in 2022 and the new Syndicated Financing Agreement signed in 2024. The Group manages its capital requirements by controlling the level of indebtedness, measured as the number of times net debt exceeds equity. Net debt is defined as debt from finance leases, convertible bond issues, profit participation loans and other financial debt, less debt financed through suppliers of fixed assets and bank debt, securities and cash in banks and cash equivalents, plus other off-balance sheet liabilities (mainly guarantees). Equity is deemed to be total equity.

On 19 December 2024, GAM signed a new Syndicated Financing Agreement, the first drawdown of which (Tranche A) was used to proceed with the early termination of the 2015 Syndicated Financing Agreement and to terminate the bilateral credit facilities with various banks maturing in 2025.

The Financing Agreement, formalised on 19 December 2024, requires compliance with certain financial ratios for the financial years 2024 to 2030, as described in Note 17. As at 31 December 2024, the Group complies with the established ratios.

In relation to the bond issue registered on the Alternative Fixed Income Market during the financial year 2021, new ratios have been established for the financial years 2021 to 2025, as described in note 17. As at 31 December 2024, the Group complies with the established ratios.

The contract formalised with the European Investment Bank on 30 November 2022 and the financing agreement signed on 29 March 2023 with the Instituto de Crédito Oficial (which co-finances the investments financed by the EIB) establish the ratios for the financial years 2022 to 2030, as described in Note 17. As at 31 December 2024, the Group complies with the established ratios.

# 4 Accounting estimates and judgements

Estimates and judgements are continually reviewed and are based on past experience and other factors, including expectations regarding future events that are believed to be reasonable under the circumstances.

## 4.1. Significant accounting estimates and assumptions

The preparation of these consolidated financial statements for the financial years 2024 and 2023 has required the management of the GAM Group to apply and use estimates to determine the amount and value of certain assets, liabilities, income, expenses and commitments that are recognised in the corresponding items of the balance sheet and disclosed in the notes to the financial statements. Certain accounting estimates are considered to be significant if the nature of the critical estimates is material and if changes in these estimates are likely to have a material impact on GAM's consolidated financial statements and on its financial position or operating performance.

In order to calculate and determine the estimates and assumptions detailed below, the Group has taken into account the risk posed by climate change, which has had a significant impact on the implementation of new climate policies and the approval of new legislation both in Spain and in the European Union itself, where various regulations have been approved on this matter. The Group has concluded that, given the nature of its business, this risk has no significant effect on the estimates outlined below, not even those related to the useful life of assets or their impairment testing. This is because, as stated in the Company's Non-Financial Information Statement, as at 31 December 2024, 84.1% of the Group's fleet of machinery consists of zero-emission vehicles.

Although these estimates were made by Management and the Directors on the basis of the best information available at the end of each reporting period, applying their best estimates and market knowledge, it is possible that future events may require the Group to change these estimates in subsequent periods. In accordance with IAS 8, the effects of changes in estimates are recognised prospectively in the consolidated income statement.

**(a)** ***Useful lives and residual values of property, plant and equipment***

The Group estimates the useful lives and residual values of different types of property, plant and equipment based on their expected usage and wear and tear, commercial and technological obsolescence and past experience. With regard to machinery, the lease cycle is considered to be shorter than the technical service life, as the GAM Group's quality policy and the market demand high performance from leased machinery and technologically up-to-date personnel. Management re-estimates the useful lives and residual values of machinery at each closing date (Note 2.5).

Given the above factors, and the relatively short existence of the Group, the result of these re-estimates may lead to changes in these parameters.

**(b)** ***Recoverability of deferred tax assets***

Management assesses the recoverability of deferred tax assets on the basis of estimates of future taxable profits and whether they will be sufficient during the periods in which the deferred tax assets are deductible. In its assessment, Management takes into account the expected reversal of deferred tax liabilities, the projected taxable profit and the applicable tax regulations in force. Deferred tax assets are recognised when it is probable that they will be recoverable in the future. Management and the Directors believe that the deferred tax assets recognised by the Group are likely to be recoverable; however, estimates may change in the future as a result of changes in tax legislation, or the impact of future transactions on tax balances.

During 2024, the Group recognised deferred tax assets arising from tax loss carryforwards and deductions, based on their recovery path in recent years and taking into account the estimate of recoverability based on the 2025-2029 Business Plan approved by the Board of Directors (Note 2.26) and adapted to the 2025 budget approved by the same Board.

In 2024 the Group recognised deferred tax assets corresponding to tax credits (Note 2.18 and Note 26).

**(c)** ***Classification of lease agreements and estimation of right-of-use assets and lease liabilities***

The Group engages in various leasing arrangements as lessor and lessee.

For those agreements where the Group acts as lessee, the transactions are always recorded as finance leases, except for the exceptions detailed in Note 2.22.

When determining the lease term, the GAM Group considers all relevant facts and circumstances that create a significant economic incentive for the lessee to exercise the renewal option or not to terminate the lease. Renewal or termination options are only factored in when determining the term of a lease if it is reasonably certain that the lease will be extended or not terminated. In the event of a significant event or a material change in circumstances that could affect the determination of the lease term, the GAM Group reviews the valuations made when determining the lease term.

For those agreements where the Group is the lessor, Management determines whether to classify such leases as operating or finance leases based on the transfer of the risks and rewards derived from ownership of the leased assets between the lessor and the lessee. As explained in Note 2.22, a lease is classified as a finance lease when substantially all the risks and rewards of ownership are transferred from the lessor to the lessee. Conversely, a lease is classified as an operating lease if substantially all the risks and rewards of ownership have not been transferred from the lessor to the lessee. As at 31 December 2024 and 2023, the Group has no leases in which it is the lessor that are classified as finance leases.

**(d)** ***Recoverability of non-financial assets***

***Recoverability of property, plant and equipment***

At each reporting date, the Group assesses whether there is any indication that the assets may be impaired. If there is any such indication, the Group estimates the recoverable amount of the asset.

Indicators of impairment are analysed at different levels.

Indications of impairment exist at the level of a CGU or group of CGUs if there is a negative EBITDA for a sustained period or if there are substantial deviations from the business plan. The Group also analyses whether there are indications of impairment at a level lower than the CGU, i.e. at the level of an individual machine or family of machines, in which case an analysis would be performed at lower levels. At this level, a loss-making sale for non-exceptional reasons or a significant decline in the return on a family of machines is regarded as evidence of impairment.

A cash-generating unit (CGU) is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of inflows from other assets. The GAM Group defines CGUs as the group of non-financial assets in each country, consisting primarily of the fleet of machines. CGUs are designated as such based on how income is generated and assets are traded at the country level.

The recoverable amount of a machine is measured as the higher of its value in use or its fair value less estimated costs to sell. The fair value less costs to sell is calculated using one of two methods: the market value of the machinery less costs to sell (i.e. the aggregate of the market value of each machine if they were sold individually), or the discounted cash flows to be obtained from the machines under lease agreements.

***Goodwill***

The Group tests goodwill for impairment every year in accordance with the accounting policy in Note 2.6.a). These calculations require the use of estimates (Note 8).

The recoverable amount of goodwill has been measured as the higher of its value in use or its fair value less estimated costs to sell. The fair value less costs to sell is calculated using one of two methods: the market value of the machinery less costs to sell (i.e. the aggregate of the market value of each machine if they were sold individually), or the discounted cash flow method based on the figures in the business plan approved by the Board of Directors (i.e. the fair value of a CGU or group of CGUs as a whole).

There was no impairment of goodwill during 2024 and 2023.

The key assumptions used to measure the recoverable amount of individual cash-generating units or groups of CGUs, including their sensitivity analysis, are described and explained in more detail in Note 8.

**(e)** ***Fair value of financial instruments***

The fair value of financial instruments that are not traded in an active market is measured using valuation techniques. The Group uses its judgement to select a range of methods and makes assumptions that are based primarily on prevailing market conditions at each balance sheet date (Note 3.2).

**(f)** ***Inventory***

Inventories are stated at the lower of cost and net realisable value. To calculate the net realisable value of spare parts held for sale, the Company estimates the price that can be obtained for them in the second-hand market. Note 2.8.

Net realisable value is the estimated selling price of the corresponding finished products, less the estimated costs of completion and the related selling costs.

**(g)** ***Fair value of assets and liabilities acquired in business combinations***

Business combinations in which the Group acquires control of one or more businesses are accounted for using the acquisition method, which generally involves, at the acquisition date, recognising the assets acquired, the liabilities assumed and any contingent consideration that requires estimates and judgements to be made by Management and the Directors.

## 4.2. Significant judgements in applying accounting policies

***(a) Derecognition of financial assets***

Financial assets are derecognised when the related rights to receive cash flows have expired or have been transferred and the Group has substantially transferred the risks and rewards of ownership.

The Group considers that in all non-recourse factoring contracts the rights to receive cash flows have been transferred and all risks and rewards of the receivables have been transferred, therefore 10,558,000 euros of these receivables have been derecognised at 31 December 2024 (9,586,000 euros in 2023). This amount includes 10,558,000 euros drawn down from factoring facilities (9,586,000 euros in 2023).

***(b) Share option scheme***

The Group has made the following judgements when applying IFRS 2:

- Tranche A and the Additional Tranche have been treated as equity-settled share-based payments as there is no present obligation to settle in cash for these tranches.
- Similarly, the shareholding financial institutions are not considered to be part of the Group, they are only related parties for the purposes of this scheme.
- No further outflows are expected to occur for the duration of the scheme in addition to those that occurred in 2019 for the directors covered by the scheme.

***(c) Capitalisation of machinery refurbishment, extension or improvement costs***

Given the nature of the industry in which it operates, the Group incurs a high level of repair and maintenance, refurbishment, extension and improvement costs on an annual basis.

During the year, the Group capitalises refurbishment costs as additions to property, plant and equipment under machinery (Note 7). In accordance with the applicable financial reporting framework, the amounts capitalised as additions to property, plant and equipment can include refurbishment, extension or improvement costs, whereas repair and maintenance costs are not capitalised and should be recognised as an expense for the year. A degree of judgement is required to determine whether or not the costs incurred meet the criteria for capitalisation.

# 5 Segment reporting

The definition of segment and the way in which the Group reports financial information in segments complies with IFRS 8 according to the information reviewed by the Board of Directors on a regular basis.

The Board of Management analyses the performance of the operating segments based on a recurring EBITDA valuation. This valuation basis excludes the effects of non-recurring operating segment expenses such as restructuring costs, legal expenses and goodwill impairment where the impairment is the result of a one-off event. Interest income and expenses are not allocated to the segments as this type of activity is carried out by the Central Treasury Department, which manages the Group's cash position.

The operating segments identified by the Board of Directors are based on a geographical perspective, the internal business structure, the business model followed in each geographical area and on internal reports which are regularly reviewed by the Board of Directors in order to allocate resources to each segment and assess its performance. The segments are as follows: Spain, Portugal, Latam, Arabia and Morocco. The significant reportable segments as defined in IFRS 8 are Spain, Portugal and Latam.

Each segment covers the activities of the Group's companies located in each of the countries comprising the segment.

Segment information for the years ended 31 December 2024 and 2023 is as follows:

Expressed in thousands of euros

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Thousands of euros | | | | |
| | Spain (3) | Portugal | Latam | Rest | Total |
| **Total segment revenue** | **230,267** | **25,566** | **48,413** | **11,079** | **315,325** |
| Inter-segment revenue | (10,469) | (588) | (230) | - | (11,287) |
| **Recurring segment revenue from external customers** | **219,798** | **24,978** | **48,183** | **11,079** | **304,038** |
| % of total | 72% | 8% | 16% | 4% | 100% |
| **Recurring revenue from external customers** | **219,798** | **24,978** | **48,183** | **11,079** | **304,038** |
| **Accounting EBITDA (1)** | **50,509** | **9,778** | **15,300** | **4,567** | **80,154** |
| Other non-recurring expenses(5) | 445 | 73 | 19 | - | 537 |
| **Recurring EBITDA (2)** | **50,954** | **9,851** | **15,319** | **4,567** | **80,691** |
| % of total | 63% | 12% | 19% | 6% | 100% |
| % of recurring revenue | 23% | 39% | 32% | 41% | 27% |
| Reconciliation: | | | | | |
| Depreciation (amortisation) | | | | | (54,931) |
| **Operating profit (loss)** | | | | | **25,223** |
| Financial income | | | | | 346 |
| Financial expenses | | | | | (21,265) |
| Exchange differences | | | | | (1,627) |
| **Pre-tax profit (loss)** | | | | | **2,677** |
| Corporation tax | | | | | 1,680 |
| **Profit (loss) for the year** | | | | | **4,357** |

***(1) Accounting EBITDA defined as the aggregate amount of Operating profit (loss) plus Depreciation (amortisation) charge plus Impairment.***

***(2 )Recurring EBITDA defined as the aggregate amount of Accounting EBITDA plus Total non-recurring expenses.***

***(3) The expenses attributable to the parent company are split between the different segments.***

***(4) Non-Spain segments exclude subleases made to avoid operational investments.***

***(5) Non-recurring expenses mainly include expenses related to staff compensation of 467,000 euros (Note 24) and refinancing expenses of 70,000 euros.***

The operating investments in 2024 are as follows:

| | Thousands of euros | | | | |
|---|---|---|---|---|---|
| | Spain | Portugal | Latam | Rest | Total |
| **Operating investments(1)** | | | | | |
| Property, plant and equipment | 26,445 | 1,381 | 1,533 | 1,791 | 31,150 |
| Right-of-use assets | 6,308 | 469 | 5,920 | 4,658 | 17,355 |
| | **32,753** | **1,850** | **7,453** | **6,449** | **48,505** |

**(1) Operating investments include investments in machinery.**

Expressed in thousands of euros

The comparative segment information provided to the Board of Directors on the reportable segments for the year ended 31 December 2023 is as follows:

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Thousands of euros | | | | |
| | Spain [3] | Portugal | Latam | Rest | Total |
| **Total segment revenue** | **212,822** | **21,281** | **42,939** | **9,439** | **286,481** |
| Inter-segment revenue | (4,326) | (109) | (543) | (648) | (5,626) |
| **Recurring segment revenue from external customers** | **208,496** | **21,172** | **42,396** | **8,791** | **280,855** |
| % of total | 74% | 8% | 15% | 3% | 100% |
| **Recurring revenue from external customers** | **208,496** | **21,172** | **42,396** | **8,791** | **280,855** |
| **Accounting EBITDA (1)** | **47,194** | **9,319** | **13,281** | **3,071** | **72,865** |
| Other non-recurring expenses(5) | 611 | 8 | 171 | - | 790 |
| **Recurring EBITDA (2)** | **47,805** | **9,327** | **13,452** | **3,071** | **73,655** |
| % of total | 65% | 13% | 18% | 4% | 100% |
| % of recurring revenue | 23% | 44% | 32% | 35% | 26% |
| Reconciliation: | | | | | |
| Depreciation (amortisation) | | | | | (49,621) |
| **Operating profit (loss)** | | | | | **23,244** |
| Financial income | | | | | 145 |
| Financial expenses | | | | | (15,828) |
| Exchange differences | | | | | (641) |
| **Pre-tax profit (loss)** | | | | | **6,920** |
| Corporation tax | | | | | 2,124 |
| **Profit (loss) for the year** | | | | | **9,044** |

*1) Accounting EBITDA defined as the aggregate amount of Operating profit (loss) plus Depreciation (amortisation) charge plus Impairment.*

*(2 )Recurring EBITDA defined as the aggregate amount of Accounting EBITDA plus Total non-recurring expenses.*

*(3) The expenses attributable to the parent company are split between the different segments.*

*(4) Non-Spain segments exclude subleases made to avoid operational investments.*

*(5) Non-recurring expenses mainly include expenses related to staff compensation of 341,000 euros (Note 24) and refinancing expenses of 74,000 euros and acquisition expenses of 374,000 euros.*

The operating investments in 2023 are as follows:

| | Thousands of euros | | | | |
|---|---|---|---|---|---|
| | Spain | Portugal | Latam | Rest | Total |
| **Operating investments[1]** | | | | | |
| Property, plant and equipment | 37,731 | 1,092 | 4,629 | 969 | 44,421 |
| Right-of-use assets | 24,381 | 3,147 | 2,175 | 1,682 | 31,385 |
| | **62,112** | **4,239** | **6,804** | **2,651** | **75,806** |

**(1) Operating investments include investments in machinery.**

Expressed in thousands of euros

The amounts provided to the Board of Directors in respect of operating investments are measured using the same methods as are applied when preparing the consolidated financial statements. These assets are allocated on the basis of the segments' business activities and the physical location of the assets.

Details of the goodwill impairment test are included in Note 8.

Inter-segment sales are carried out on an arm's length basis. Revenue from external customers reported to the Board of Directors is measured using the same methods as in the income statement. Geographical information relating to revenue from external customers is detailed in Note 21.

As at 31 December 2024 and 2023, the total assets and liabilities of each segment are as follows:

| | Thousands of euros | | | | |
|---|---|---|---|---|---|
| **2024** | **Spain** | **Portugal** | **Latam** | **Other and inter-segment eliminations** | **Total** |
| **Assets(1)** | 490,972 | 66,227 | 74,059 | (80,030) | 551,228 |
| **Liabilities(1)** | 444,000 | 34,373 | 51,419 | (85,768) | 444,024 |

| | Thousands of euros | | | | |
|---|---|---|---|---|---|
| **2023** | **Spain** | **Portugal** | **Latam** | **Other and inter-segment eliminations** | **Total** |
| **Assets(1)** | 467,271 | 56,284 | 76,434 | (62,765) | 537,224 |
| **Liabilities(1)** | 417,816 | 28,053 | 49,832 | (62,503) | 433,198 |

**(1) Other and inter-segment eliminations include both non-significant segments and inter-segment eliminations of assets and liabilities, including investments in group companies, which are eliminated for consolidation purposes.**

Accounting EBITDA, Recurring EBITDA and Total non-recurring expenses together with Operating investments or CapEX are regarded as Alternative Performance Measures (APM), according to the ESMA Guidelines (for further information, see the Annex to the Directors' Report "Alternative Performance Measures").

# 6 Business combinations

No new acquisitions were made during the 2024 financial year.

**Acquisitions in 2023:**

On 23 March 2023, the Group acquired ownership of shares representing 100% of the share capital of Carretillas Mayor, S.L. after purchasing 100% of the company's shares for a total of 18,205,000 euros, of which 5,605,000 euros are still outstanding and payable on 23 March 2026. The main business of the acquired company consists of the rental and maintenance of machinery.

The Group's strategy, as outlined in its business plan, includes sector diversification, with the aim of boosting CapEx-free business and long-term recurring business. Carretillas Mayor is an industrial company, focused on delivering long-term services to large industrial customers and key sectors such as the automotive industry, which are the focal point of the aforementioned strategy.

The acquired business has generated recurring revenue and consolidated profit of 19,605,000 euros and 2,145,000 euros respectively for the Group between the acquisition date and 31 December 2023.

If the acquisitions had taken place on 1 January 2023, the Group's recurring revenue and consolidated profit for 2023 would have been 1% and 4% higher, respectively.

On 2 May 2023, the GAM Group acquired 50% of the share capital of GAM ARABIA Company Limited. Prior to this acquisition, the GAM Group already owned the remaining 50% of the shares of GAM ARABIA Company Limited. As control was obtained through several transactions carried out on different dates, this is a business combination achieved in stages.

The fair value of the equity interest held in the acquiree immediately prior to the acquisition date was 1,250,000 euros, whereas its carrying amount was 865,000 euros, generating income of 425,000 euros, which is recognised in the accompanying income statement under "Negative goodwill on business combinations".

After taking control of the subsidiary, GAM is developing an ambitious growth plan for the coming years, against a backdrop of growth, transformation, modernisation and liberalisation in the country. GAM's main business in Saudi Arabia is energy (the rental of generator sets), which accounts for 80% of revenue, with the remaining 20% coming from the rental of lifting equipment (platforms).

The acquired business has generated recurring revenue and consolidated profit of 1,568,000 euros and 299,000 euros respectively for the Group between the acquisition date and 31 December 2023.

If the acquisitions had taken place on 1 January 2023, the Group's recurring revenue and consolidated profit for 2023 would have been 0.8% and 2% higher, respectively.

On 24 July 2023, the GAM Group, acting through the company GAM Alquiler de México SA de CV, acquired 60% of the share capital of Ozmaq SA for 120 million Mexican pesos (6,423,000 euros at the date of acquisition). Moreover, the parties have entered into a call option agreement whereby the GAM Group can complete the acquisition of the remaining 40% of the share capital of Ozmaq SA. The amount to be paid for the acquisition of the remaining 40% will be approximately 80 million pesos (4,192,000 euros at the acquisition date. The exercise period of this call option will be between July 2026 and July 2028 and it has been recorded under "Other non-current liabilities" as it has been treated as an advance acquisition because the Group now has access to returns on the shareholding.

The main business of the company, which is based in San Luis Potosí, is the rental and sale of forklifts.

As a result of this transaction, the GAM Group has become the main distributor of the Clark brand in Mexico and has also acquired the distribution rights for the Heli and Brokk brands in various territories.

Expressed in thousands of euros

The acquired business has generated recurring revenue and consolidated profit of 5,278,000 euros and 535,000 euros respectively for the Group between the acquisition date and 31 December 2023.

If the acquisitions had taken place on 1 January 2023, the Group's recurring revenue and consolidated profit would both have been 2% higher for 2023.

The breakdown of the consideration given, the provisional amount of the fair value of the assets acquired and liabilities assumed and the goodwill (or the excess of net assets acquired over the cost of the combination) is as follows:

| | Thousands of euros | | |
|---|---|---|---|
| | **Carretillas Mayor, S.A.** | **GAM Arabia Company Limited** | **Ozmaq S.A. de C.V.** |
| Consideration given | | | |
| Cash paid | 12,600 | 865 | 6,423 |
| Outstanding payment | 5,605 | - | 4,192 |
| Fair value of previous shareholding | - | 1,250 | - |
| **Total consideration given** | **18,205** | **2,115** | **10,615** |
| Intangible assets (Note 8) | 1,420 | - | 524 |
| Property, plant and equipment (Note 7) | 18,004 | 7,454 | 6,832 |
| Rights of use (Note 16) | 12,011 | 233 | 2,562 |
| Financial assets | 335 | - | 82 |
| Deferred tax assets | 1,150 | - | - |
| Inventory | 1,384 | 7 | 917 |
| Indemnification assets | 2,312 | - | 1,485 |
| Trade and other receivables | 4,933 | 1,472 | 2,659 |
| Cash | 193 | 16 | 1,141 |
| Deferred tax liabilities | (3,769) | (238) | (258) |
| Provisions | (2,577) | (488) | (1,485) |
| Financial debts | (2,868) | (157) | - |
| Lease liabilities | (12,288) | (242) | (3,396) |
| Other accounts payable | (344) | (3,927) | - |
| Trade and other payables | (3,095) | (858) | (1,537) |
| Corp. tax liabilities | (234) | - | (575) |
| **Fair value of net assets acquired** | **16,567** | **3,272** | **8,951** |
| **Goodwill (excess of net assets acquired over cost of acquisition)** | **1,638** | **(1,157)** | **1,664** |

The accounting for business combinations has been finalised at the date of these consolidated financial statements.

In intangible assets, an amount of 1,646,000 euros has been recognised mainly for the customer portfolio relating to the acquired companies Carretillas Mayor, S.A. and Ozmaq S.A. de C. V, and the Multi-Period Excess Earnings Method (MEEM) has been used to measure the fair value of these contracts, requiring a projection of income and expenses attributable to the intangible asset over the remaining useful life of the asset in question based on Level 3 input data, as these data were not observable in the market.

As a result of recognising these business combinations at fair value, indemnification assets of 3,797,000 euros have been recognised.

There are no contingent considerations.

In the preparation of these consolidated financial statements for 2023, the items “Other debts”, “Property, plant and equipment” and “Trade and other receivables” were provisionally recognised in the initial recognition of the business combination of GAM Arabia Company Limited. As a result, the fair values were also assigned on a provisional basis. During the first quarter of 2024, the Company obtains all the information necessary to account for the business combination and recognises revenue of 771,000 euros in the accompanying consolidated income statement for 2024 under the heading "Negative difference on business combinations" as it considers that the fair value of part of its machinery is higher than initially recognised. At the end of the financial year 2023, an amount of 384,000 euros has been provisionally recognised as "Negative difference on business combinations".

In terms of the qualitative factors that make up the goodwill recognised, the Group expects that once the machinery acquired from the various acquisitions has been added to the Group's fleet of machines, sufficient cash flows can be generated to recover the excess price paid, and numerous synergies have been identified between the acquired companies and business lines and the Group's business, which will help to increase sales and improve margins.

At the date of preparation of the 2023 Consolidated Financial Statements, the initial accounting for the business combination with Ozmaq, S.A. de C.V. was determined provisionally. In July 2024, the Company has all the information necessary to account for the business combination and recognises an increase in goodwill of 842,000 euros compared to 31 December 2023, mainly due to the revaluation of the estimate of the outstanding payment for the purchase option of the remaining 40% of Ozmaq, S. A. de C.V.

The various acquisitions made during the year had generated provisional goodwill of 2,511,000 euros in 2023 (note 8), which was increased by 842,000 euros for the above reason.

Expressed in thousands of euros

# 7 Property, plant and equipment

The following table shows a breakdown of movements in various categories of property, plant and equipment:

| | Thousands of euros | | | | | | |
|---|---|---|---|---|---|---|---|
| COST | Land and buildings | Equipment | Machinery | Furniture and fixtures | Other fixed assets | Advances and construction work in progress | TOTAL |
| **Balance as at 1 January 2023** | **10,869** | **13,830** | **306,154** | **4,177** | **6,048** | **179** | **341,257** |
| Additions | 1,659 | 592 | 54,500 | 298 | 331 | 7,973 | 65,353 |
| Disposals | (935) | (20) | (31,331) | (15) | (630) | - | (32,931) |
| Additions to the scope of consolidation | - | 1,785 | 27,969 | 551 | 693 | 1,065 | 32,063 |
| Translation differences | (2) | 7 | (1,395) | 57 | (53) | - | (1,386) |
| Transfers | - | - | 2,073 | - | - | (352) | 1,721 |
| **Balance as at 31 December 2023** | **11,591** | **16,194** | **357,970** | **5,068** | **6,389** | **8,865** | **406,077** |
| Additions | 410 | 2,490 | 42,919 | 604 | 358 | - | 46,781 |
| Disposals | (388) | (417) | (49.164) | (4) | (604) | - | (50,577) |
| Additions to the scope of consolidation | - | - | 773 | - | - | - | 773 |
| Translation differences | (13) | (32) | 3,800 | (15) | 29 | - | 3,769 |
| Transfers | 5,897 | 1,898 | (3,985) | 112 | 662 | (8,759) | (4,175) |
| **Balance as at 31 December 2024** | **17,497** | **20,133** | **352,313** | **5,765** | **6,834** | **106** | **402,648** |

Expressed in thousands of euros

| | Thousands of euros | | | | | | |
|---|---|---|---|---|---|---|---|
| **DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES** | **Land and buildings** | **Equipment** | **Machinery** | **Furniture and fixtures** | **Other fixed assets** | **Advances and construction work in progress** | **TOTAL** |
| **Balance as at 1 January 2023** | **(5,649)** | **(10,623)** | **(152,131)** | **(3,692)** | **(4,907)** | **-** | **(177,002)** |
| Additions | (589) | (628) | (28,728) | (198) | (501) | - | (30,644) |
| Impairment | - | - | (148) | - | - | - | (148) |
| Disposals | 935 | 20 | 22,888 | 15 | 574 | - | 24,432 |
| Translation differences | - | (14) | 1,296 | (7) | 45 | - | 1,320 |
| Transfers | - | - | (5,734) | - | - | - | (5,734) |
| **Balance as at 31 December 2023** | **(5,303)** | **(11,245)** | **(162,557)** | **(3,882)** | **(4,789)** | **-** | **(187,776)** |
| Additions | (227) | (721) | (28,147) | (260) | (525) | - | (29,880) |
| Impairment | - | - | - | - | - | - | - |
| Disposals | - | 8 | 34,411 | 59 | 532 | - | 35,010 |
| Translation differences | 54 | 11 | (2,709) | (44) | (194) | | (2,882) |
| Transfers | - | - | (29) | - | (215) | | (244) |
| **Balance as at 31 December 2024** | **(5,476)** | **(11,947)** | **(159,031)** | **(4,127)** | **(5,191)** | **-** | **(185,772)** |
| **TOTAL 2023** | **6,288** | **4,949** | **195,413** | **1,186** | **1,600** | **8,865** | **218,301** |
| **TOTAL 2024** | **12,021** | **8,186** | **193,282** | **1,638** | **1,643** | **106** | **216,876** |

Expressed in thousands of euros

Additions to fixed assets recognised in 2024 include 31,150,000 euros relating to operating investments in machinery (44,421,000 euros in 2023) (Note 5), of which 11,991,000 euros (17,967,000 euros in 2023) relate to machinery acquired for sale under repurchase agreements, in which control of the asset has not been transferred. The remaining additions to fixed assets consist mainly of the capitalised refurbishment of fixed assets in use. Additions through capitalisation amounted to 13,395,000 euros (10,079,000 euros as at 31 December 2023) and are recognised under "Other revenue" in the consolidated income statement. The amounts included under "Other revenue" in the consolidated income statement mainly relate to capitalisations.

Transfers comprise mainly reclassifications from "Rights of use" for operating investments financed through finance leases that have been terminated during the year, amounting to 1,985,000 euros (15,888,000 euros as at 31 December 2023), and reclassifications from "Machinery" to "Rights of use" amounting to 7,360,000 euros (14,167,000 euros in 2023) in respect of machinery acquired directly from suppliers for which the Group is the distributor financed through finance leases after a certain period of time. In addition, they include equipment reclassified from the heading of stocks, amounting to 1,200,000 euros.

As at 31 December 2024, disposals include reclassifications to inventory of used machinery held for sale for a net book value of 6.591,000 euros (5,997 euros as at 31 December 2023), with the remaining disposals corresponding to retirements, including disposals of replaced machinery components for a net book value of 4,535,000 euros (2,160,000 euros in 2023), and disposals of fully depreciated items.

It is the Company's policy to take out any insurance policies deemed necessary to cover the risks to which its property, plant and equipment may be exposed.

In addition, security interests have been pledged on the machines as collateral for the syndicated loan and as collateral for the loan with the European Investment Bank (Note 17).

As at 31 December 2024, based on the criteria described in Note 2.5, the gross amount and net book value of property, plant and equipment with a residual value stand at approximately 477 million euros and 271 million euros, respectively (594 and 304 million euros as at 31 December 2023).

The cost of fully depreciated property, plant and equipment and fully amortised intangible assets as at 31 December 2024 stands at 120,857,000 euros (106,733,000 euros in 2023).

As at 31 December 2024, the Group has investments in property, plant and equipment abroad with a net value of 106 million euros (63 million euros in 2023), broken down by country as follows:

| | Millions of euros | |
|---|---|---|
| **COUNTRY** | **2024** | **2023** |
| Mexico | 23 | 11 |
| Peru | 2 | 2 |
| Portugal | 33 | 21 |
| Chile | 22 | 13 |
| Other countries | 26 | 16 |
| | **106** | **63** |

**Impairment testing of property, plant and equipment**

An assessment of the impairment indicators described in Note 4.1 (e) in 2024 showed that there was no need to determine the recoverable amount of property, plant and equipment at CGU level.

The key assumptions used to calculate the recoverable amounts of assets and the carrying amounts of non-current assets are as detailed in Note 8 (Goodwill).

In addition, at a level lower than the CGU, the Group has verified that there is no impairment at the machine family level in 2024 and 2023.

**Official grants**

During the year, an individual resolution was passed to grant regional incentives to GAM CIRCULAR PROCESS, S.L. for the construction of the Reviver reprocessing plant. This is a non-refundable grant for the amount of 809,000 euros.

These incentives are granted subject to the fulfilment of a number of conditions, including the usual verification and control measures required in this type of procedure. They are also subject to the fulfilment of tax and social security obligations.

The Group recognises the amount of the grant by deducting it from the carrying amount of the subsidised asset. This grant will be recognised in profit and loss over the life of the asset, reducing its depreciation expense.

Expressed in thousands of euros

# 8 Goodwill and other intangible assets

| COST | Goodwill | Other intangible assets | Total |
|---|---|---|---|
| **Balance as at 1 January 2023** | **25,362** | **15,932** | **41,294** |
| Additions | 653 | 1,134 | 1,787 |
| Additions to the scope of consolidation | 2,510 | 1,943 | 4,453 |
| Disposals | - | (41) | (41) |
| Translation differences | - | (46) | (46) |
| **Balance as at 31 December 2023** | **28,525** | **18,922** | **47,447** |
| Additions | 842 | 1,195 | 2,037 |
| Transfers | - | 807 | 807 |
| Disposals | - | (55) | (55) |
| Translation differences | - | 176 | 176 |
| **Balance as at 31 December 2024** | **29,367** | **21,045** | **50,412** |

| AMORTISATION AND ACCUMULATED IMPAIRMENT LOSSES | Goodwill | Other intangible assets | Total |
|---|---|---|---|
| **Balance as at 1 January 2023** | **-** | **(10,220)** | **(10,220)** |
| Additions | - | (2,614) | (2,614) |
| Disposals | - | 38 | 38 |
| Translation differences | - | 40 | 40 |
| **Balance as at 31 December 2023** | **-** | **(12,756)** | **(12,756)** |
| Additions | - | (2,165) | (2,165) |
| Disposals | - | 49 | 49 |
| Translation differences | - | (570) | (570) |
| **Balance as at 31 December 2024** | **-** | **(15,442)** | **(15,442)** |
| | | | |
| **Total 2023** | **28,525** | **6,166** | **34,691** |
| | | | |
| **Total 2024** | **29,367** | **5,603** | **34,970** |

The additions corresponding to goodwill for the financial year 2024, amounting to 842,000 euros, correspond to the completion of the accounting registration of the business combination of Ozmaq, S.A. de C.V., as explained in Note 6.

The additions to the scope corresponding to goodwill for the financial year 2023, amounting to 2,510,000 euros, result from the acquisition of Carretillas Mayor, Ozmaq S.A de C.V. and the remaining 50% of GAM Arabia Company Limited and the completion of the accounting registration of the business combination of Grupo Dynamo Hispaman, S.L., all as described in Note 6. In addition, other intangible assets of 1,943,000 Euros include the valuation of the distribution contracts and the portfolio of rental and maintenance contracts of customers of the acquired companies.

***Goodwill impairment testing***

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of cash-generating units, that are expected to derive benefits from the synergies of the combination. The goodwill recognised by the Group as at 31 December 2024 has been allocated on the basis of the CGUs receiving the machinery acquired in the business combinations that gave rise to the goodwill.

The goodwill included in each segment as at 31 December 2024 is as follows:

| Amount in thousands of euros | Spain | Portugal | LATAM | Morocco | TOTAL |
|---|---|---|---|---|---|
| **As at 31 December 2024** | **10,817** | **7,150** | **10,127** | **1,273** | **29,367** |
| **As at 31 December 2023** | **10,817** | **7,150** | **9,285** | **1,273** | **28,525** |

The amount of 1,638,000 euros, recorded as new goodwill in 2023 (Note 6) due to the acquisition of Carretillas Mayor, is allocated to the Spain segment and has been included in the Group's current operations in Spain.

The amount of 822,000 euros, recorded as new goodwill in the 2023 financial year (Note 6), due to the acquisition of Ozmaq S. A de C.V., as well as the change in goodwill amounting to 842,000 euros, due to the completion of the provisional business combination registration, are allocated within the LATAM segment, which has been integrated with the activities currently carried out by the Group internationally.

In both cases, the Group expects that once the machinery acquired from the various acquisitions has been added to the Group's fleet of machines, sufficient cash flows can be generated to recover the excess price paid, and, additionally, several synergies have been identified between the acquired companies and business lines and the Group's current business in Spain and Portugal, which will help to increase sales and improve margins, including the commercial, operational and administrative use of the Group's network of outlets.

***Key assumptions used to calculate the recoverable amount of goodwill***

Goodwill impairment is measured by determining the recoverable amount of the cash-generating unit or group of cash-generating units to which the goodwill relates. If the recoverable amount of the cash-generating unit or group of cash-generating units is less than their carrying amount, the Group recognises an impairment loss.

The CGUs or groups of CGUs to which goodwill is allocated are never larger than the segments described in Note 6.

The CGUs are in Spain, Portugal, Morocco, Chile, Peru, Colombia, Mexico, Panama and the Dominican Republic. And the groups of CGUs to which the goodwill is allocated are Spain, Portugal, Morocco and Latam. In the case of the goodwill allocated to Latam, this is assigned to the group of CGUs comprising Chile, Peru, Colombia, Mexico, Panama and the Dominican Republic.

For those groups of CGUs that have been allocated goodwill, this has been included in the value of net fixed assets.

To calculate goodwill impairment, the Group performs a recoverability test at least once a year. No impairment of goodwill occurred in 2024.

In this respect, the carrying amount of each CGU has been measured in the same way as its recoverable amount. This includes assets that can be directly attributed, or allocated on a reasonable and consistent basis, to each CGU and which generate the future cash inflows used to measure the value in use of the CGU. Recognised liabilities are not included. Specifically, the carrying amount of each CGU consists mainly of net operating fixed assets and goodwill.

The recoverable amount is measured as the higher of value in use and fair value less costs to sell. The Company measures fair value using one of two methods: either market value less costs to sell or the discounted cash flow method based on the figures in the Business Plan approved by the Board of Directors, which are adjusted by the Company's Management according to the Group's financial position, if there are or are expected to be substantial deviations from the Plan.

When the fair value less the selling cost of CGUs or groups of CGUs is higher than the carrying amount, the Group does not consider it necessary to measure the value in use.

To calculate the market value less the estimated selling cost, the Group uses historical sales and purchase price data for new and used machinery transactions, adjusted for age, expected useful life and other technical characteristics to determine the market cost of each individual machine.

A sensitivity analysis has been carried out on the basis of market price variations of up to 1%, since, based on the historical data on the company's machine fleet, this is the average variation in the replacement cost value of the machines in the fleet over the last few years.

A 1% decrease in the fair value of the machinery would result in a decrease in the recoverable amount but would not result in the recoverable amount being lower than the net book value of the assets under analysis.

To calculate the fair value less costs to sell using the discounted cash flow method obtained from the 2025-2029 Business Plan approved by the Board of Directors in February 2025. The most sensitive items included in the projections used are the EBITDA, the discount rate and the "g" growth rate in perpetuity.

In 2024, the recoverable amount of the Spain, Portugal, Morocco and Latam segments was calculated using the discounted cash flow method described above.

In 2023, the recoverable value of the net operating assets and the goodwill corresponding to the Spain, Portugal and Morocco segments has been calculated using the discounted cash flow method. The recoverable amount of the Latam segment has been calculated by adding together the recoverable amounts of the CGUs that comprise it, determined using the discounted cash flow method (Chile, Mexico, Panama and Dominican Republic CGUs) and the market value less costs to sell method (Peru CGU).

Expressed in thousands of euros

The key assumptions used in 2024 when applying the discounted cash flow method based on figures in the Business Plan approved by the Board of Directors are as follows:

| | Spain | Portugal | LATAM | Morocco & Arabia |
|---|---|---|---|---|
| EBITDA (% of average sales for the 5-year period excluding terminal value) | 25% | 38% | 23% - 39% | 39% - 46% |
| After-tax discount rate | 9% | 9% | 11% - 15% | 11%-12% |
| "G" growth rate in perpetuity | 2% | 2% | 2% - 4% | 2% |

In 2023 the assumptions used were as follows:

| | Spain | Portugal | LATAM | Morocco & Arabia |
|---|---|---|---|---|
| EBITDA (% of average sales for the 5-year period excluding terminal value) | 26% | 39% | 24% - 43% | 38% |
| After-tax discount rate | 10% | 10% | 13% - 16% | 12% |
| "G" growth rate in perpetuity | 2% | 2% | 2% - 5% | 2% |

EBITDA is an approximate measure of operating cash flow and therefore the factor that determines the Group's capacity to make investments in the following year. As such, it determines future projections. Management has calculated budgeted revenue and EBITDA based on its best estimates of the outlook for the sector in the coming years. These estimates are based on the 2025-2029 Business Plan approved by the Board of Directors.

As regards the discount rate, it takes into account the fact that the financing operations are carried out centrally, with the Parent Company managing the Group's cash position, as well as other factors related to the particular situation in each country in which the Group operates, where different risk premiums arise.

The after-tax discount rate has been calculated on the basis of past experience and based on external sources of information. The Company has determined the "g" growth rate in perpetuity for the projections made in 2024 by taking into account various economic indicators such as inflation or the GDP deflator.
The Group's Management performs a sensitivity analysis of the key assumptions to ensure that any reasonably possible changes in these assumptions do have no impact on the recovery of the carrying amounts of the group of CGUs to which international goodwill is allocated:

- A 3% decrease in the EBITDA figures considered for all years included in the analysis would result in a decrease in the recoverable amount but would not result in significant differences between the recoverable amount and the net book value of the assets analysed.

- An increase of 100 basis points in the weighted average cost of capital (WACC) would result in a decrease in the recoverable amount but would not result in significant differences between the recoverable amount and the net book value of the assets analysed.

Expressed in thousands of euros

- A decrease of 100 basis points in the perpetual growth rate would result in a decrease in the recoverable amount but would not result in significant differences between the recoverable amount and the net book value of the assets analysed.

The amount by which the value assigned to each key assumption must change in order for the recoverable amount to be equal to the carrying amount of the segment in the 2024 impairment calculation after factoring all the effects of that change into the recoverable amount, on a stand-alone basis, is shown below:

| | Spain | Portugal | LATAM | Morocco & Arabia |
|---|---|---|---|---|
| EBITDA (% of average sales for the 5-year period excluding terminal value) | -5% | -12% | Between -6% and -30% | Between 0% and -21% |
| After-tax discount rate | 5% | 5% | Between 10% & 99% | Between 0% & 75% |
| "G" growth rate in perpetuity | -19% | -99% | Between -1.5% and -50% | Between -9% and -99% |

The amount by which the value assigned to each key assumption must change in order for the recoverable amount to be equal to the carrying amount of the segment in the 2023 impairment calculation after factoring all the effects of that change into the recoverable amount, on a stand-alone basis, is shown below:

| | Spain | Portugal | LATAM | Morocco & Arabia |
|---|---|---|---|---|
| EBITDA (% of average sales for the 5-year period excluding terminal value) | -45% | -23% | Between -2% & -41% | -2% |
| After-tax discount rate | 6% | 7% | Between 1% & 50% | - |
| "G" growth rate in perpetuity | -12% | -17% | Between -1.5% & -50% | -1% |

Expressed in thousands of euros

# 9 Financial instruments by category

The breakdown of financial assets and liabilities by category, as at 31 December 2024, is as follows:

| ASSETS ON BALANCE SHEET (thousands of euros) | Loans and receivables | Total |
|---|---|---|
| Trade and other receivables (Note 10) | 82,032 | 82,032 |
| Other financial assets | 2,753 | 2,753 |
| Other current and non-current assets | 4,090 | 4,090 |
| | **88,875** | **88,875** |

| LIABILITIES ON BALANCE SHEET (thousands of euros) | Financial liabilities at amortised cost | Total |
|---|---|---|
| Borrowings and other financial liabilities (Note 17) | 166,325 | 166,325 |
| Bond issues and other marketable securities (Note 17) | 72,928 | 72,928 |
| Lease liabilities (Note 16) | 108,085 | 108,085 |
| Contract liabilities from contracts with customers (Note 18) | 25,411 | 25,411 |
| Trade and other payables (Note 15) | 65,961 | 65,961 |
| | **438,710** | **438,710** |

The breakdown of financial assets and liabilities by category, as at 31 December 2023, is as follows:

| ASSETS ON BALANCE SHEET (thousands of euros) | Loans and receivables | Total |
|---|---|---|
| Trade and other receivables (Note 10) | 76,221 | 76,221 |
| Other financial assets | 2,205 | 2,205 |
| Other current and non-current assets | 6,174 | 6,174 |
| | **84,600** | **84,600** |

| LIABILITIES ON BALANCE SHEET (thousands of euros) | Financial liabilities at amortised cost | Total |
|---|---|---|
| Borrowings and other financial liabilities (Note 17) | 177,691 | 177,691 |
| Bond issues and other marketable securities (Note 17) | 46,948 | 46,948 |
| Lease liabilities (Note 16) | 112,309 | 112,309 |
| Contract liabilities from contracts with customers (Note 18) | 21,428 | 21,428 |
| Trade and other payables (Note 15) | 68,069 | 68,069 |
| | **426,444** | **426,444** |

The fair value of the assets and liabilities does not differ significantly from their carrying amount.

Expressed in thousands of euros

# 10 Trade and other receivables

The breakdown is as follows:

| | Thousands of euros | |
|---|---|---|
| | 2024 | 2023 |
| Customer accounts receivable | 86,734 | 84,107 |
| Public authorities | 6,088 | 2,450 |
| Other receivables | 724 | 756 |
| Receivables from group companies and associates | 39 | 1 |
| Impairment losses | (11,553) | (11,093) |
| | **82,032** | **76,221** |

The breakdown of impairment losses during the year is as follows:

| | Thousands of euros | |
|---|---|---|
| | 2024 | 2023 |
| **Balance as at 1 January** | **(11,093)** | **(11,586)** |
| Provisions for the year | (1,179) | (1,373) |
| Applications | 499 | 939 |
| Reversal of provisions | 220 | 764 |
| Other movements | - | 163 |
| **Balance as at 31 December** | **(11,553)** | **(11,093)** |

The provisions for the year and reversals of provisions are recorded in the consolidated income statement under "Other expenses" (Note 23).

Customer accounts receivable include discounted bills in financial institutions, maturing on 31 December 2024, amounting to 4,902,000 euros (7,261,000 euros in 2023) (Note 17).

As at 31 December 2024, the Group has secured non-recourse factoring facilities for an amount of 13 million euros (15 million euros as at 31 December 2023), of which it has drawn down 10,558,000 euros (9,586,000 euros as at 31 December 2023).

The GAM Group considers financial assets to be non-performing when their due date has passed and no consideration has been received from the debtor. In the specific case of "Trade and other receivables", the amount in arrears at 31 December 2024 for which the Group had not recognised any impairment losses other than those calculated based on expected loss (Note 3.2) amounted to approximately 17,333,000 euros (10,415,000 euros at 31 December 2023). However, as at 31 December 2024, approximately 55% of these balances (60% as at 31 December 2023) are covered by insurance contracts with leading companies, which guarantees that they will be recovered.

In addition, taking into account the Group's past experience and the specific circumstances of its customers, the Group does not strictly consider the aforementioned balance of 17,333,000 euros (10,415,000 euros in 2023) for all invoices that are overdue by up to 60 days to be in arrears. This amount totals 8,951,000 euros as at 31 December 2024 (5,767,000 euros in 2023).

An ageing analysis of the 8,382,000 euros (4,648,000 euros in 2023) of non-performing financial assets overdue by more than 60 days and not impaired as at 31 December 2024 and 2023 is shown below:

| | Thousands of euros | |
|---|---|---|
| | **2024** | **2023** |
| Between 60 & 120 days | 2,515 | 3,055 |
| Between 120 & 180 days | 5,401 | 1,238 |
| Over 180 days | 466 | 355 |
| | **8,382** | **4,648** |

Of the total balance overdue for more than 180 days, there are no notes receivable or balances covered by credit insurance as at 31 December 2024 and 2023, and therefore they have been impaired. For the remaining debts, the Group has reasonable expectations of collection and therefore they have not been impaired.

Of the total balance overdue for between 120 and 180 days, more than 80% was collected in January 2025 and the remainder is expected to be collected.

The maximum exposure to credit risk at the reporting date is the carrying amount of trade and other receivables.

The group assesses expected losses on trade receivables each year using a model based on past defaults in each of its debt tranches and on the credit risk of the customers.

The analysis did not reveal a significant increase in expected losses.

The balance sheet carrying amount of "Trade and other receivables" originally denominated in currencies other than the euro, which have been translated in these consolidated financial statements into the presentation currency (euro) as at 31 December 2024 and 2023 (expressed in thousands of euros), is as follows:

| | Thousands of euros | |
|---|---|---|
| | **2024** | **2023** |
| Mexican peso | 8,469 | 4,986 |
| Peruvian nuevo sol | 898 | 819 |
| US dollar | - | - |
| Colombian peso | 10 | 71 |
| Moroccan dirham | 5,779 | 5,310 |
| Chilean peso | 812 | 2,856 |
| Dominican peso | 790 | 499 |
| | **16,758** | **14,541** |

The ageing of trade receivables, based on their due dates, is detailed in Note 3.2.

Expressed in thousands of euros

# 11 Other non-current financial assets

| COST | Loans to group companies | Deposits and bonds | Others | Total |
|---|---|---|---|---|
| **Balance as at 1 January 2023** | **2,448** | **663** | **1,513** | **4,624** |
| Additions | - | 375 | | 375 |
| Disposals | (2,448) | (89) | (257) | (2,794) |
| **Balance as at 31 December 2023** | **-** | **949** | **1,256** | **2,205** |
| Additions | - | 90 | 540 | 630 |
| Disposals | - | (8) | (74) | (82) |
| **Balance as at 31 December 2024** | **-** | **1,031** | **1,722** | **2,753** |

"Deposits and bonds" mainly relate to the buildings in which the Group operates, which are leased, as well as deposits pledged as collateral provided by the Group.

The amount recognised under "Loans to group companies" as at 1 January 2023 was the amount outstanding between Group companies accounted for using the equity method, which had been reclassified to non-current as specified in Note 14. In 2023, the GAM Group obtained control of the company concerned and now accounts for it using the full consolidation method. As a result, this balance has been eliminated.

The amount recognised under "Other" is mainly related to long-term financial investments (deposits). The increase in 2024 corresponds mainly to the capital increase by GAM SA in the Equipzilla project (a machinery equipment marketplace in which the Group holds a stake of less than 25%) for an amount of 360,000 euros.

As at 31 December 2024 and 2023, the fair value of all assets is similar to their carrying amount.

The maximum exposure to credit risk at the reporting date is the carrying amount of these financial assets.

Expressed in thousands of euros

## 12 Inventory

The breakdown of inventory as at 31 December 2024 and 2023 is as follows:

| | Thousands of euros | |
|---|---|---|
| | **2024** | **2023** |
| Spare parts and fuel | 16,954 | 12,629 |
| Machinery held for sale | 17,203 | 19,020 |
| Finished machinery and work in progress | 2,920 | - |
| Advances to suppliers | 107 | 750 |
| Impairment | (6,537) | (6,286) |
| | **30,647** | **26,113** |

Inventory usage recognised as an expense and included under "Spare parts" (Note 22) amounts to 23,480,000 euros in 2024 (20,374,000 euros in 2023).

The change in inventories of finished machinery and work in progress recognised in the consolidated income statement amounts to 2,920,000 Euros in 2024.

During the year, the Company reclassified used machinery held for sale to inventory in the amount of 6,591,000 euros (5,997,000 euros in 2023) (Note 7).

There are no restrictions on the availability of inventories due to factors such as collateral, pledges or guarantees.

## 13 Cash and cash equivalents

The entire cash balance comprises bank accounts, cash on hand and short-term deposits, initially arranged for a period of less than 3 months.

These bank accounts did not bear any interest in 2024 and 2023.

As at 31 December 2024 and 2023, there are no restrictions on the availability of the Company's cash and cash equivalents.

Expressed in thousands of euros

# 14 Equity

### a) Share capital, share premium and treasury shares

| | Capital | Share premium | Total |
|---|---|---|---|
| **AS AT 1 JANUARY 2023** | **94,608** | **58,476** | **153,084** |
| Capital increase | - | - | - |
| Disposals | - | - | - |
| **BALANCE AS AT 31 DECEMBER 2023** | **94,608** | **58,476** | **153,084** |
| Capital increase | - | - | - |
| Disposals | - | - | - |
| **BALANCE AS AT 31 DECEMBER 2024** | **94,608** | **58,476** | **153,084** |

As at 31 December 2024 and 2023, the share capital of the company amounted to 94,608 euros, comprising 94,608,106 fully paid-up and subscribed shares each with a face value of 1 euro.

**Ownership interest**

According to the notifications received by the Company in accordance with the provisions of the current regulations on the obligation to disclose ownership interests, the significant shareholders as at 31 December 2024 and 2023 are as follows:

| | Ownership interest | | |
|---|---|---|---|
| | % direct | % indirect | Total |
| Banco Santander, S.A. | 4.48% | - | 4.48% |
| Indumenta Pueri, S.L.[1] | - | 10.56% | 10.56% |
| Pedro Luis Fernández Pérez[2] | 0.22% | 5.84% | 6.06% |
| Francisco J. Riberas Mera[3] | - | 43.24% | 43.24% |
| Francisco J. Riberas López[4] | - | 5.00% | 5.00% |
| Mónica Riberas López[5] | - | 5.00% | 5.00% |
| Patricia Riberas López[5] | - | 5.00% | 5.00% |

*[1] Indumenta Pueri, S.L. holds shares through the companies Willmington Capital, S.L. and Global Portfolio Investments, S.L.*
*[2] Pedro Luis Fernández Pérez holds shares through the company Uno de Febrero, S.L.*
*[3] Francisco J. Riberas Mera holds shares through the company Orilla Asset Management, S.L.*
*[4] Francisco J. Riberas López holds shares through the company Inversiones en Tecnología y Desarrollo, S.L.*
*[5] Mónica J. Riberas López holds shares through the company Artestha Gestión de Inversiones, S.L.*
*[6] Patricia J. Riberas López holds shares through the company Ryoku Inversiones e Iniciativas, S.L.*

### b) Share premium

This reserve is not freely distributable due to accumulated losses.

Similarly, the payment of dividends is subject to a number of conditions, as a result of commitments made to certain financial institutions.

On 19 December 2024, GAM entered into a syndicated loan agreement, the purpose of which was, among other things, to terminate the syndicated loan agreement signed on 31 March 2015 and renewed on 17 December 2020 and subsequently on 29 November 2022 (Note 17). This loan agreement contained the following restrictions:

- there are no amounts due under Tranche B, i.e. the amount of Tranche B is fully settled;

- no Early Maturity Event has occurred, nor will an Early Maturity Event occur as a result of the dividend payout;

- according to the latest available Compliance Certificate, the Net Financial Debt / EBITDA Ratio at the time the dividend payout is agreed and after the dividend payout has been made is less than or equal to 3x.

- once the dividend payout has been made, the Obligors must continue to hold cash at least equivalent to the Minimum Cash Balance, which is set at 15 million euros.

Following the subscription of the new syndicated loan, the previous restrictions will be lifted and the payment of dividends will be conditional on:

- the Net Financial Debt / EBITDA ratio not being breached in the financial year following the payment of the relevant dividend (i.e. it remains equal to or less than the levels specified in Note 17); and
- there is no Event of Default which has not been waived and is ongoing;

Additionally, with regard to the bond issue, the Basic Information Document for the listing of securities on the Alternative Fixed-Income Market and the loan agreement signed with the European Investment Bank in 2022, make dividend payouts conditional on achieving certain financial ratios during the life of the contract, namely:

- the Net Financial Debt-to-EBITDA Ratio is equal to or below the levels set out in Note 17.

### *c) Treasury shares*

On 13 June 2024, the Parent Company's Annual General Meeting agreed to authorise the acquisition of a maximum number of treasury shares provided that when combined with those already held by the Parent Company or its subsidiaries they did not exceed 10% of the Parent Company's share capital; at a minimum price not lower than their face value and at a maximum price not exceeding 120% of their market value at the acquisition date; the authorisation was granted for a period of 18 months from the date the resolution was passed. As at 31 December 2024, the GAM Group holds 627,000 euros in treasury shares on its balance sheet, recorded as a reduction of equity (475,000 euros at 31 December 2023).

### *d) Share option scheme. Transactions with payments based on equity instruments*

**2018 extraordinary variable remuneration scheme**

On 27 July 2018, the Parent Company's Extraordinary General Meeting approved an extraordinary variable remuneration scheme for Group directors linked to the value of the GAM

Expressed in thousands of euros

shares transferred by some of their holders. The details of the scheme are explained in Note 2.18 c).
No such amounts accrued in 2024 and 2023.

**2015 extraordinary variable remuneration scheme**

On 16 December 2015, the Parent Company's Extraordinary General Meeting approved an extraordinary variable remuneration scheme for Group directors linked to the value of the GAM shares at various points in time up to March 2022. The details of the scheme are explained in Note 2.18 c).

At year-end 2024, in compliance with IFRS 2, the Group recognised an amount of 4,311,000 euros (4,311,000 euros as at 31 December 2023) in equity, for the accrued rights derived from continuing both schemes as at 31 December 2024. The balancing entry of this credit to equity was a charge to staff costs (Note 24).

***e) Reserves and accumulated losses***

There follows a breakdown of movements in reserves and accumulated losses:

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Reserve Legal | Others Reserves | Profit (loss) for the year | Total |
| **AS AT 1 JANUARY 2023** | **9,576** | **(79,976)** | **7,660** | **(62,740)** |
| Distribution of profit for 2022 | 1,090 | 6,570 | (7,660) | - |
| Other movements | - | (16) | - | (16) |
| Profit for 2023 | - | - | 9,069 | 9,069 |
| **BALANCE AS AT 31 DECEMBER 2023** | **10,666** | **(73,422)** | **9,069** | **(53,687)** |
| Distribution of profit for 2023 | 562 | 8,507 | (9,069) | - |
| Other movements | - | 8 | - | 8 |
| Profit for 2024 | - | - | 4,397 | 4,397 |
| **BALANCE AS AT 31 DECEMBER 2024** | **11,228** | **(64,907)** | **4,397** | **(49,282)** |

**Legal reserve**

This heading includes the Parent Company's legal reserve, which amounts to 11,228,000 euros as at 31 December 2024 (10,666,000 euros as at 31 December 2023) and has been allocated in accordance with Article 274 of the Consolidated Text of the Spanish Corporate Enterprises Act, which stipulates that, in all cases, an amount equal to 10% of the profit for the year must be allocated until it reaches at least 20% of the share capital.

The Legal Reserve cannot be distributed and if it is used to offset losses, when there are not sufficient other reserves available for that purpose, it must be restored from future profits.

Expressed in thousands of euros

**Other reserves**

"Other reserves" consist of unused losses from previous years, reserves related to the share-based payment scheme (Note 14.d), gains (losses) on treasury share transactions, the equity conversion component of convertible bonds issued and translation differences.

**Distribution/allocation of the Parent Company's profit**

The proposed distribution of the parent company's profit for the year to be submitted to the Annual General Meeting, and the allocation of profit for the year, are as follows:

| | Thousands of euros | |
|---|---|---|
| | **2024** | **2023** |
| **DISTRIBUTABLE PROFIT** | | |
| Accumulated losses | | |
| Profit (loss) for the year | 55,066 | 5,615 |
| | | |
| Legal reserve | 5,507 | 562 |
| Accumulated losses | 49,559 | 5,053 |
| | **55,066** | **5,615** |

### *f) Translation differences*

As indicated in Note 3.1(d), several Group companies have long-term loans or receivables in euros with other Group companies that are foreign operations.

A portion of these loans have been treated as part of the entity's net investment in those foreign operations.

Accordingly, General de Alquiler de Maquinaria, S.A. and Grupo Internacional de Inversiones en Maquinaria, S.A.U. have entered into long-term loans receivable from other subsidiaries amounting to 7,800,000 euros and 15,461,000 euros, respectively. Any exchange differences that arise on the monetary items comprising the entity's net investment in foreign operations are recognised in profit or loss in the separate financial statements of the foreign operation (IAS 21).

In the consolidated financial statements, these cumulative exchange gains of 556,000 euros in 2024 (cumulative gains of 1,264,000 euros as at 31 December 2023) are initially recognised in consolidated other comprehensive income and will be reclassified from equity to profit or loss when the foreign operation is disposed of.

### *g) Non-controlling interests*

In 2024 and 2023, movements in non-controlling interests and profit (loss) attributable to minority interests were as follows

Expressed in thousands of euros

| | Thousands of euros |
|---|---|
| **AS AT 1 JANUARY 2023** | **4,039** |
| Changes in the scope of consolidation | (1,935) |
| Profit (loss) attributable to minority interests | (25) |
| **BALANCE AS AT 31 DECEMBER 2023** | **2,079** |
| Changes in the scope of consolidation | - |
| Profit (loss) attributable to minority interests | (40) |
| **BALANCE AS AT 31 DECEMBER 2024** | **2,039** |

The changes in non-controlling interests in 2023 mainly stem from the reclassification of the put option granted to Ade Gestión Sodical Sgecr S A in relation to the 40% stake it holds in GAM Circular Process S.L., as the Group currently has access to returns on the shareholding.

# 15 Trade and other payables

As at 31 December 2024 and 2023, they break down as follows:

| | Thousands of euros | |
|---|---|---|
| | **2024** | **2023** |
| Trade payables | 42,500 | 48,210 |
| Suppliers by reverse factoring | 973 | 1,165 |
| Other payables | 22,488 | 18,694 |
| | **65,961** | **68,069** |

The fair value of all items recorded under "Trade and other payables" is the same as their carrying amount.

As at 31 December 2024, the Group has secured reverse factoring facilities with various financial institutions to enable advance payments to suppliers. At 31 December 2024, the amount drawn by the Group under its reverse factoring facilities totals 6,631,000 euros (3,486,000 euros at 31 December 2023), of which 5,658,000 euros (2,321,000 euros) represents a payment obligation on the part of the financial institution, resulting in the derecognition of "Trade and other payables" and their recognition in "Loans and other financial liabilities", Consequently, the book value of the commercial liabilities, i.e. those for which the suppliers have not received payment from the financial institutions, of 973,000 euros (1,165,000 euros at 31 December 2023) remains recognised under "Trade and other payables".

The details of the carrying amounts and the range of maturities of the liabilities associated with the reverse factoring facilities are as follows:

Expressed in thousands of euros

| | Thousands of euros | |
|---|---|---|
| | 2024 | 2023 |
| | Current | Current |
| Book value of the Group's outstanding liabilities | 973 | 1,165 |
| Book value of liabilities paid by financial institutions to suppliers | 5,658 | 2,321 |
| Range of due dates of liabilities subject to reverse factoring agreements | 120 - 180 days | 120 - 180 days |
| Range of due dates of liabilities not included in reverse factoring agreements | 60 - 90 days | 60 - 90 days |

The main terms and conditions of reverse factoring are detailed in Note 17.

a) **Information on deferred payments to suppliers. Additional Provision 3 "Duty of disclosure" of Act 15/2010, of 5 July**

The information required by Additional Provision Three of Act 15/2010, of 5 July, prepared in accordance with the Resolution of the Spanish Accounting and Auditing Institute (ICAC) of 29 January 2016, on the information that must be disclosed in notes to financial statements regarding average payment periods to suppliers for trading operations in Spain, is set out below.

The information required is detailed below:

| | 2024 | 2023 |
|---|---|---|
| **Average payment period to suppliers (days)** | **69** | **76** |
| Ratio of transactions paid (days) | 71 | 73 |
| Ratio of transactions outstanding (days) | 51 | 88 |
| Total payments made (thousands of euros) | 143,968 | 154,097 |
| Total payments outstanding (thousands of euros) | 19,929 | 29,833 |

Details of invoices paid within a period shorter than the maximum period stipulated in the late payment regulations:

| | 2024 | 2023 |
|---|---|---|
| **Monetary amount paid in euros (thousands of euros)** | 96,310 | 77,132 |
| **Percentage share of total monetary payments to suppliers** | 65% | 53% |
| **Number of invoices paid** | 59,714 | 62,769 |
| **Percentage share of total number of supplier invoices paid** | 72% | 71% |

For the sole purpose of providing the information required by this Resolution, trade payables for debts with suppliers of goods or services, included under the headings "Suppliers", "Suppliers, group companies and associates" and "Sundry accounts payable" on the current liabilities side of the consolidated balance sheet, are classified as suppliers.

Expressed in thousands of euros

# 16 Right-of-use assets and lease liabilities

### a) Right-of-use assets

The breakdown of movements in right-of-use assets, by type, as at 2024, is as follows:

| | Thousands of euros | | | |
|---|---|---|---|---|
| **COST** | **Industrial units and flats** | **Vehicles** | **Machinery** | **TOTAL** |
| **Balance as at 1 January 2023** | **44,407** | **6,806** | **90,152** | **141,365** |
| Additions | 2,036 | 593 | 31,385 | 34,014 |
| Additions to the scope of consolidation | 3,236 | - | 11,570 | 14,806 |
| Disposals | (3,249) | (240) | (70) | (3,559) |
| Transfers | - | - | (1,721) | (1,721) |
| Translation differences | 53 | 48 | - | 101 |
| **Balance as at 31 December 2023** | **46,483** | **7,207** | **131,316** | **185,006** |
| Additions | 7,094 | 3,328 | 17,355 | 27,777 |
| Disposals | (3,214) | (2,744) | - | (5,958) |
| Transfers | (157) | 157 | 5,375 | 5,375 |
| Translation differences | 80 | (143) | - | (63) |
| **Balance as at 31 December 2024** | **50,286** | **7,805** | **154,046** | **212,137** |

| | Thousands of euros | | | |
|---|---|---|---|---|
| **ACCUMULATED DEPRECIATION** | **Industrial units and flats** | **Vehicles** | **Machinery** | **TOTAL** |
| **Balance as at 1 January 2023** | **(27,681)** | **(4,848)** | **(17,155)** | **(49,684)** |
| Additions | (5,238) | (1,271) | (9,679) | (16,188) |
| Disposals | 1,073 | 198 | - | 1,271 |
| Transfers | - | - | 5,734 | 5,734 |
| Translation differences | (13) | (27) | - | (40) |
| **Balance as at 31 December 2023** | **(31,859)** | **(5,948)** | **(21,100)** | **(58,907)** |
| Additions | (5,613) | (2,219) | (15,054) | (22,886) |
| Disposals | 2,451 | 2,614 | - | 5,065 |
| Transfers | 128 | (128) | 244 | 244 |
| Translation differences | 392 | 401 | - | 793 |
| **Balance as at 31 December 2024** | **(34,501)** | **(5,280)** | **(35,910)** | **(75,691)** |

| | | | | |
|---|---|---|---|---|
| **Net book value as at 31 December 2023** | **14,624** | **1,259** | **110,216** | **126,099** |
| **Net book value as at 31 December 2024** | **15,785** | **2,525** | **118,136** | **136,446** |

Transfers are as described in Note 7.

All right-of-use assets under "Machinery" refer to assets financed by financial institutions through lease agreements. In these cases, the lease term and interest rate defined in the agreement have been taken into account. The Company expects the purchase option to be exercised at the end of the lease term. When the purchase option is exercised, the rights of use are transferred to "Property, plant and equipment".

In the case of industrial units, flats and vehicles, the main assumptions used by the Group were the average incremental rate of between 3.5% and 4.5%, and the estimated lease term, based on the non-cancellable period plus the periods covered by renewal options whose exercise is at the discretion of the Group and which it believes to be reasonably certain.

In the case of vehicles, the term applied is the term established in the agreement itself, since at the end of the agreements, the Company never renews or extends them, but signs a new agreement, either for a new vehicle or for the same vehicle, but with substantially different conditions (generally a lower price).

The Group carries out a large proportion of its operations in properties and facilities leased from third parties. In the case of industrial units and apartments, the Company has estimated a minimum lease term of 5 and 3 additional years, respectively, based on past periods of occupancy in each leased industrial unit and apartment, unless the agreement stipulates a longer term, in which case it has been assumed that the term defined in the agreement will be met.

Lease agreements for industrial units and apartments contain renewal and termination options. Renewal options are granted in order to take advantage of the site where the business has performed satisfactorily. Cancellation options generally require the Group to pay the minimum agreed lease payments outstanding during the residual term.

On 31 December 2024 the Group assessed whether there had been significant events on the basis of which the right-of-use assets ought to be remeasured, and remeasurements were recorded as shown in paragraph d).

Variable lease payments are indexed to the CPI.

The Group also has short-term leasing and asset leasing contracts with an individual value of less than 5,000 euros, for which it has recorded a leasing expense of 1,923,000 euros (2,141,000 euros in 2023) under 'Other operating expenses'.

The Group has no residual value guarantees on lease agreements and no obligation to restore or decommission rights-of-use assets.

The Group tests recognised right-of-use assets for impairment in accordance with IAS 36. Given that right-of-use assets do not generate cash inflows that are separate from those produced by other assets, the Group identifies the CGU to which those right-of-use assets belong in order to include them in the CGU and test them for impairment against the recoverable amount of the unit as described in Note 7. No evidence of impairment was identified for any CGU in 2024.

Expressed in thousands of euros

### b) Lease liabilities

Breakdown of lease agreements by asset class and significant amounts:

| | Thousands of euros | | | |
|---|---|---|---|---|
| | 31,12,2024 | | 31,12,2023 | |
| | Current | Non-current | Current | Non-current |
| **Lease liabilities** | | | | |
| Industrial units and flats | 1,324 | 16,698 | 5,926 | 10,841 |
| Vehicles | 1,083 | 1,637 | 850 | 859 |
| Machinery | 27,412 | 59,931 | 27,935 | 65,897 |
| **Total lease liabilities** | **29,819** | **78,266** | **34,711** | **77,597** |

In accordance with IFRS 16, debts arising from existing lease agreements, with the exception of intangible assets, short-term leases (lease term of less than 12 months) and leases of individual low-value assets, are recognised under this heading.

As at 31 December 2024, the lease liabilities and related finance charges are expected to be settled according to the following schedule:

| 31.12.2024 (thousands of euros) | 2025 | 2026 | 2027 | 2028 | 2029 and onwards | Total |
|---|---|---|---|---|---|---|
| **Net present value** | 29,819 | 26,698 | 18,729 | 14,884 | 17,955 | **108,085** |
| **Finance charge** | 5,732 | 3,417 | 2,237 | 1,270 | 1,288 | **13,944** |

As at 31 December 2023, the finance lease liabilities and related finance charges were expected to be settled according to the following schedule:

| 31.12.2023 (thousands of euros) | 2024 | 2025 | 2026 | 2027 | 2028 and onwards | Total |
|---|---|---|---|---|---|---|
| **Net present value** | 34,711 | 25,670 | 20,934 | 13,239 | 17,754 | **112,308** |
| **Finance charge** | 4,479 | 3,120 | 2,036 | 1,202 | 1,093 | **11,930** |

The fair value of the lease liability is similar to its carrying amount.

Leases recorded as financial debt for accounting purposes do not meet the tax requirements for the special finance lease regime, as they are not entered into with financial institutions, and are therefore not legally considered finance lease agreements.

### c) Amounts recognised in the consolidated income statement

The amounts recognised in the consolidated income statement in connection with lease agreements are as follows:

Expressed in thousands of euros

| | Thousands of euros | |
|---|---|---|
| | 2024 | 2023 |
| **Fixed asset depreciation (amortisation) charge** | | |
| Amortisation of rights of use | **22,886** | **16,188** |
| **Financial expenses** | | |
| Financial expenses - lease liabilities (Note 25) | **5,732** | **4,407** |
| **Other operating expenses** | | |
| Expenditure on low-value contracts (Note 23) | **1,923** | **2,141** |

### d) Movements in lease liabilities:

| | 2024 | 2023 |
|---|---|---|
| **Balance as at 1 January** | **112,307** | **83,025** |
| Translation differences | (241) | 266 |
| Additions to the scope of consolidation | - | 15,925 |
| New lease agreements | 24,593 | 42,822 |
| Financial restatement | 5,732 | 4,407 |
| Principal payments made | (31,684) | (29,547) |
| Interest payments made | (5,732) | (4,407) |
| Remeasurement/modification of lease liabilities | 3,377 | (180) |
| Disposals | (267) | (4) |
| **Balance as at 31 December** | **108,085** | **112,307** |

Expressed in thousands of euros

# 17 Borrowings and other financial liabilities

The breakdown of borrowings is as follows:

| | Thousands of euros | |
|---|---|---|
| **NON-CURRENT** | **2024** | **2023** |
| Bank borrowings | 87,006 | 90,731 |
| Bond issues and other marketable securities | 29,889 | 29,821 |
| Other subordinated loans with related parties | 10,000 | 10,000 |
| Other bank borrowings | 574 | 20,679 |
| Other non-current liabilities | 32,265 | 25,694 |
| | **159,734** | **176,925** |
| **CURRENT** | **2024** | **2023** |
| Bank borrowings | 21,009 | 18,190 |
| Bond issues and other marketable securities | 43,039 | 17,127 |
| Other bank borrowings | 9,788 | 4,737 |
| Other current liabilities | 5,683 | 7,660 |
| | **79,519** | **47,714** |
| | **239,253** | **224,639** |

The fair value of borrowings and other financial liabilities does not differ significantly from their net book value.

**Bond issues and other marketable securities**

On 26 January 2022, GAM recorded the novation of the promissory note programme entitled "GAM 2021 Promissory Note Programme", which was listed on the Alternative Fixed-Income Market with a maximum outstanding balance of 50 million euros.

This programme, which is still in force after its novation on 29 January 2024 under the name 'GAM 2024 Sustainability Linked Promissory Notes Programme', was registered on the Alternative Fixed Income Market and has a maximum outstanding amount of 50 million euros, with issues made during the financial year 2024 for a total amount of 43.1 million euros.

On 6 July 2021, the Group registered the first bond issue on the Alternative Fixed-Income Market under the "GAM 2021 Fixed-Income Programme" with a total face value of 30 million euros, a maximum outstanding balance of 80 million euros and a maturity date of 5 July 2026. The costs associated with the issuance of debt amounted to 346,000 euros.

On 5 June 2024, this programme was renewed under the name 'GAM 2024 Fixed Income Programme' with an outstanding amount of 100 million Euros. The bonds accrue interest at a rate of 4.5%.

With regard to the bond issue, the Basic Information Document for the listing of securities on the Alternative Fixed-Income Market stipulates certain financial ratios that must be achieved during the life of the contract:

Expressed in thousands of euros

- Net Financial Debt / EBITDA ratio: The ratio that is calculated must not exceed the following levels, in each of the periods indicated below:

| Year | 2024 | 2025 |
|---|---|---|
| **Maximum level** | 3.50 | 3.50 |

As at 31 December 2024, the Group is meeting the ratios established under the contract.

**Bank borrowings**

On 17 December 2020, a novation agreement was signed for the Tranche A syndicated loan that had been arranged in 2015, for an amount of 75,412,000 euros, whereby the debt repayment schedule was changed. Under this agreement, this debt will be repaid over various maturity dates during the 5 years following the completion of the transaction (i.e. December 2025).

However, on 19 December 2024, GAM signed a new financing agreement with a syndicate of banks for 60 million euros and prematurely terminated the 75,412 million euros financing agreement signed in 2015, the outstanding amount of which at the time of the premature termination in December 2024 was 9,085 million euros, which was fully paid at the time of signing the new syndicated financing.

The 60 million euro syndicated loan agreement signed on 19 December 2024 is structured in three tranches for the following purposes:

- Tranche A, for an amount of 20 million euros, for the purpose of: i) cancelling the debt deriving from the 2015 Syndicated Financing Agreement; and ii) cancelling the debt deriving from the bilateral credit agreements maturing in 2025.
- Tranche B, for an amount of EUR 15 million, the purpose of which is to finance the Group's general operating needs, including, without limitation, the implementation of acquisitions and investments to be made.
- RCF Tranche for an amount of 25 million Euros, the purpose of which is to finance the Group's general operating needs, including, but not limited to, the implementation of acquisitions and investments to be made.

Tranches A and B mature in December 2030 and December 2031 respectively. The revolving credit facility (RCF) has an initial term of 3 years, extendable for a further 2 years.

The financing agreement provides for an interest rate on tranches A and B equal to Euribor plus an applicable margin which varies between 2% and 2.9% depending on the Group's financial ratios and between 1.8% and 2.7% in the case of the RCF.

In addition, the so-called "KPI-based sustainable finance" has been structured in such a way that the above spread increases or decreases by up to 0.05% depending on the fulfilment of certain sustainability indicators, which have to be certified by the Group each financial year.

All those subsidiaries that are considered relevant, i.e. whose individual EBITDA, assets or income at any given time represent at least 5% of the Group's EBITDA, consolidated assets or income, have been included as guarantors of the financing.

Expressed in thousands of euros

The novation agreement also sets certain restrictions on dividend payouts (Note 2.26). Basically, the following financial ratios must be met after the distribution of dividends and in any case during the term of the agreement:

- Net Financial Debt / EBITDA ratio: The ratio that is calculated must not exceed the following levels, in each of the periods indicated below:

| Year | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|
| Maximum level | 4.50 | 4.00 | 3.75 | 3.50 | 3.50 | 3.50 | 3.50 |

- Ratio of EBITDA to Financial Expenses: The result of the calculation of this ratio should be equal to or greater than the following levels:

| Year | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|
| Maximum level | N/A | 3.75 | 4.25 | 5.00 | 5.00 | 5.00 | 5.00 |

- Loan-to-Value Ratio - Collateral Coverage Ratio for Machinery: on the calculation date of 31 December of each year, the sum of the net book value of the machinery covered by collateral must be at least 110% of the outstanding amount.

As at 31 December 2024, the Group is meeting the ratios established under the contract.

On 30 November 2022, GAM entered into a financing arrangement with the European Investment Bank (EIB), backed by the European Fund for Strategic Investments. The total amount of finance is 35 million euros and it is earmarked for investments associated with various sustainability and innovation projects being carried out by the Group. This loan has a two-year grace period, so it will be repaid over various maturity dates over the following 6 years starting in December 2025 (i.e. December 2030). This loan accrues interest at a fixed rate of 4.44%, which can be reviewed at four years and may be changed as of that date.

The loan agreement with the EIB requires certain financial ratios to be met during the life of the contract:

- Net Financial Debt / EBITDA ratio: The ratio that is calculated must not exceed the following levels, in each of the periods indicated below:

| Year | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|
| Maximum level | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |

- Ratio of EBITDA to Financial Expenses: The result of the calculation of this ratio should be equal to or greater than 5 times EBITDA.
- Loan-to-Value Ratio - Collateral Coverage Ratio for Machinery: on the calculation date of 31 December of each year, the sum of the net book value of the machinery covered by collateral must be at least 110% of the outstanding amount.

As at 31 December 2024, the Group meets the ratios established under the terms of the contract and according to the conditions set out in the waiver dated 18 December 2023.

On 29 March 2023, the GAM Group entered into a loan agreement with the Instituto de Crédito Oficial for 10 million euros with a 2-year grace period and maturing in 2031. This loan accrues interest at the 6-month Euribor rate plus a spread of 2.25%.
The fulfilment conditions of this loan are identical to those of the EIB loan.

At the date of authorisation for issue of these consolidated financial statements, the Group is in the process of novating the main clauses of the financing agreements signed with the ICO and the EIB in order to align these clauses with those agreed in the new syndicated financing facility signed in December 2024.

On 6 September 2023, the GAM Alquiler de México S.A de C.V. group entered into a loan agreement with HSBH México S.A. for an amount of 6,800,000 USD, with a 48-month term and a 3-month SOFR rate.

This item also includes loans guaranteed by the Official Credit Institute granted to the Company between 17 April and 22 November 2021 for a total amount of 10 million euros at 31 December 2024 (10 million euros at 31 December 2023), maturing in 2029, with monthly repayments. The interest rate on these loans varies between 1.3% and 4.3%.

The Group has analysed the possible grant element of these loans but has concluded that the fair value is not significantly different from the amortised cost.

**Other subordinated loans with related parties**

On 20 January 2020, Orilla Asset Management, S.L. (formerly Halekulani, S.L.), a company related to the company's main shareholder and currently the ultimate Parent Company of the Group after absorbing Gestora de Activos y Maquinaria Industrial, S.L. during 2021 through a merger, granted the Group's Parent Company a loan facility of 20 million euros that matures in March 2021, of which the Company drew down 10 million euros.

This agreement was amended on 17 December 2020, with a new maturity date set in December 2025, accruing an interest rate equivalent to the 3-month Euribor plus a spread of 4%, payable on a quarterly basis.

This loan is classified as subordinated debt under the terms of the syndicated loan novation agreement entered into in 2020.

On 19 December 2024, prior to the formalisation of the new 60 million euro syndicated loan, the 10 million euro loan from Orilla Asset Management, S.L. was novated, with the same cost and maturity schedule as tranche A of the new syndicated loan. The parties have agreed that the amount outstanding at that time (10 million Euros) will not be disbursed.

**Other bank borrowings**

The breakdown of "Other bank borrowings" is as follows:

Expressed in thousands of euros

| | Thousands of euros | |
|---|---|---|
| **CURRENT/NON-CURRENT** | **2024** | **2023** |
| Discounted bills payable (Note 10) | 379 | 1,782 |
| Bank borrowings - Reverse factoring (Note 4.2) | 5,658 | 2,321 |
| Other bank borrowings | - | 19 |
| Loan agreements payable | 4,325 | 21,294 |
| | **10,362** | **25,416** |

"Other bank borrowings" on the liability side of the consolidated balance sheet mainly comprise credit facilities of 4,325,000 euros (21,294,000 euros in 2023) secured through loan agreements entered into with various financial institutions.

The limit available for loan agreements entered into at year-end amounted to 28,457,000 euros (6,694,000 euros in 2023).

As at 31 December 2024, the Group has secured reverse factoring facilities with various financial institutions to enable advance payments to suppliers. The maximum limit of reverse factoring lines contracted by the Group is 18,220,000 euros. At 31 December 2024, the amount drawn by the Group under its reverse factoring facilities totals 6,631,000 euros (4,642,000 euros at 31 December 2023), of which 5,658,000 euros (2,321,000 euros) represent a payment obligation on the part of the financial institution, resulting in their derecognition in "Trade and other payables" and their recognition in "Borrowings and other financial liabilities” as set out in Note 2.17.

The maturity of the Group's reverse factoring lines is usually 120 days but can be as long as 150-180 days. The Group has factoring lines in euros, for which the average financing cost is the 3-month Euribor plus a margin ranging from 1% to 1.75%, and in dollars, for which the average financing cost is the 3-month SOFR plus a margin of 2.25%.

The effective interest rate applicable to all other bank borrowings varies between 3% and 11%.

**Other current and non-current liabilities**

Breakdown of "Other current and non-current liabilities":

| | Thousands of euros | |
|---|---|---|
| **CURRENT/NON-CURRENT** | **2024** | **2023** |
| Suppliers of fixed assets | 5,784 | 4,885 |
| Payables under repurchase agreements | 19,549 | 16,715 |
| Deferred payments for company acquisitions (Note 6) | 11,982 | 11,087 |
| Other accounts payable | 633 | 667 |
| | **37,948** | **33,354** |

"Payables under repurchase agreements" include any liabilities that arise from certain contracts in which an asset has been sold subject to a repurchase agreement and which have been classified as financing transactions. All amounts relating to repurchase options or repurchase obligations are also included under this heading.

The following "Borrowings and other financial liabilities" are due to be settled in 2024 and onwards according to the following schedules:

Expressed in thousands of euros

| 2024 | 2025 | 2026 | 2027 | 2028 | 2029 and onwards | Total |
|---|---|---|---|---|---|---|
| Bank borrowings | 21,009 | 22,558 | 21,067 | 17,268 | 26,112 | **108,014** |
| Bond issues and other marketable securities | 43,039 | 29,889 | - | - | - | **72,928** |
| Loan agreements payable | 4,325 | - | - | - | - | **4,325** |
| Subordinated debt with related parties | - | 2,000 | 2,000 | 2,000 | 4,000 | **10,000** |
| Suppliers of fixed assets | 2,199 | 2,218 | 1,343 | 26 | - | **5,786** |
| Other bank borrowings | - | - | - | - | - | - |
| Other accounts payable | 633 | - | - | - | - | **633** |
| Discounted bills payable | 379 | - | - | - | - | **379** |
| Other bank borrowings - reverse factoring | 5,658 | - | - | - | - | **5,658** |
| Deferred payments for company acquisitions (Note 6) | | 11,982 | - | - | - | **11,982** |
| Payables under repurchase agreements | 2,277 | 5,271 | 2,739 | 4,229 | 5,032 | **19,548** |
| **Total** | **79,519** | **73,918** | **27,149** | **23,523** | **35,144** | **239,253** |

| 2023 | 2024 | 2025 | 2026 | 2027 | 2028 and onwards | Total |
|---|---|---|---|---|---|---|
| Bank borrowings | 18,190 | 25,246 | 17,540 | 16,049 | 31,826 | **108,851** |
| Bond issues and other marketable securities | 17,127 | - | 29,821 | - | - | **46,948** |
| Loan agreements payable | 615 | - | 20,679 | - | - | **21294** |
| Subordinated debt with related parties | - | 10,000 | - | - | - | **10,000** |
| Suppliers of fixed assets | 4,122 | 431 | 334 | - | - | **4,887** |
| Other bank borrowings | 19 | - | - | - | - | **19** |
| Other accounts payable | 735 | - | - | - | - | **735** |
| Discounted bills payable | 1,782 | - | - | - | - | **1,782** |
| Other bank borrowings - reverse factoring | 2,321 | - | - | - | - | **2,321** |
| Deferred payments for company acquisitions (Note 6) | - | - | 11,087 | - | - | **11,087** |
| Payables under repurchase agreements | 2,803 | 2,164 | 5,093 | 2,394 | 4,261 | **16,715** |
| **Total** | **47,714** | **37,841** | **84,554** | **18,443** | **36,087** | **224,639** |

In accordance with IFRS 7, the estimated finance charge for "borrowings and other financial liabilities", by maturity date, is as follows:

Expressed in thousands of euros

| 2024 (thousands of euros) | 2025 | 2026 | 2027 | 2028 | 2029 and onwards |
|---|---|---|---|---|---|
| **Total finance charge** | 7,206 | 6,067 | 3,396 | 2,277 | 1,947 |

| 2023 (thousands of euros) | 2024 | 2025 | 2026 | 2027 | 2028 and onwards |
|---|---|---|---|---|---|
| **Total finance charge** | 5,541 | 4,483 | 3,131 | 2,198 | 2,703 |

Liabilities classified as financing activities are reconciled as follows:

| | Thousands of euros | | |
|---|---|---|---|
| | Long-term debt | Short-term debt | Total |
| **Balance as at 31 December 2022** | **144,990** | **55,618** | **200,608** |
| Financing | 49,707 | 5,161 | 54,868 |
| Additions to the scope of consolidation | 873 | 2,152 | 3,025 |
| Reclassifications | 2,000 | - | 2,000 |
| Financial restatement | 599 | - | 599 |
| S/t and L/t reclassifications | (21,244) | 21,244 | - |
| Cash flows | - | (36,461) | (36,461) |
| **Balance as at 31 December 2023** | **176,925** | **47,714** | **224,639** |
| Financing | 37,157 | 34,868 | 72,025 |
| S/t and L/t reclassifications | (25,162) | 25,162 | - |
| Cash flows | **(29,186)** | (28,225) | (57,411) |
| **Balance as at 31 December 2024** | **159,734** | **79,519** | **239,253** |

# 18 Contract liabilities from contracts with customers

This item mainly includes cash received in advance from customer contracts amounting to 25,411,000 euros in 2024 (21,428,000 euros in 2023).

The amount relating to repurchase options and obligations under such contracts is recognised in "Payables under repurchase agreements" under Borrowings and other financial liabilities (Note 17).

| | Thousands of euros | |
|---|---|---|
| **OTHER LIABILITIES** | **2024** | **2023** |
| Non-current contracts with repurchase agreements | 17,492 | 14,893 |
| Current contracts with repurchase agreements | 7,919 | 6,535 |
| | **25,411** | **21,428** |

# 19 Deferred taxes

Gross movements in deferred tax assets and liabilities were as follows:

**2024**

| ASSETS | 2023 | Additions | Disposals | 2024 |
|---|---|---|---|---|
| **Taxable adjustments to the tax base:** | | | | |
| Tax loss carryforwards | 9,353 | 4,425 | (689) | 13,089 |
| Limit on tax deductions for book depreciation | 284 | - | (284) | - |
| Other adjustments to the tax base | 2,850 | 548 | - | 3,398 |
| | **12,487** | **4,973** | **(973)** | **16,487** |

| LIABILITIES | 2023 | Additions | Disposals | 2024 |
|---|---|---|---|---|
| **Deductible adjustments to the tax base** | | | | |
| Excess of tax depreciation over book depreciation | 2,710 | - | (268) | 2,442 |
| Other adjustments | 1,694 | - | (240) | 1,454 |
| | **4,404** | **-** | **(508)** | **3,896** |

**2023**

| ASSETS (in thousands of euros) | 2022 | Additions | Additions to scope | Disposals | 2023 |
|---|---|---|---|---|---|
| **Taxable adjustments to the tax base:** | | | | | |
| Tax loss carryforwards | 5,294 | 2,956 | 1,150 | (47) | 9,353 |
| Limit on tax deductions for book depreciation | 358 | 58 | - | (132) | 284 |
| Other adjustments to the tax base | 1,340 | 1,363 | 149 | - | 2,850 |
| | **6,992** | **4,377** | **1,299** | **(179)** | **12,487** |

| LIABILITIES | 2022 | Additions | Additions to scope | Disposals | 2023 |
|---|---|---|---|---|---|
| **Deductible adjustments to the tax base:** | | | | | |
| Excess tax depreciation over book depreciation | - | 349 | 2,672 | (311) | 2,710 |
| Other adjustments | 1,437 | - | 1,335 | (1,078) | 1,694 |
| | **1,437** | **349** | **4,007** | **(1,389)** | **4,404** |

In 2024, deferred tax liabilities of 3,449,000 euros were classified under Deferred tax assets in accordance with IAS 12 (4,151,000 euros in 2023).

Expressed in thousands of euros

There follows a breakdown of deferred tax assets and liabilities recognised as at 31 December 2024 for each tax group or significant entity:

| | Assets | Liabilities |
|---|---|---|
| Spanish consolidated tax group | 12,589 | 2,442 |
| Spain | 3,763 | 1,224 |
| Portugal | 79 | - |
| Latam | 57 | 189 |
| Morocco | - | 9 |
| S. Arabia | - | 32 |
| | **16,487** | **3,896** |

As explained in Note 4,1.b), the Group analysed the recognition and recoverability of deferred tax assets as at 31 December 2024 and 2023 taking into account the Group's business plan and the available tax planning tools.

In 2024, the Group capitalised 4,425,000 Euros of tax assets, mainly for tax loss carryforwards (3,088,000 Euros), for deductions (1,034,000 Euros) and 548,000 Euros for other items. In 2023, the Group capitalised 4,377,000 Euros in respect of tax loss carryforwards and other items. The Group has been able to apply tax credits in recent years and believes it is highly probable that this trend will continue in the coming years. The acquisition of new companies in 2023 and the tax planning strategies implemented by the Group will allow it to increase the amount of recoverable tax credits and, therefore, their capitalisation, based on the Group's business plan for 2025-2029 which was approved by the Board of Directors on 25 February 2025, prior to the preparation of these consolidated financial statements, according to a conservative approach. The expected recovery period is no greater than 10 years.

The disposals in 2024 mainly correspond to the restoration of the limit on the tax deductibility of depreciation of 284,000 euros and the use of tax loss carryforwards to prepay the income tax of the tax group for the current year of 689,000 euros. The disposals in 2023, amounting to 132,000 euros, correspond to the restoration of the limitation of the tax deductibility of depreciation.

There were no additions to the scope of consolidation in 2024. The additions made in 2023 resulted in the inclusion in the scope of consolidation of deferred tax assets and liabilities of 1,299,000 euros and 4,007,000 euros respectively.

The Group has unused tax credits corresponding to deductions with an expiry date of more than 5 years amounting to 11,715,000 euros (9,464,000 euros in 2023), of which 941,000 euros (939,000 euros in 2023) have no time limit for tax application in accordance with the provisions of Act 27/2014 on Corporation Tax (Spanish Common Territory).

Moreover, the breakdown of the Group's tax loss carryforwards, irrespective of whether they are applied in these consolidated financial statements, and the time limit for applying them as at 31 December 2024 and 2023, are as follows:

Expressed in thousands of euros

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | **Tax loss carryforwards** | **Period limit of application** | **Tax loss carryforwards** | **Period limit of application** |
| Tax consolidated | 62,194 | No limit | 59,587 | No limit |
| Subsidiaries taxed under Biscay chartered regime | 16,788 | 2,049 | 18,279 | 2,048 |
| Other non-consolidated Spanish companies | 2,292 | No limit | 3,911 | No limit |
| Foreign companies | 3,425 | 2033 | 3,089 | 2033 |
| | **84,699** | | **84,866** | |

On 19 December 2024, the Congress of Deputies of the Spanish Parliament gave final approval to Act 7/2024 (Complementary Tax Law, hereinafter, "LIS"), which introduces a number of changes to the LIS for tax periods starting from January 2024.

Following the approval of the above law, the Tax Group has seen the limit on offsetting of tax losses from previous years restored to 25% (after it was declared unconstitutional in January 2024, the limit applicable to the Group was set at 70%), and the limit on the use of deductions restored to 50% (after it was declared unconstitutional in January 2024, it was unlimited). In the 2024 tax settlement, the Tax Group expects to be able to offset tax losses of 2,146,000 euros and deductions of 152,000 euros.

Additionally, the reversal of impairment losses on securities representing equity or on shareholders' equity in entities that were deductible for tax purposes before 1 January 2013 will be introduced, allowing the Group to include them in equal parts in the tax base for the first three tax periods starting on or after 1 January 2024, and tax losses arising prior to 1 January 2021 may be offset up to a limit of 70%.

Finally, this resulted in the Tax Group recognising higher tax loss carryforwards of 8,700,000 euros as a consequence of the aforementioned Act 7/2024.

Since 2005, the Parent Company has been authorised to file consolidated tax returns for income tax. As at 31 December 2024, the scope of tax consolidation includes the following Group companies:

GAM España Servicios de Maquinaria, S.L.U., Grupo Internacional de Inversiones en Maquinaria, S.A.U., GAM Training Apoyo y Formación, S.L., General de Distribución y Manutención de Maquinaria Ibérica, S.L.U, Inquieto Moving Attitude, S.L., Recambios, Carretillas y Maquinaria, S.L., Sociedad de Intermediación de Maquinaria, S.L., Alquitoro 3000, S.L. and Carretillas Mayor, S.A.

The other Group companies are taxed individually in their respective jurisdictions.

The years open to inspection for applicable taxes vary for the different companies in the consolidated Group but generally span the last four or five years.

Expressed in thousands of euros

The Company's Directors do not believe that any significant additional liabilities would arise as a result of an inspection of the open years.

## 20 Provisions

Movements during 2024 and 2023 are as follows:

| | Thousands of euros | |
|---|---|---|
| | Short-term provisions | Long-term provisions |
| **Balance as at 31 December 2022** | **475** | **1,241** |
| Transfers | 620 | 592 |
| Additions to the scope of consolidation | 1,156 | 2,641 |
| Low | - | (632) |
| **Balance as at 31 December 2023** | **2,251** | **3,842** |
| Additions | - | 178 |
| Transfers | 221 | (221) |
| Additions to the scope of consolidation | - | - |
| Low | (1,582) | (582) |
| **Balance as at 31 December 2024** | **890** | **3,217** |

The decrease in the heading 'Current provisions' corresponds to the maturities in the current year of the contingencies identified in the context of the business combinations of recent years.

The Directors do not expect any additional contingent liabilities to arise other than those recognised.

## 21 Recurring revenue

As at 31 December 2024 and 2023, the breakdown of recurring revenues from the main geographic markets is as follows:

Expressed in thousands of euros

| | Thousands of euros | | | |
|---|---|---|---|---|
| | 31.12.2024 | | 31.12.2023 | |
| | Spain | International | Spain | International |
| **Machinery rentals** | 129,111 | 48,196 | 118,752 | 40,734 |
| **Revenue from ancillary services** | 43,586 | 9,407 | 42,919 | 8,358 |
| Freight revenue | 12,128 | 3,164 | 12,076 | 3,316 |
| Revenue from repairs and spare parts | 13,139 | 4,378 | 12,450 | 3,470 |
| Revenue from training | 4,116 | 294 | 3,801 | 166 |
| Other revenue sources | 14,203 | 1,571 | 14,592 | 1,406 |
| **Sales of machinery etc.** | 47,069 | 26,543 | 46,617 | 23,237 |
| **Other revenue** | 34 | 92 | 208 | 30 |
| **Recurring revenue** | **219,800** | **84,238** | **208,496** | **72,359** |

As at 31 December 2024 and 2023, the breakdown of recurring revenue by segment and classification, according to the timing of revenue recognition, is as follows:

| | Thousands of euros | | | |
|---|---|---|---|---|
| | 31.12.2024 | | | |
| | Spain | Portugal | Latam | Rest |
| Revenue recognised over time | 172,697 | 17,619 | 31,326 | 8,658 |
| Revenue recognised at a point in time | 47,102 | 7,359 | 16,857 | 2,419 |
| **Recurring revenue** | **219,800** | **24,978** | **48,183** | **11,077** |

| | Thousands of euros | | | |
|---|---|---|---|---|
| | 31.12.2023 | | | |
| | Spain | Portugal | Latam | Rest |
| Revenue recognised over time | 161,672 | 16,266 | 27,116 | 5,710 |
| Revenue recognised at a point in time | 46,824 | 4,906 | 15,280 | 3,081 |
| **Recurring revenue** | **208,496** | **21,172** | **42,396** | **8,791** |

In recent years, the Group has intensified its purchasing, sales and distribution activities. As of today, it is the exclusive distributor of the Hyster-Yale brand in Spain, Portugal and Morocco; it also distributes other brands such as Clark or JLG in different territories. The Group is the principal in all these distribution agreements.

Expressed in thousands of euros

# 22 Procurement

The breakdown of "Procurement" at year-ends 2024 and 2023 is as follows:

| | Thousands of euros | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Domestic | International | Domestic | International |
| **Fuel** | **7,426** | **1,214** | **8,801** | **949** |
| **Spare parts** | **17,689** | **5,791** | **15,920** | **4,454** |
| **Other supplies** | **37,906** | **21,982** | **37,347** | **18,968** |
| Machinery for trading | 7,155 | 3,470 | 8,793 | 2,593 |
| Machinery for distribution | 25,486 | 17,186 | 23,599 | 15,328 |
| NPV of used machinery | 5,265 | 1,326 | 4,955 | 1047 |
| **Subleasing of machinery** | **18,494** | **2,869** | **16,684** | **2,414** |
| | **81,515** | **31,856** | **78,752** | **26,785** |

"Subleasing of machinery" includes the cost of leasing machinery to third party lessors outside the Group to cover specific demand needs.

# 23 Other operating expenses

The breakdown of "Other operating expenses" at year-ends 2024 and 2023 is as follows:

| | Thousands of euros | |
|---|---|---|
| | 2024 | 2023 |
| Leases and fees (Note 17) | 1,923 | 2,141 |
| Transport costs | 16,229 | 15,313 |
| Repairs and maintenance | 7,360 | 6,704 |
| Independent professional services | 5,789 | 5,289 |
| Insurance premiums | 4,201 | 4,093 |
| Other expenses | 14,884 | 13,855 |
| Taxes | 741 | 712 |
| | **51,127** | **48,107** |

The heading "Other expenses" mainly includes expenses of a very diverse nature, such as advertising, banking services, supplies and other wide-ranging operating expenses.

"Other expenses" also includes valuation adjustments for impairment of trade receivables and reversals of provisioned balances amounting to 959,000 euros (609,000 euros in 2023), see Note 10.

Expressed in thousands of euros

# 24 Staff costs

The breakdown of the employee benefits expense at year-ends 2024 and 2023 is as follows:

| | Thousands of euros | |
|---|---|---|
| | 2024 | 2023 |
| Wages and salaries and other staff costs | 57,765 | 51,362 |
| Employee benefit costs | 18,707 | 16,592 |
| | **76,472** | **67,954** |

The heading "Wages and salaries" includes 619,000 euros of termination benefits (539,000 euros in 2023).

The average number of employees and directors by category is shown below:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| Board of directors | 4 | 2 | 4 | 2 |
| Management | 7 | 2 | 9 | 3 |
| Administration | 87 | 135 | 79 | 132 |
| Traffic / transport | 127 | 13 | 174 | 14 |
| Workshops | 1,059 | 53 | 863 | 44 |
| Sales | 253 | 150 | 233 | 137 |
| | **1,537** | **355** | **1,362** | **332** |

On average, 81% of the staff were male in 2024 and 19% were female (80% and 20% respectively in 2023).

As of 2024, the GAM Group employs 5 people (7 people in 2023) with a degree of disability greater than 33%, in the following categories:

| | 2024 | 2023 |
|---|---|---|
| Scientific and engineering technicians | 4 | 6 |
| Sales representatives | 1 | 1 |
| | **5** | **7** |

The number of employees in each category is shown below:

| | 2024 | 2023 |
|---|---|---|
| Board of directors | 6 | 6 |
| Management | 9 | 11 |
| Administration | 222 | 238 |
| Traffic / transport | 139 | 195 |
| Workshops | 1,161 | 965 |
| Sales | 421 | 399 |
| | **1,958** | **1,814** |

Expressed in thousands of euros

## 25 Financial income and expenses

The breakdown of "Financial income and expenses" at year-ends 2024 and 2023 is as follows:

| | Thousands of euros | |
|---|---|---|
| | **2024** | **2023** |
| **Financial expenses:** | | |
| - Bond and debt issuance (Note 14) | (2,541) | (1,943) |
| - Lease agreements (Note 16) | (5,732) | (4,407) |
| - Debt, trade discounts and loans | (8,353) | (6,598) |
| - Other financial expenses | (4,639) | (2,880) |
| | **(21,265)** | **(15,828)** |
| **Financial income:** | | |
| - Interest income and other financial income | 346 | 145 |
| | **346** | **145** |
| **Exchange differences:** | **(1,627)** | **(641)** |
| **Net financial income (expenses)** | **(22,546)** | **(16,324)** |

No cash was generated from financial income in 2024 and 2023

## 26 Income tax

| | Thousands of euros | |
|---|---|---|
| | **2024** | **2023** |
| Current tax | (2,828) | (3,113) |
| Deferred tax (Note 20) | 4,508 | 5,237 |
| **Corporation tax** | **1,680** | **2,124** |

The tax on the Group's pre-tax profit differs from the theoretical amount that would have been obtained using the weighted average tax rate applicable to the profits of the consolidated companies as follows:

Expressed in thousands of euros

| | Thousands of euros | |
|---|---|---|
| | **2024** | **2023** |
| **Pre-tax profit (loss)** | **2,677** | **6,920** |
| Tax calculated at national rates | (414) | (1,638) |
| **Tax effects of:** | | |
| - Non-deductible expenses | (1,932) | (212) |
| - Prior year adjustments | (483) | - |
| - Deferred tax assets recognised | 4,425 | 2,956 |
| - Limit on tax deductions for book depreciation | (284) | (75) |
| - Use of previously unrecognised tax losses | - | (47) |
| - Excess of tax depreciation over book depreciation | (268) | (38) |
| - Reversal of other deferred assets and liabilities | 395 | 2,441 |
| - Other adjustments | 240 | (1,263) |
| - Tax loss carryforwards for which no deferred tax asset has been recognised | | |
| **Tax expense** | **1,680** | **2,124** |

The adjustments to book income for non-deductible expenses and other adjustments mainly consist of permanent differences relating to non-deductible expenses according to each country's tax regulations.

Additionally, the following adjustments to book income have had a significant impact in 2024:

i) The activation of tax credits for BINS, deductions and interest not deducted in previous financial years, amounting to 4,425,000 euros, both for the Spanish tax group and for the Basque subsidiary Aldaiturriaga (Provincial charter).

ii) Reversal of other deferred assets and liabilities and other adjustments mainly reflect the tax effect of certain adjustments for consolidation, deferred tax assets and permanent differences, respectively.

# 27 Earnings/(loss) per share

### a) Basic

Basic earnings per share are calculated by dividing profit (loss) for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

The calculation of basic earnings (loss) per share is detailed below:

Expressed in thousands of euros

| | Thousands of euros | |
|---|---|---|
| | 2024 | 2023 |
| Profit (loss) for the year attributable to equity holders of the parent | 4,397 | 9,069 |
| Weighted average number of ordinary shares outstanding | 94,608 | 94,608 |
| **Earnings (loss) per share** | **0,05** | **0,10** |

The breakdown of listed shares, by listing date, is as follows:

| | Thousands of shares |
|---|---|
| **Listed shares as at 1 January 2023** | **94,608** |
| **Listed shares as at 31 December 2023** | **94,608** |
| **Listed shares as at 31 December 2024** | **94,608** |

## b) Diluted

Diluted earnings per share are calculated by adjusting the profit (loss) for the year attributable to equity holders of the parent and the weighted average number of ordinary shares outstanding to reflect all dilutive potential ordinary shares

The calculation of dilutive earnings (loss) per share is detailed below:

| | Thousands of euros | |
|---|---|---|
| | 2024 | 2023 |
| Profit (loss) for the year attributable to equity holders of the parent (diluted) | 4,397 | 9,069 |
| Weighted average number of ordinary shares outstanding (diluted) | 94,608 | 94,608 |
| **Diluted earnings (loss) per share** | **0,05** | **0,10** |

The profit (loss) for the period attributable to equity holders of the parent has been reconciled with profit (loss) for the period attributable to equity holders of the parent (diluted) as follows:

| | Thousands of euros | |
|---|---|---|
| | 2024 | 2023 |
| Profit (loss) for the year attributable to equity holders of the parent | 4,397 | 9,069 |
| **Profit (loss) for the period attributable to equity holders of the parent company (diluted)** | **4,397** | **9,069** |

The weighted average number of diluted ordinary shares outstanding was determined as follows: (IAS 33. 70(b)).

Expressed in thousands of euros

| | Thousands of shares | |
|---|---|---|
| | **2024** | **2023** |
| Weighted average number of ordinary shares outstanding | 94,608 | 94,608 |
| **Weighted average number of diluted ordinary shares outstanding** | **94,608** | **94,608** |

# 28 Contingent liabilities

The Group holds guarantees related to the normal course of business from which no material liabilities are expected to arise.

In the normal course of its business, the Group has guarantees and similar arrangements with third parties, including public bodies and sundry creditors, to cover the provision of services by Group companies, and the acquisition of machinery. As at 31 December 2024, their total value is 8,775,000 euros (6,331,000 euros as at 31 December 2023).

In addition, the Group has recognised indemnification assets from business combinations amounting to 3 million euros (3,797000 euros as at 31 December 2023).), which are derecognised from the balance sheet as the events giving rise to the indemnification assets and contingent liabilities become statute-barred. See Note 20.

# 29 Related-party transactions

The balances and transactions between Grupo General Alquiler de Maquinaria, S.A. and significant shareholders and related parties other than shareholders at year-ends 2024 and 2023 are as follows:

Expressed in thousands of euros

| | Thousands of euros | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | | | |
| | Transactions | | | Balances | | |
| | Financial expenses | Sales and services rendered | Leases and other expenses | Trade and other receivables | Long-term debt | Short-term debt |
| **Majority shareholders** | | | | | | |
| Banco Santander | (1,047) | - | - | - | (8,152) | (8,031) |
| Orilla Asset Management, S.L. (*) | (854) | - | - | - | (10,000) | - |
| **Other related parties** | | | | | | |
| Companies from Grupo Gestamp Automoción, S.A. | - | 2,004 | (4) | 586 | - | - |
| Companies from Grupo Gonvarri, S.A. | - | 279 | - | 43 | - | - |
| Asti Mobile Robotics, S.L. | - | | - | | - | - |
| Global Portfolio Investments, S.L. | - | 87 | - | 3 | - | - |
| Cervezas Gran Via, S.L. | - | 8 | - | 4 | - | - |
| Uno de Febrero, S.L. | - | 25 | - | 25 | - | - |
| Cerámica Villacé | - | - | - | - | - | - |
| Inversiones Asturianas, S.A. | - | - | (15) | - | - | - |
| | **(1,901)** | **2,403** | **(19)** | **661** | **(18,152)** | **(8,031)** |

| | Thousands of euros | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | | | |
| | Transactions | | | Balances | | |
| | Financial expenses | Sales and services rendered | Leases and other expenses | Trade and other receivables | Long-term debt | Short-term debt |
| **Majority shareholders** | | | | | | |
| Banco Santander | (1,321) | - | - | - | (22,638) | (10,876) |
| Orilla Asset Management, S.L. (*) | (653) | - | - | - | (10,704) | (704) |
| **Other related parties** | | | | | | |
| Companies from Grupo Gestamp Automoción, S.A. | - | 2,100 | - | 454 | - | - |
| Companies from Grupo Gonvarri, S.A. | - | 224 | - | 43 | - | - |
| Asti Mobile Robotics, S.L. | - | (1) | - | | - | - |
| Global Portfolio Investments, S.L. | - | 1 | (1) | - | - | - |
| Cervezas Gran Via, S.L. | - | 1 | - | | - | - |
| Uno de Febrero, S.L. | - | 1 | - | (1) | - | - |
| Cerámica Villacé | (15) | - | - | - | (1,488) | - |
| Inversiones Asturianas, S.A. | - | - | - | - | - | - |
| | **(1,989)** | **2,326** | **(1)** | **496** | **(34,830)** | **(11,580)** |

During 2024, the company completed the acquisition of the land on which GAM Circular Process operates in Villacé (León), previously owned by Cerámica de Villacé, for 1,488,000 euros, which at 31 December 2023 was included under the heading 'Long-term debt' in the previous table.

No professional advisory services have been provided to the Group by related parties in 2024 and 2023, nor are there any related party transactions in 2024 and 2023 other than those already disclosed.

All transactions with related parties have been carried out on an arm's length basis.

Expressed in thousands of euros

# 30 Remuneration of Directors and Senior Management

Directors are remunerated in accordance with article 9 of GAM's Articles of Association. The amount of such remuneration may consist of a fixed amount agreed upon by the Annual General Meeting, and need not be the same for all members of the Board of Directors.

The remuneration earned by the members of the Board of Directors of GAM, S.A. in 2024 amounted to 2,018,000 euros (1,322,000 euros in 2023). It consists of the following items and amounts:

| | Thousands of euros | |
|---|---|---|
| | **2024** | **2023** |
| Wages | 2018 | 1,322 |
| | **2018** | **1,322** |

The remuneration earned by the Senior Management of the Parent Company, considered to be the Company's senior executives, amounted to 1,901,000 euros for all items, both fixed and variable (1,727,000 euros in 2023).

The Parent Company has established two remuneration schemes based on share options for the Group's directors and executives (Note 14.d). The Company has not incurred any amount in this respect in 2024 or 2023.

No advances or loans have been granted to any members of the Board of Directors, and no obligations have been assumed for them by way of guarantees.

The members of the Board of Directors and Senior Management are not in receipt of any amounts for present or future pension commitments.

The premiums paid in the year for public liability insurance for members of the Board of Directors amounted to 89,000 euros (96,000 euros in 2023).

# 31 Commitments

### *(a) Commitments to purchase fixed assets*

As at 31 December 2024, the Group had committed expenditure of 25,897,000 euros on machinery, which was not recognised in the consolidated financial statements (24,035,000 euros as at 31 December 2023).

# 32 Significant events during 2024

In Ruling 11/2024, of 18 January 2024, the Constitutional Court declared unconstitutional and null and void the fifteenth additional provision and section 3 of the sixteenth transitional provision of the LIS, as worded in Article 3. Firstly, sections One and Two of Royal Decree-Law 3/2016, of 2 December, which adopts fiscal measures for the consolidation of public finances and other urgent social measures, which provided:

A. for companies and tax groups with a net turnover (NT) of more than 20 million euros in the previous twelve months:

    a. The introduction of greater restrictions on the offsetting of tax losses from previous years and the inclusion of deferred tax assets. A limit of 25% of the previous tax base.
    b. The introduction of a limit of 50% of the full tax liability in the application of deductions for double taxation within the country and abroad.

B. For all corporate taxpayers, regardless of their net non-deductible tax base, the obligation to automatically include in the corporate tax base, in the 2016-2020 financial years, a minimum annual reversal of 20% of the value adjustments of participations in other entities that would have been tax deductible in previous financial years.

Subsequently, on 19 December, the Congress of Deputies of the Spanish Parliament gave final approval to Act 7/2024 (Complementary Tax Law, hereinafter, "LIS"), which introduces a number of changes to the LIS for tax periods starting from 1 January 2024. The following are of particular note:

A. The reinstatement of the aforementioned measures that were declared null and void due to the unconstitutionality of RDL 3/2026.
B. The extension of the temporary measures for the determination of the tax base in the tax consolidation regime to the tax periods beginning in 2024 and 2025. The tax base of the tax group will be determined taking into account the positive tax bases and 50% of the individual negative tax bases. Negative tax bases not taken into account will be integrated into the tax base of the group in equal parts over the first ten tax periods beginning on 1 January 2025 or 2026, as the case may be.
C. With effect for tax periods beginning on or after 1 January 2024, the reversal of impairment losses on securities representing equity or on the own funds of entities that were deductible for tax purposes before 1 January 2013 will be introduced. This reversal will be included, at least in equal parts, in the tax base of the first three tax periods starting on or after 1 January 2024. Negative tax bases arising before 1 January 2021 may be offset up to a maximum of 70%.

# 33 Events after the reporting period

Concurrently with the preparation of these financial statements and as item 1 on the agenda, the Group's Board of Directors approved the updated Business Plan for the period 2025-2029.

In addition, on 6 February 2025, GAM Group renewed its sustainability linked promissory note programme on the Alternative Fixed-Income Market (MARF), increasing the limit from 50 million to 75 million euros.

# 34 Other information

### *(a) Environmental information*

The Paris Agreement has had a significant impact on the implementation of new climate policies and the approval of new regulations. Having made a commitment to be climate-neutral by 2050 and "The European Green Deal", which is the EU's new growth strategy, the European Union (EU) has approved various regulations in this area. Spain has also enacted various regulations in this area, so regulations on climate change and the energy transition are constantly evolving and could have a negative impact on the Group's activities.

The Group companies have adopted the relevant environmental measures in order to comply with current environmental legislation, although they did not make any significant investments in 2024 and 2023, nor did they incur significant expenses on systems, equipment and facilities designed to protect and improve the environment, primarily because of the nature of their business activities.

The Group's strategy takes into account the objectives of the Paris Agreement, although the impact of climate change risk was not deemed to be material when preparing the consolidated financial statements as it does not have a significant impact on the useful lives of assets or on asset impairment tests, and it does not give rise to any legal or constructive obligations for the Group.

With the procedures currently in place, the Parent Company's Directors believe that environmental risks are adequately controlled and that there are no contingencies in this area that need to be covered by provisions.

The Group has not received any environmental grants in 2024 and 2023.

### *(b) Auditor remuneration*

The firm that audited the Group's financial statements, KPMG Auditores, S.L., has accrued the following fees for professional services during the years ended 31 December 2024 and 2023:

Expressed in thousands of euros

| | Thousands of euros | |
|---|---|---|
| | 2024 | 2023 |
| Auditing services | 327 | 266 |
| Audit-related review services | 34 | 32 |
| Other accounting review services | 109 | 13 |
| | **470** | **311** |

Auditing services consist of the auditing of the consolidated financial statements, provided by KPMG Auditores, S.L. for General de Alquiler de Maquinaria, S.A. and its subsidiaries during the year ended 31 December 2024 and 2023. In 2024, they include the audit of the 2023 financial statements of Aldaiturriaga, S.A., Inquieto Moving Attitude S.L. and GAM Circular Process, which were not foreseen at the time of the preparation of the 2023 consolidated financial statements, as well as the audit of their 2024 financial statements.

The audit-related assurance services consist of limited reviews of the consolidated financial statements of General de Alquiler de Maquinaria, S.A. and its controlled companies as at 30 June 2024 and 2023.

In addition, the amount for other assurance services as at 31 December 2024 and 2023 includes mainly the review of the non-financial information statement and the review of the debt ratio reports.

The amounts included in the above table include all fees for services rendered during the financial years, irrespective of the time of invoicing.

Furthermore, other affiliates of KPMG International have invoiced the Group during the year ended 31 December 2024 and 2023 for professional service fees, as follows:

| | Thousands of euros | |
|---|---|---|
| | 2024 | 2023 |
| Auditing services | 94 | 48 |
| | **94** | **48** |

Audit services in 2024 consist of the audit of the financial statements of GAM Portugal Lda., GAM Alquiler de México S.A. de C.V. (including an additional service for the transition of the 2023 financial statements to IFRS-EU, which was not foreseen at the time of the preparation of the 2023 consolidated financial statements) and GAM Arabia Company Ltd and, in 2023, the audit of the financial statements of GAM Portugal, Lda GAM Alquiler México S.A. de C.V. and GAM Colombia S.A.S.

In 2024, audit services were provided by other audit firms for Ozmaq S.A. de C.V. by Metaa Intelligent Human Resources, S.C. and in 2023 by RSM Allied Accountants Professional Services Co for GAM Arabia Company Limited and by local accountant Oscar Alarcón for Ozmaq S.A. de C.V.

### *(c) Directors' conflicts of interest*

With regard to the obligation to avoid any conflict of interest with the Parent Company, during the year the Directors who have sat on the Board of Directors have complied with the requirements set forth in article 228 of the consolidated text of the Spanish Corporate Enterprises Act. In this respect, pursuant to the provisions of article 229 of the Spanish Corporate Enterprises Act, the directors have reported that neither they nor any persons related to them have any direct or indirect conflict of interest with the Parent Company.

Expressed in thousands of euros

**ANNEX I**

| Company name | Registered address | % holding of share capital | Shareholding company | Consolidation method | Business | Auditor |
|---|---|---|---|---|---|---|
| GAM PORTUGAL – Aluguer de Máquinas e Equipamentos, Lda | Lisbon (Portugal) | 100.00% | General de Alquiler de Maquinaria, S.A. | Full consolidation method | Machinery rentals | KPMG |
| Aldaiturriaga, S.A.U. | Baracaldo (Vizcaya) | 100.00% | General de Alquiler de Maquinaria, S.A. | Full consolidation method | Machinery rentals | KPMG |
| GAM España Servicios de Maquinaria, S.L.U. | Oviedo (Asturias) | 100.00% | General de Alquiler de Maquinaria, S.A. | Full consolidation method | Machinery rentals | KPMG |
| Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U. | San Fernando de Henares (Madrid) | 100.00% | General de Alquiler de Maquinaria, S.A. | Full consolidation method | Foreign subsidiary holding company | (1) |
| GAM Alquiler Romanía, S.R.L. | Bucharest (Romania) | 100.00% | Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U. | Full consolidation method | Dormant | (1) |
| GAM Training Apoyo y Formación, S.L.U. | Oviedo (Asturias) | 78.00% | General de Alquiler de Maquinaria, S.A. | Full consolidation method | Training | (1) |
| General Alquiler de Maquinaria prestación de servicios, S.A. de C.V. | Mexico City (Mexico) | 100.00% | GAM España Servicios de Maquinaria, S.L.U. | Full consolidation method | Dormant | (1) |
| GAM Alquiler México, S.A. de C.V. | Mexico City (Mexico) | 100.00% | Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U. | Full consolidation method | Machinery rentals | KPMG |
| Movilidad sostenible MOV-E, S.L. | Oviedo (Asturias) | 50.00% | General de Alquiler de Maquinaria, S.A. | Equity method | Dormant | (1) |
| GAM Alquiler Perú SAC | Lima (Peru) | 100.00% | Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U. | Full consolidation method | Machinery rentals | (1) |
| GAM Panamá, SA | Panama (Panama) | 100.00% | Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U. | Full consolidation method | Dormant | (1) |
| General Alquiler de Maquinaria Chile, S.A. | Santiago de Chile (Chile) | 100.00% | Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U. | Full consolidation method | Machinery rentals | (1) |
| GAM Location Maroc, SARL AU | Tangier (Morocco) | 100.00% | Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U. | Full consolidation method | Machinery rentals | (1) |
| GAM Arabia Ltd | Saudi Arabia | 50.00% | Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U | Full consolidation method | Machinery rentals | KPMG |

Expressed in thousands of euros

| | | | | | | |
|---|---|---|---|---|---|---|
| GAM Dominicana, S.A.S. | Dominican Republic | 56.25% | Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U. | Full consolidation method | Machinery rentals | (1) |
| Inquieto Moving Attitude, S.L. | San Fernando de Henares (Madrid) | 80.00% | General de Alquiler de Maquinaria, S.A. | Full consolidation method | Vehicle sales | KPMG |
| GAM Distribución y Manutención de Maquinaria Ibérica, S.L.U. | San Fernando de Henares (Madrid) | 100.00% | General de Alquiler de Maquinaria, S.A. | Full consolidation method | Distribution of machinery and spare parts | KPMG |
| Inquieto Mobilidade Curiosa Unipessoal Lda | Montijo (Portugal) | 80.00% | Inquieto Moving Attitude, S.L. | Full consolidation method | Machinery rentals | (1) |
| Recambios, Carretillas y Maquinaria, S.L. | San Fernando de Henares (Madrid) | 100.00% | GAM Distribución y Manutención de Maquinaria Ibérica, S.L.U. | Full consolidation method | Machinery rentals | KPMG |
| Alquitoro 3000, S.L. | San Fernando de Henares (Madrid) | 100.00% | GAM Distribución y Manutención de Maquinaria Ibérica, S.L.U. | Full consolidation method | Machinery rentals | (1) |
| Sociedad de Intermediación de Maquinaria, S.L. | San Fernando de Henares (Madrid) | 100.00% | GAM Distribución y Manutención de Maquinaria Ibérica, S.L.U. | Full consolidation method | Machinery rentals | (1) |
| PRAMAC CARIBE, S.R.L. | Dominican Republic | 100.00% | GAM Dominicana, S.A.S. | Full consolidation method | Machinery rentals | (1) |
| Grupo Dynamo Hispaman , S.L. | Móstoles (Madrid) | 67.33% | GAM Distribución y Manutención de Maquinaria Ibérica, S.L.U. | Full consolidation method | Machinery rentals | KPMG |
| GAM Circular Process, S.L. | Oviedo (Asturias) | 60.02% | General de Alquiler de Maquinaria, S.A. | Full consolidation method | Repairs, machinery and circular economy | KPMG |
| Carretillas Mayor S.L. | Cabezón de Pisuerga (Valladolid) | 100.00% | General de Alquiler de Maquinaria, S.A. | Full consolidation method | Machinery rentals | KPMG |
| Ozmaq S.A de C.V | San Luis de Potosí (Mexico) | 60% | GAM Alquiler México, S.A. de C.V. | Full consolidation method | Machinery rentals | Metaa |
| GAM Colombia, S.A.S. | Bogotá (Colombia) | 100.00% | Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U. | Full consolidation method | Machinery rentals | (1) |

# CONSOLIDATED DIRECTORS' REPORT AS AT 31 DECEMBER 2024

Expressed in thousands of euros

## Contents



## Annexes

## Performance of the Group's business in 2024

GAM's business model has been consolidated in 2024, based on business, sector and market diversification, and on a commitment to sustainability, which has made the company more resilient in the face of uncertainty.

GAM has evolved from being a traditional, extremely capital-intensive and more cyclical short-term rental business to a highly diversified, less CapEx-intensive business that caters to the needs of its customers.

- In recent years, GAM has developed business lines that complement its traditional rental business.
- The Company has used its structure and capillarity to successfully develop businesses that do not require investment or additional structure ("without CAPEX"), such as: distribution, trading, used sales (global market, highly liquid), maintenance, training (“Kirleo Vocational School”). These lines of business now account for 37% of the company's total business and have grown at double-digit rates in recent years.
- Taking advantage of its integration in the distribution of world-renowned manufacturers, the company has also promoted a long-term recurring services business, which already represents 27% of sales and continues to grow at a high rate...
- This diversification of the business into three blocks provides stability, resilience to economic cycles and a reduced need for, and therefore lower leverage. We are now in the process of exporting the business diversification that we have already achieved in Spain to our international operations.
- The company has also developed new projects related to sustainability with high growth potential: Inquieto (zero-emission solutions for last-mile logistics), REVIVER (a machine remanufacturing project based on circular economy principles) and KIRLEO (a vocational training centre).
- This is followed by a policy of mergers and acquisitions (M&A) to complement organic growth and strengthen the company's target businesses and growth areas.
- This business structure makes GAM a diversified, resilient, sustainable, digital and transformational business.

The financial year was undoubtedly marked by inflation and the rise in interest rates, the full impact of which, even though they occurred in 2023, has been felt in the Group's consolidated income statement for the current year because of the time lag involved.

Despite this, the Group's strategy has enabled it to continue to grow (+8%) while maintaining its operating margins.

- The Group's recurring revenue totalled 304 million euros as at 31 December 2024 (280.9 million euros in 2023). This is an increase of 8.3% compared to the previous financial year and is homogeneous as all businesses and countries grew.
- The Group's EBITDA (defined as the sum of the items " Operating profit ", " Depreciation and amortisation " and " Non-recurring expenses ") amounted to 80.7 million euros in

2024, an increase of 10% (73.7 million in 2023). The margin was maintained at 27% of sales, one percentage point higher than in 2023, despite the inflationary environment.

- The profit for the year amounts to 4.4 million euros, a reduction compared to 2023, which closed with a profit of 9 million euros. This deviation is mainly due to the impact of exchange rate differences (a negative impact of 1.6 million euros in 2024) and the increase in total financial expenses (amounting to 5.4 million euros). The Group has consolidated its profitability over the last six years.

The acquisitions made in 2023 have contributed to this growth and diversification strategy:

Both Carretillas Mayor, in Spain, and Ozmaq, in Mexico, two companies with long-term rental businesses which focus on large industrial customers, and GAM Arabia are allowing it to consolidate its business in a region with great growth potential.

The Group is also continuing to invest in new businesses, with a strong focus on sustainability, through the "Embracing Sustainability" plan launched in 2021, which includes four key pillars:

- <u>Circular economy (REVIVER)</u>: production began in 2024 at the "Reviver" recycling plant, which remanufactured more than 200 machines (pallet jacks, forklifts, tractors, etc.) in its first year of operation. A second shift will be added in mid-2025 to maximise the plant's production capacity. The total investment amounts to 15 million euros.

- REVIVER is a disruptive project that will transform our approach to procurement and using machinery and help our customers and suppliers to meet their sustainability commitments. It was launched with the aim of introducing a circular economy model into the logistics and industrial machinery sector, shifting away from the linear economy model.
- This project will also have a significant social impact, as it is taking place in Villacé (León), a sparsely populated area, where REVIVER will help to rebuild the population by creating jobs.
- As well as supporting GAM's sustainability plan, remanufacturing equipment will allow GAM to reduce its annual CapEx requirements.

- <u>Energy and sustainable mobility</u>: Internal combustion vehicles are gradually being replaced by electric vehicles in the company's rental fleet. In 2024, 84.1% of GAM's rental fleet were zero-emission (82.1% the previous year), and the goal is to increase this percentage in the coming years. GAM also has a new line of business focused on sustainable last mile mobility, Inquieto, with the aim of minimising the environmental impact of logistics vehicles.

    - In 2023, GAM was awarded the ECOVADIS silver medal for its commitment to sustainability.

- <u>Social innovation</u>: Through our training business, we are continuing to develop our vocational training centre (KIRLEO) in order to improve our students' professional training and skills ("upskilling and reskilling").

- <u>Transforming the business</u>. At GAM we invest in initiatives that allow the business to develop in a sustainable way, with the aim of having a positive impact on the environment.

As part of this growth and diversification process, the Company has also improved its mix of funding sources, as follows:

- In February 2025, the Promissory Note Programme listed on the Alternative Fixed Income Market (MARF) in 2021 was renewed and its maximum outstanding amount was increased from 50 million euros to 75 million euros.

- In June 2024, the Fixed-Income Programme (Bonds) listed on the Alternative Fixed-Income Market (MARF) in 2021 was extended and its maximum amount was increased from 80 million euros to 100 million euros, with a single issue of 30 million euros in 2021.

- In March 2023, GAM entered into a financing arrangement with the Instituto de Crédito Oficial (ICO) for 10 million euros, which together with the funds obtained in 2022 from the European Investment Bank (EIB) for a total amount of 35 million euros, is earmarked for investments associated with sustainability and innovation projects.

- In December 2024, GAM entered into a 60 million euro syndicated loan facility, which will be used to fund investments planned over the next few years to deliver on the Group's strategic plan, including capital expenditure and acquisitions.

The company's net debt at year-end amounted to 279 million euros, with a debt-to-EBITDA ratio of 3.5, which the company believes to be reasonable for the sector in which it operates, and which is similar to the previous year's figure, having grown by +8%.

The Group has total equity of 107 million euros (104 million euros at year-end 2023).

This puts the company in a strong position to pursue its strategy of diversifying into businesses and services that complement the traditional machinery rental business, and to exploit opportunities for growth.

## Main business risks

**Risk associated with the current economic, political, social and health scenario.**

The performance of the Group's businesses is largely driven by the economic cycles of the countries and regions in which the Group operates.
More specifically, variables that are highly sensitive to cyclical changes such as employment levels, wages, the business climate, interest rates and access to financing can have an impact on the provision of services offered by the Group.

The current economic environment is unstable, mainly due to inflationary risks related to the cost of energy, fuel and certain raw materials. This situation has been compounded by the conflict in Ukraine which, among other effects, has further exacerbated the inflationary pressures were already affecting commodity markets.

Inflationary pressures have prompted central banks to adopt a policy of raising interest rates, although this is already being moderated by rate cuts that are expected to continue in the coming months. According to the ECB, inflation is expected to decline in the coming years, albeit at a slower pace than recently observed. The gradual easing of cost pressures and the effects of the ECB's monetary policy should allow headline inflation to fall from 5.4% in 2023 to 2.5% in 2024, 2.2% in 2025 and 1.9% in 2026 (source: ECB Economic Projections for the Euro Area, prepared by ECB experts, December 2024).

The current volatile economic climate has created a high degree of uncertainty about the outlook for the global economy, in general, and the Spanish economy, in particular. Inflation, economic growth, and electricity and fuel prices may be badly hit, resulting in a deterioration of the overall economic situation in which the Group operates, which could ultimately have a significant adverse effect on its financial position and cash flows.

**Competitive environment in the rental sector**

Traditionally, GAM has focused its activity on the short-term rental business. However, in recent years, the long-term rental business, and other businesses that do not require investment (training, maintenance, trading, distribution, etc.) have been playing an increasingly important part in the company's business model. As of September 2024 (the last quarter closed at the date of preparation of this Information Document), short-term rentals and services represent 39% of revenue (38% in 2023), the leasing/outsourcing business (long-term rentals and services) 27% (25% in 2023) and sales and after-sales training, distribution, used equipment sales) 34% of Group revenue (37% in 2023).

This traditional short-term rental and service business is strongly influenced by economic, political and social conditions, so any adverse situation could have a significant impact on demand and, therefore, on prices and the volume of business.

As this is an investment-intensive business, maintaining an adequate occupancy rate for the fleet of machines is vital to ensure that the Group's earnings are stable, so a significant drop in occupancy rates could have a negative impact on the business, earnings or the financial, economic or equity position of GAM.

Moreover, the machinery rental sector is highly fragmented, with a very large number of small and medium-sized operators and only a few of them have a significant national average market share, including GAM.

The Spanish market, where the Group does 65% of its business, is highly fragmented, with just over 60% of rental revenue generated by companies with fewer than 50 employees. Due to their size, the vast majority of operators in this market have a limited service capacity, confined to the small areas they cover, usually specialising in a particular category of machine. However, these small and medium-sized companies can be very aggressive in their pricing.

Machine manufacturers that sell and rent directly to their customers also compete with GAM.

## Geographic concentration in the Iberian market

77% of EBITDA is concentrated in the Iberian Peninsula. This represents a decrease of 1 point compared to the previous year.

The sustainability of regional economic activity depends on a number of factors that are out of the Group's control, such as the prevailing macroeconomic and political climate, sovereign debt and fiscal deficit levels, liquidity and credit availability, currency stability, interest rate changes, employment growth, consumer confidence, consumer perceptions of economic conditions and private sector investment, among others.

Although Spain and Portugal have stable economies, an adverse economic, political, social or health scenario in this region could have a significant impact on the Group's business and financial performance.

Similarly, the entry of new competitors into Iberia, or a failure of the strategies adopted in this territory, could be detrimental to the GAM Group's situation.

As part of its risk reduction strategy, the Group is stepping up growth in other countries where it operates, such as Chile, Mexico, the Dominican Republic, Morocco and Saudi Arabia, not only organically, by increasing its level of investment, but also inorganically, by acquiring business lines or other companies, e.g. the acquisition of Ozmaq S.A. de C.V. in July 2023.

This geographical diversification will mitigate the impact of a any localised downturn in the Iberian market.

The Group is also continuing to pursue a strategy of increasing its proportion of long-term business and businesses that are less dependent on investment (trading, distribution, training, etc.) in all its territories. This type of business, which is more stable and less dependent on economic conditions, can serve to mitigate any downturn in the Iberian market.

### Risk arising from our presence in emerging economies.

The Group's presence in Mexico, Colombia, Chile, Peru, Dominican Republic, Morocco and Saudi Arabia exposes it to certain risks that are not found in more mature or less volatile economies.

As at 31 December 2023, approximately 22% of the Group's recurring EBITDA was generated by its subsidiaries established in the aforementioned countries.

Emerging markets are exposed to political and legal risks that are less common in Europe and North America, such as nationalisation and the expropriation of privately held assets, political and social instability, sudden changes in the regulatory framework and government policies, as well as changes in fiscal policies and/or price controls. These risks also include the need to adapt to the different jurisdictions and legal and regulatory frameworks in each country in which the Group operates, and to the continuous changes thereto. This may make it necessary to allocate extra resources to manage the businesses in these countries and in any event places significant demands on staff on the operational and financial sides of the business.

Moreover, the emerging markets and other global markets in which the Group operates are more exposed than developed markets to the risk of macroeconomic instability and volatility in terms of GDP, inflation, exchange rates and interest rates, the devaluation of the local currency, political changes affecting economic conditions and general economic downturns, which would have an adverse effect on the Group's business. In some cases, for reasons sometimes related to instability, there may be foreign exchange controls (which may have an adverse effect on the ability of the Group's subsidiaries operating in emerging markets to repatriate profits) and on imports of capital goods.

GAM cannot guarantee the success of the Group's international operations and future investments in these territories. Should the risks and adverse events to which the emerging markets in which the Group operates be exposed and certain adverse conditions materialise, the GAM Group's business, results of operations or financial condition could be adversely affected.

**Risks associated with the integration of acquired companies.**

Since 2020, the GAM Group has been implementing a strategy of acquiring companies and business lines with the aim of increasing the Group's volume of sales and presence in the long-term machinery rental market in key industries such as the industrial sector. In addition to the legal and tax risks that may arise from the acquisition of companies because they are not covered by the seller and/or because they were not discovered during the due diligence process, there are other operational and business risks that may lead to problems when integrating new companies into the GAM Group or reduce the anticipated profitability of the newly acquired business. These risks are primarily as follows:

(i) losing the customers of the newly acquired companies;
(ii) developing new lines of business in which the GAM Group has limited experience;
(iii) staff from the newly acquired company joining the Group, especially key personnel;
(iv) the challenges and cost of integrating the Enterprise Resource Planning (ERP) of new companies into the GAM Group's systems;
(v) problems in achieving the expected synergies; and
(vi) the increased time and human resources required to assess, negotiate and integrate new companies into the GAM Group.

The Group has a team of M&A experts and receives external advice on due diligence processes; it has mechanisms in place to adequately cover the eventuality of any issues not identified during due diligence, for which the sellers are liable under the terms of the sale and purchase agreements; and it has in-house teams to coordinate, implement and monitor the integration procedures. Nevertheless, the Group cannot guarantee that this risk will not arise as a result of such acquisitions or other acquisitions that the Group may make in the future.

**Risk associated with implementing new businesses and projects.**

The Group allocates significant resources to the implementation of strategic projects that will have a long-term impact on the Group's earnings, either by increasing revenues or reducing costs. Examples of such projects are GAM Digital or Kirleo - Vocational Training Centre.

Achieving the goals set out in the feasibility plans of these projects is essential to ensure a return on the investments made, although it is not measurable in the short term, so there is a certain level of uncertainty as to the success of these projects.

Similarly, the creation of new business lines, such as a machinery remanufacturing plant (the REVIVER circular economy project) or the sustainable last mile delivery business (Inquieto), requires a high initial investment and the return on investment depends on the business plan being fulfilled. As these are new products with which the Group has less experience, there is a certain degree of uncertainty as to whether the targets we have set will be achieved: they may require more resources than estimated or generate lower than expected revenue levels.

The Group has control and analysis procedures in place to monitor key indicators, and any deviations from its feasibility plans and budgets.

Although no such risks have materialised to a significant degree as yet, the Group cannot guarantee that they will not arise in relation to ongoing projects or other projects that the Group may undertake in the future.

**Changes in market, technology or regulatory requirements.**

The emergence of new products and technologies to manufacture them, as well as changes in demand or existing regulations, could require higher-than-anticipated investments to update the Group's product portfolio.

Current trends in sustainability have already led to regulatory changes - with increased requirements and restrictions on activities that have an environmental impact - and the promotion of sustainable practices. The equipment rental and sales industry is experiencing a growing demand for electric or zero-emission equipment to replace diesel-powered equipment, both from its customers and due to environmental regulations.

At present, some of the equipment available on the market still requires fossil fuels such as diesel to operate, although sustainability trends could lead to some existing machines becoming obsolete and require new equipment to be purchased, thus increasing costs for the GAM Group.

Additionally, there is an added risk of manufacturers lacking the capacity to produce zero-emission or clean energy equipment to meet this demand for a green transition.

At year-end, zero-emission equipment accounted for 84.1% of GAM's whole fleet.

In addition, the GAM Group's operating model consists of purchasing and leasing machinery, with a focus on optimising fleet utilisation. The capital-intensive asset base of GAM's commercial operations may limit its ability to respond to unexpected changes in market conditions, due to limited opportunities to quickly adapt its rental fleet.

GAM cannot guarantee that it will be able to meet the expectations of its customers, the demands of society and any regulatory changes. They may have an adverse effect on the GAM Group's business, earnings or financial position.

**Risks arising from being affiliated with officially distributed brands.**

The GAM Group is the official distributor of certain makes of machinery in different territories, in some cases exclusively, for example, Hyster in the whole of Spain, Morocco and Portugal, or Yale in Spain and Portugal.

In these cases, the Group devotes efforts and resources to promoting sales or rentals of these brands of equipment over others, thus building a certain degree of customer loyalty to these brands, and also a level of knowledge of/familiarity with the products being offered by the sales network.

Distribution agreements set sales targets for the distributor and also contain a number of contract clauses which are binding on both the distributor and the manufacturer.

GAM carries out the necessary internal procedures to ensure compliance with these clauses and targets, but it cannot preclude that, for reasons beyond GAM's control, at some point in the future this brand will cease to be attractive to the market and therefore damage GAM's business, or that it will fail meet the set targets.

Similarly, although GAM maintains good communication and relations with the manufacturers for which it is a distributor, the Group cannot guarantee that the terms of the agreements will be fulfilled by the manufacturer in the long term, which could lead to the termination of such distribution agreements and, consequently, have a negative impact on the business, earnings or the financial, economic or equity position of GAM and its Group companies.

**Delays in manufacturing and delivery.**

The crisis affecting raw materials and supplies is causing shortages and delays in delivery times worldwide. This crisis is having an impact on GAM's operations, where the distribution business and a large proportion of its long-term rental, sales and purchase contracts depend on newly-manufactured equipment.

Delays in delivery times, in some cases exceeding 4 months, not only lead to a delay in revenue generation, but also to the loss of some contracts, or to customers seeking alternatives, such as short-term rentals of used equipment.

Similarly, the non-availability of components could lead to equipment downtime in rental agreements, because certain components or spare parts are required to repair faults, and this in turn may lead to a fall in revenue or some contracts being terminated.

At the date of preparation of this Management Report, the Group's business, results and the financial, economic and capital position of the GAM Group Companies have not been affected by these delays in the delivery of equipment; in fact, the situation has improved in 2024.

**Cost volatility.**

Some expense items, such as the cost of purchasing equipment, materials used for repairs and maintenance, transport and fuel, are inputs that depend on the price of raw materials (e.g. steel or fuel). Similarly, a widespread increase in the price of utilities (gas and electricity, among others) has an indirect impact on the rising costs that the GAM Group has to meet in order to carry out its operations.

These rising costs would have an impact on profitability or earnings, if these price increases were not passed on to the rental, maintenance or selling price of the machinery.

The Group has internal procedures in place to monitor costs and adjust selling prices, as well as price review clauses in long-term service agreements.

At the date of preparing this Directors' Report, the Group's margins have not declined significantly as a result of the widespread increase in prices caused by the crisis affecting raw materials, components and utilities, although it cannot guarantee that, in the long term, price volatility will not have a negative impact on the business, earnings or the financial, economic and equity position of the GAM Group's companies.

**Outflow or shortage of key talent or problems attracting new talent.**

GAM is highly dependent on certain key personnel. The Company and its Group require highly skilled professionals who can handle a variety of tasks in a very efficient and effective manner. Certain positions that are essential for the GAM Group require technical and commercial expertise that is scarce in the market.

This is compounded by the fact that the GAM Group's operational headquarters (i.e. the shared services centre) are located in Asturias, where the entire management team works, where the labour market is far tighter than in Spain's major economic hubs. It has an older population and is less attractive when it comes to capturing and retaining talent due to its smaller geographic size and more limited resources.

Moreover, in order to grow, GAM will require additional staff with specific training and geographical mobility. Some positions require very specific types of professionals who are difficult to attract and retain, such as sales managers, who must be familiar with the business in question (these businesses also often require customer loyalty) and the markets in which they operate, and qualified technical staff, who are responsible for repairing and maintaining the machinery.

Having skilled workshop technicians is therefore essential to the GAM Group's business, both domestically and globally, as workshop supervisors are responsible for ensuring that the machines are available for use by customers, repaired or serviced in the shortest possible time, while meeting the technical requirements of each type of machine, thus providing support to the different sites that require this machinery to be repaired and serviced in order to rent it out and provide a service to customers. Workshop supervisors not only require resources to be invested in training, but they also require a certain amount of experience, which is why failing to retain this talent at GAM could have a direct negative impact on the number of machines available for hire and consequently on sales volumes.

The Group has implemented policies to retain and attract talent, such as training plans (GAM Campus), talent mapping, performance appraisals and channels for employee recognition and opportunities. The Group is also working on a succession plan to ensure business continuity in the event of key personnel becoming unavailable.

GAM cannot guarantee that its management team or the senior managers of its functional departments or international divisions will be retained or remain in post, nor can it guarantee that the Group will be able to bring in external talent to replace them should they leave.

A failure to retain the services of key members of the Group's management team in its functional operations in Spain and overseas subsidiaries, and its inability or difficulty in attracting and retaining skilled workers, would have a negative impact on the GAM Group's business, earnings and financial position, more so than other companies due to its geographic location and dependence on technicians who are difficult to recruit.

**Failures in management and information systems. Cyber risks.**

GAM is highly dependent on Enterprise Resource Planning (ERP) systems, which support all of the GAM Group's operational processes.

Any failure of its management systems, whether due to internal or external causes (cyberattacks, viruses, etc.), would jeopardise the continuity of the GAM Group's operations, which would have a negative impact on the GAM Group's business, earnings and financial position.

The GAM Group also holds information that is sensitive from both a commercial and data protection perspective (customers, suppliers, employees, etc.). In order to mitigate the risk of a potential cyberattack, the GAM Group has introduced the following measures: the installation of numerous protective measures on its computers (e.g. firewalls, antivirus software, malware software and traffic monitoring); data centre outsourcing; and the implementation of strategies to recover personal data and confidential information and to minimise downtime in the event of IT system failures.

**Information leakage.**

The information available on customers, suppliers, pricing strategies, strategic decisions, etc., is crucial in the competitive environment in which GAM operates, and any leakage of such information could harm the business, especially if this information is obtained by competitors.

In addition, GAM receives sensitive information in the course of its M&A transactions, which is protected by the signing of confidentiality agreements. Occasionally, the completion or the terms of a deal may depend on the proper protection of this information.

Furthermore, GAM's Management may be in possession of inside information which has not been disclosed to the market and could affect share prices if it were.

The GAM Group believes that it has adequate mechanisms in place to safeguard the confidentiality and safekeeping of the information in its possession, and to comply with the Data Protection Act, although it cannot guarantee that important information will not be leaked in the future by employees or due to failures in the IT systems (see section on "cyber risks").

**Accidents.**

The nature of GAM's operations means that there are risks of accidents involving equipment or property, people or the environment.

With regard to its equipment or property, the Group has insurance policies to cover any claims or accidents that may arise in the course of its operations, or in the event of natural disasters or other events that could cause material losses.

In terms of staff, the Group has implemented all the measures required by occupational health and safety legislation, as well as additional measures and procedures that are handled by a dedicated in-house department. The Group has also taken out liability insurance to cover this type of unforeseen event.

In terms of environmental incidents, the GAM Group's operations do not pose a significant environmental risk, but it does use hazardous products to clean and maintain equipment, generates hazardous waste and wastewater from equipment cleaning, and stores and distributes petroleum products from underground and aboveground storage tanks at certain sites. As a result, it must comply with environmental health and safety laws and regulations in the same way as other companies engaged in similar businesses that need to handle, use, store and dispose of regulated materials.

Environmental laws impose obligations and liabilities with regard to cleaning up spills or releases of hazardous substances. These liabilities may be imposed on the parties that generate or dispose of such substances or the operator of the property concerned, often without regard to whether the owner or operator was aware of or responsible for the presence of such hazardous substances. Accordingly, GAM may be liable, either contractually or by operation of law, for any remediation costs, even if a contaminated property is not owned by GAM or if the contamination was caused by third parties during or prior to its ownership or operation of the property.

There can be no guarantee that previous assessments or surveys have identified all potential instances of soil or groundwater contamination. It is possible that future events, such as regulatory or policy changes or the discovery of hitherto unidentified contamination, may give rise to additional remediation liabilities, which may be material.

Although expenditure related to environmental and safety compliance and/or remediation has not been significant to date, the GAM Group has made and continues to make capital and other expenditures to comply with the law and regulations. However, the requirements outlined in such laws and regulations are complex, change frequently and may become more stringent in the future. The GAM Group may not comply with all of these requirements at all times and may be subject to potentially significant civil or criminal fines or penalties for continued non-compliance. New regulatory requirements or interpretations or additional liabilities arising in the future may have a material adverse effect on the GAM Group's business, financial position and earnings.

**Internal communication problems.**

The Group operates in territories with significant cultural and linguistic differences. The main languages used in the Group's operational management are Spanish, Portuguese, French, English and Arabic.

The offshoring of some of the Group's services in the Shared Services Centre and localised decision-making in the central offices in Spain could cause problems in channelling information, in disseminating the Group's guidelines, or in implementing internal policies and procedures, as well as in decision-making, which should be tailored to the social and cultural situation in each territory.

At the date of preparing this Directors' Report, no situations have come to light in which these differences have had a significant impact on the business, although in the future they could result in greater resources being used, or in decisions that may have a negative impact on a specific territory where the Group operates.

**Ownership concentration.**

At the date of preparation of this Directors' Report, the Group's majority shareholder is Orilla Asset Management S.L. (the acquiring company of Gestora de Activos y Maquinaria Industrial, S.L. "GAMI"), which has a direct shareholding of 43.24% of GAM's share capital. Orilla Asset Management S.L., in turn, is an asset management vehicle of which Francisco José Riberas Mera is the sole director and majority shareholder, holding shares representing 99.999% of its share capital.

In this regard, it should be noted that, as of the date of this Basic Information Document, Francisco José Riberas López, Mónica Riberas López and Patricia Riberas López, children of Francisco José Riberas Mera, together hold an indirect interest of 15% of GAM's share capital through various entities.

Their aggregate indirect interest in the share capital of GAM would be 58.24%, which means that they could exercise significant influence over the management of the Group, and over making decisions that require the approval of the Annual General Meeting, and their interests could differ from those of other shareholders or from those of the Group itself

Notwithstanding the above, in order to ensure that there is no abuse of control, neither Francisco José Riberas Mera, Francisco José Riberas López, Mónica Riberas López, Patricia Riberas López nor the vehicles through which they hold their indirect interests in the share capital of GAM are executive directors of GAM, nor have they been granted powers of attorney by GAM. Furthermore, three of the six directors who are members of the Board of Directors of GAM at the date of this Directors' Report are independent directors.

**Share prices.**

As GAM is a listed company on the Spanish Stock Exchange, its ability to raise funds is linked to the price of its shares on the stock market.

Although the value of the Company's shares has been relatively stable in recent years, GAM cannot guarantee that present or future events will not lead to changes in the value of its shares and therefore have an impact on the Group's ability to raise funds in the capital markets.

**Legislative or contractual non-compliance.**

In the course of business, GAM enters into a large number of various types of contracts and is subject to the legal regulations of each of the territories in which it operates.

The Group has appropriate mechanisms in place to ensure that it meets its current obligations. To this end, in addition to having various legal, tax, commercial, etc. experts on its staff, it has engaged the services of reputable consultants who provide consultancy services and ongoing updates. The Group has also taken out public and commercial liability insurance policies to cover its day-to-day operations.

However, the Group cannot guarantee that future events will not give rise to legal or contractual breaches that could have a material impact on the Group's earnings or financial position.

The Group is currently involved in legal proceedings and claims. Although most of these arise in the normal course of business, their outcome is uncertain and cannot be predicted with certainty. These legal disputes arise mainly from relationships with customers, suppliers and employees, but also from its business activities. At the date of preparation of this Directors' report, there are no pending legal or arbitration proceedings against the Group that could have a material adverse effect on the Group's business, financial position or results of operations.

Furthermore, the Group's business is exposed to potential liability risks, especially in countries where the costs associated with product liability claims can be particularly high.

Consequently, the Group could face claims that would result in liabilities in excess of the provisions made and the amounts covered by the relevant insurance policies. However, the Group has a highly diversified range of machinery rental services, which is an important risk mitigating factor.

**Fraud.**

Monitoring compliance with anti-money laundering, anti-terrorist financing and anti-bribery regulations can create a financial burden for the Group, as well as significant technical problems. Although the GAM Group believes that its current policies and procedures are sufficient to comply with the applicable regulations, it cannot guarantee that its anti-money laundering, anti-terrorist financing and anti-bribery policies and procedures will not be circumvented or will be sufficient to entirely prevent money laundering, terrorist financing or bribery. Any such event could have serious consequences, including civil and criminal penalties, fines and significant reputational damage, which could have an adverse effect on the Group's business, financial position, earnings and the future prospects of the Group as a whole.

**Reporting errors.**

The Group bases its strategic and operational decisions on the quantitative/qualitative and financial/non-financial information available to it.

The Group has put in place internal policies and procedures aimed at ensuring the quality of the information available, so that it provides a strong basis for sound decision making.

Additionally, the Group has an Internal Audit department that regularly reviews these procedures to ensure that the controls are adequate and effective and that the information available is reliable and free from material misstatement.

With regard to the information reported to the market, the Group engages audit firms of renown in Spain and abroad to audit the financial statements and check non-financial information; their review procedures are very strict and ensure the veracity of the information available to investors and other stakeholders.

However, employees circumventing certain procedures could lead to reporting errors, and consequently to errors in decision making, although the Group believes that it has an adequate control environment and that such errors, if they occur, would not be material.

Expressed in thousands of euros

**Reputational risk.**

The Group is exposed to the risk of damage to its image and reputation due to a breach or negligent performance of contracts that gains public attention, non-fulfilment of legal requirements, damage to property or persons, social and labour disputes or any other issue that is deemed significant by the public and the markets.

Whether warranted or otherwise, reputational damage, negative publicity or adverse public opinion stemming from the Group's activities or, more generally, certain industry players, could have a material adverse effect on the Group's business, earnings and financial position.

**Financial risks.**

The Group's businesses are exposed to various financial risks: interest rate risk, credit risk and impairment of financial assets, liquidity risk and foreign exchange risk. The Group's Finance Department manages the above risks in accordance with the instructions of the Board of Directors. Its decisions are monitored and approved by the Board of Directors.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's financing costs in 2024 and 2023 were affected by the increase in interest rates on both new fixed rate borrowings and existing floating rate borrowings. These increases had however been taken into account in the budgets for 2023 and 2024 and will also be included in the 2025 budget (although the Group expects them to stabilise in line with the figure at the end of 2024).

## Environment

The Company has adopted the measures it has deemed necessary to protect the environment and minimise any potential environmental impact that the Group's activities may have, as required by the legislation in force.

## Average payment period to suppliers

The information required by Additional Provision Three of Act 15/2010, of 5 July, prepared in accordance with the Resolution of the Spanish Accounting and Auditing Institute (ICAC) of 29 January 2016, on the information that must be disclosed in notes to financial statements regarding average payment periods to suppliers for trading operations in Spain, is set out below.

The information required is detailed below:

| | 2024 | 2023 |
|---|---|---|
| **Average payment period to suppliers (days)** | **69** | **76** |
| Ratio of transactions paid (days) | 71 | 73 |
| Ratio of transactions outstanding (days) | 51 | 88 |
| Total payments made (thousands of euros) | 143,968 | 154,097 |
| Total payments outstanding (thousands of euros) | 19,929 | 29,833 |

Expressed in thousands of euros

Details of invoices paid within a period shorter than the maximum period stipulated in the late payment regulations:

| | 2024 | 2023 |
|---|---|---|
| **Monetary amount paid in euros (thousands of euros)** | 96,310 | 77,132 |
| **Percentage share of total monetary payments to suppliers** | 65% | 53% |
| **Number of invoices paid** | 59,714 | 62,769 |
| **Percentage share of total number of supplier invoices paid** | 72% | 71% |

For the sole purpose of providing the information required by this Resolution, trade payables for debts with suppliers of goods or services, included under the headings "Suppliers", "Suppliers, group companies and associates" and "Sundry accounts payable" on the current liabilities side of the consolidated balance sheet, are classified as suppliers.

## Research and development

No significant investments were made in this area during 2024 and 2023.

## Treasury share transactions

As at 31 December 2024, the company holds 627 treasury shares (475 treasury shares as at 31 December 2023).

## Human resources

As at 31 December 2024, the GAM Group has 1,986 employees (1,815 as at 31 December 2023), representing an increase of 10% on the December 2023 figures.

## Sustainability report

The Non-Financial Information Statement for 2023 has been attached to this Directors' Report and forms an integral part hereof, as required by article 538 of the Spanish Corporations Act.

## Annual corporate governance report

The Annual Corporate Governance Report for 2024 has been attached to this Directors' Report and forms an integral part hereof, as required by article 538 of the Spanish Corporations Act

## Annual directors' remuneration report

The Annual Directors' Remuneration Report for 2024 has been attached to this Directors' Report and forms an integral part hereof, as required by article 538 of the Spanish Corporations Act.

# ANNEX I: Alternative performance measures (APMs)

# Alternative performance measures (APMs)

The GAM Group's financial information contains figures and measures prepared in accordance with the applicable accounting standards, and a number of other measures prepared in accordance with reporting standards that have been established and developed internally, which are referred to as Alternative Performance Measures (APMs).

These APMs are adjusted figures obtained from figures that have been reported in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), which is the accounting framework applicable to the consolidated financial statements of the GAM Group, and the reader should therefore regard the former as complementary to, but not a replacement for, the latter figures.

APMs are important to users of financial information since they are the measures used by GAM's Management to assess the Group's financial performance, cash flows and financial position for operational or strategic decision making.

As well as being financial measures, in accordance with IFRS-EU, these measures are used to set budgets and targets and to run businesses, to assess the operating and financial performance of businesses and to compare that performance with previous periods and with the performance of competitors.

Therefore, in accordance with the Guidelines issued by the European Securities and Markets Authority (ESMA), in effect since 3 July 2016, on the Transparency of Alternative Performance Measures, GAM provides the following information on the APMs that it considers to be material in the information disclosed for 2024 and 2023.

**Accounting EBITDA**: This is calculated by taking the following items from the consolidated income statement: "Recurring income", plus "Other income", less "Procurement", less " Staff costs", less "Other operating expenses", plus "Profit (loss) on investments accounted for using the equity method", plus "Negative goodwill on business combinations".

**Non-recurring non-financial expenses:** These are calculated by adding together the expenses arising from staff restructuring, non-financial expenses related to debt refinancing, expenses related to stock options and the discontinuation of activities related to a geographical area or a line of business.

**Non-recurring expenses:** These are calculated by adding the non-recurring non-financial expenses defined above to the financial expenses related to debt refinancing.

**Recurring EBITDA:** This is defined as accounting EBITDA plus the non-recurring non-financial expenses defined above.

**Operating investments or CapEx:** The amount corresponding to additions to property, plant and equipment and rights to use machinery, adjusted by the amount corresponding to other additions to property, plant and equipment other than machinery.

**Adjusted net financial debt:** This is calculated by taking the following items from the consolidated balance sheet: "Short and long-term borrowings and other financial liabilities", plus "Lease liabilities", less " Loan arrangement costs - refinancing", less "Operating lease liabilities recognised according to IFRS 16", less "Payables under repurchase agreements according to IFRS 15", less "Payables to suppliers of property, plant and equipment financed", less " Bonds", less "Deferred payments for company acquisitions", less "Capitalised interest payable" and less "Cash and cash equivalents".

**Adjusted net income attributable to the parent company:** This is calculated by adding to the profit (loss) attributable to the parent company the financial expense related to convertible debt, exchange differences and other non-recurring items with no cash component.

| | Thousands of euros | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| (+) Recurring revenue | 304,038 | 280,855 |
| (+) Other revenue | 13,395 | 12,786 |
| (+) Change in inventories of finished goods and work in progress | 2,920 | - |
| (+) Procurement | (113,371) | (105,537) |
| (+) Staff costs | (76,472) | (67,954) |
| (+) Other operating expenses | (51,127) | (48,107) |
| (+) Negative goodwill on business combinations | 771 | 810 |
| (+) Profit (loss) on investments accounted for using the equity method | - | 12 |
| **Accounting EBITDA** | **80,154** | **72,865** |

| | Thousands of euros | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| (+) Staff restructuring costs | (467) | (341) |
| (+) Non-financial expenses associated with refinancing | (70) | (74) |
| (+) Other non-recurring expenses | - | (374) |
| (+) Stock options | - | - |
| **Non-recurring non-financial expenses** | **(537)** | **(790)** |
| (+) Non-recurring financial expenses | (45) | (230) |
| **Non-recurring expenses** | **(582)** | **(1,020)** |

| | Thousands of euros | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| (+) Accounting EBITDA | 80,154 | 72,865 |
| (+) Non-recurring non-financial expenses | 537 | 790 |
| **Recurring EBITDA** | **80,691** | **73,655** |

| | Thousands of euros | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| (+) "Borrowings and other financial liabilities" | 239,253 | 224,639 |
| (+) "Lease liabilities" | 108,085 | 112,308 |
| (-) Loan arrangement costs - refinancing | 174 | 895 |
| (-) Payables under repurchase agreements, according to IFRS 15 | (19,549) | (16,715) - |
| (-) Payables to suppliers of PP&E financed | (5,784) | (4,885) |
| (-) Deferred payments for company acquisitions | (11,982) | (11,087) |
| (-) Capitalised interest payable | (466) | (622) |
| (-) Bonds | (164) | (48) |
| (-) Cash and other cash equivalents | (30,376) | (39,084) |
| **Total net financial debt** | **279,191** | **265,401** |
| (-) Operating lease liabilities recognised according to IFRS 16 | (20,742) | (18,476) |
| **Adjusted net financial debt** | **258,449** | **246,925** |

| | Thousands of euros | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| (+) Additions to PP&E | 46,781 | 65,353 |
| (+) Additions to right-of-use assets, machinery | 17,355 | 31,385 |
| (-) Additions to other PP&E and other movements | (15,631) | (20,932) |
| **Operating investments or CapEx** | **48,505** | **75,806** |

| | Thousands of euros | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| (+) Profit (loss) attributable to the parent company | 4,397 | 9,069 |
| (+/-) Financial expense - exchange difference | (1,627) | (641) |
| **Adjusted net income attributable to the parent company** | **2,770** | **8,428** |

# ANNEX II: NON-FINANCIAL INFORMATION STATEMENT

# Consolidated Non-financial Information Statement 2024

# Contents

# 1. Introduction

# Table of contents

## 1.1. Milestones of the year

**March**
GAM's annual convention at Reviver

**April**
Delivery of the largest electric crane in all Latin America

**August**
100 machine remanufacturing at Reviver

**December**
GAM Safety Day

New sustainable funding

## 1.2. 2024 in figures

| | | | |
|---|---|---|---|
| **8** | **1,952** | **84.1 %** | **304** |
| **Countries** | Employees | Zero emission fleet | M€ Revenues |
| **119** | **350** | **26,857** | **80.7** |
| **Outlets** | Mobile workshops | Training hours provided to customers | M€ EBITDA |

## 1.3. What is GAM?

GAM is a leading company in the machinery sector, with more than 20 years' of experience in supplying equipment and services that are renowned for their quality and reliability.


## 1.4. History

We started as a small Asturian company and, through hard work, humility and passion, we became a place where around 2,000 people develop their personal and professional projects in eight different countries.

We were founded in 2003 in Asturias with the aim of becoming a nationwide machinery rentals company in Spain. And since then we have been growing our company and expanding our geographical reach.

In 2006 we became the first company in our sector to be listed on the Continuous Market of the Madrid Stock Exchange and the following year we embarked on a path of global expansion, focusing on Latin America and North Africa, thanks to which we became a multinational company that operates on four continents and in numerous markets besides Spain: Portugal, Morocco, Mexico, Chile, Peru, Dominican Republic and Saudi Arabia.

The 2008 crisis hit us hard and we were highly exposed to the construction sector at that time. Those were very difficult years for us and we had to reinvent ourselves and rely on our international subsidiaries to survive. And not only did we succeed, we emerged stronger than ever with a new business model that was more focused on industrial customers and with a much more complete and diversified range of services.

Since then, we have evolved from being a machinery rentals company to a business that offers machinery-related solutions, and we have established a strong track record for providing high-quality products underpinned by outstanding service and a steadfast commitment to innovation and sustainability, always maintaining our focus on the driving force behind our success: people.

**2003**

Established in Asturias as a rentals company

**2004**

Growth strategy with the acquisition of companies in Spain and Portugal

**2006**

Initial public offering

**2007/1 1**

Globalexpansion: Morocco, Mexico, Chile, Peru, Panama, Dominican Republic and Saudi Arabia

**2012/15**

Service diversification in different business lines

**2016/17**

Official distributor of Hyster, among other brands

Start of our digital transformation: *online* Auctions and *e-commerce* portal for sales

**2018/19**

New business lines.

Entry of a new shareholder with an industrial focus

**2020/2021**

Incorporation of new distribution brands

Inorganic growth in Spain, Portugal and Mexico

**2022**

Launch of GAM Digital

We develop our Strategic Sustainability Plan (Embracing Sustainability)

**2023**

Launch of Reviver

**PRESENT**

**Comprehensive solutions for industry with a positive impact on the environment and communities**

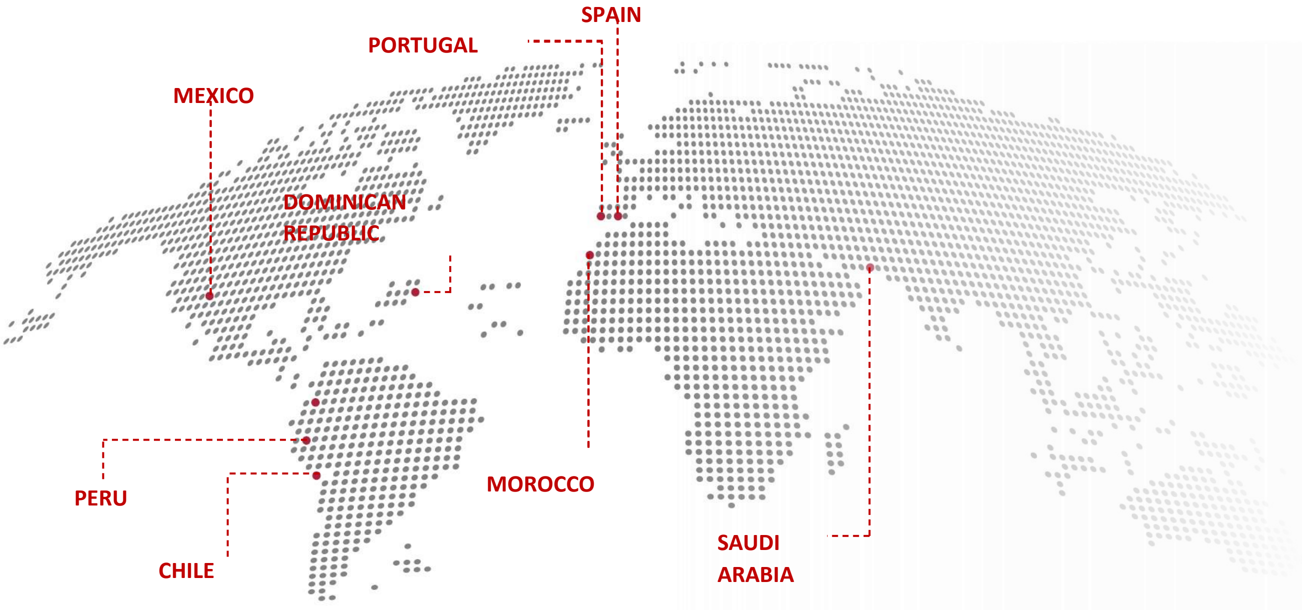
## 1.5. GAM around the world

We currently operate in the following countries:

- Spain
- Portugal
- Morocco
- Mexico
- Chile
- Peru
- Dominican Republic
- Saudi Arabia

GAM's subsidiaries in Panama and Colombia ceased their operations in 2023 and 2024, respectively.

The Company has 119 outlets worldwide.




## 1.6. Range of solutions

We are a leading machinery rental company, but our mission goes far beyond that. We have become a strategic partner for the industry by listening to our customers' needs and offering comprehensive services that deliver a unique value proposition.

In this sense, we have ten business lines: machinery rentals, energy, fleet maintenance, modular buildings, assembly, staging and production of events, distribution of the most prestigious brands in the sector, management of used machinery sales, training in our Kirleo vocational school, innovative robotics solutions and last mile mobility management.

Through these business lines, we offer a wide range of services to diverse sectors such as: logistics, automotive, food industry and distribution, renewable energies, aeronautics, chemicals, metallurgy, and facility services, among others.

To deliver these solutions, we handle a large number of machines, around 40,000 units in a variety of categories, such as lifting, load handling, handling and energy supply equipment.

GAM offers a comprehensive machinery rental service to meet all needs, through a one-stop shop system that provides commercial and technical advice from a single point of contact and providing a specialised technical service through a network of 119 sites, 800 technicians and 350 mobile workshops.

## MACHINERY RENTALS

Professional machinery rentals with the top brands on the market, through a single supplier and a fleet of over 40,000 machines, 84% of which are zero-emission.

## ENERGY

We offer a comprehensive solution for temporary power supplies, including technical advice, equipment, accessories, obtaining authorisations for facilities, refuelling services, maintenance and waste management. We also provide our customers with specialised technicians and 24-hour support.


## MAINTENANCE

GAM's maintenance service offers tailored programmes for third-party machines or fleets.

To deliver our maintenance service we have 800 technicians and 350 mobile workshops, providing our customers with specialised technical support, an on-call service and replacement machinery.

MODULAR BUILDINGS

Modular architecture projects for all types of solutions in various sectors. We sell prefabricated modular buildings, while also developing customised modular building projects for any field of application.

We cover everything from simple assemblies or buildings to large projects, avoiding the need for civil engineering work and offering outstanding agility thanks to the speed of our installations.

GAM takes care of design, modular construction and assembly as well as transport and any repairs.

AUDIOVISUAL

We handle the assembly, staging and production of events. Our main aim is to create spectacular events, working as a team with our customers to avoid unforeseen events.

Types of events we organise:

**Cultural and musical** **Corporate** **Sports** **Exhibitions and fairs**

DISTRIBUTION

We are official distributors of the top machinery brands.

We have the most complete range of new machinery on the market, acting as distributors for the biggest international brands, like Hyster, Yale, JLG, Oil&Steel, Ormig, Bravi, Logitrans, Tennant, Clark, Takeuchi, Valla, Mobilev, Pramac, Bts, Tecnacar, Blyyd, First green, Packmat and Modula.

Backed by our experience. We have decided to focus on distributing the very best machinery in order to deliver the best quality and service to our customers, making us a key partner for companies that rent machinery.

SALE OF USED MACHINERY

We are experts in machinery and asset management. Therefore, we diversified our business and launched an *e-commerce* portal where customers can buy second-hand machinery or sell us their used machines.

Our sales network offers tailored advice on each process: from machine valuations and finding the best second-hand products to organising logistics and transport.

TRAINING - KIRLEO VOCATIONAL SCHOOL

Kirleo, GAM's training business line, aims to bridge the gap in the labour market for unregulated technical professions. With this aim in mind, we offer a wide range of training courses to facilitate *upskilling* and *reskilling* processes in organisations, in addition to consultancy and subsidy management services.

GAM offers certified worker training through open courses, tailored programmes and in-company training. All our courses are approved and have their respective official licence and certificate. Through these courses, we improve procedures, enabling workers to operate in a more effective, preventive and professional manner.


We offer more than 300 courses per month on forklift trucks, platforms, overhead cranes, working at heights, confined spaces, etc. Our training team is composed of qualified OHS professionals and officers. Students can carry out training placements in real working environments with machinery supplied by GAM.

Our training platform allows us to combine online training with on-site training. This allows employees to access theoretical training through the platform, ensuring flexible hours and geographical flexibility. They will then apply the knowledge gained to their practical training, which takes place in our facilities.

We carry out all the necessary paperwork to obtain subsidies for the companies' training. These subsidies are designed for companies that run courses for their employees and pay vocational training contributions or for salaried workers who pay Social Security contributions.

ROBOTICS

Engineering and mobile robotics projects tailored to the needs of each customer. We provide cutting-edge technological solutions, with the efficiency and safety required by the industry. Thanks to a comprehensive analysis of our customers' needs and our multi-sector expertise, we are able to develop highly integrated systems that are capable of meeting each customer's specific needs.

At GAM we lead and support our customers in their technological transition towards Industry 4.0, by developing advanced solutions for the optimisation of industrial processes and mobile robotics projects, e.g the installation of AGV circuits or tailor-made bespoke AMR projects.

SUSTAINABLE MOBILITY - INQUIETO

Inquieto was launched in 2020 to meet the needs of a changing society, which seeks greater immediacy and demands quality and, above all, commitment to our environment. We are pioneers in providing comprehensive services for last mile logistics and goods delivery, offering *leasing*, sales, maintenance and fleet management for all types of businesses using alternative electric vehicles.

This allows us to promote sustainable urban mobility that preserves our cities, giving them back to people and delivering a sustainable future.

## 1.7. GAM and sustainability

At GAM, sustainability has been a key pillar of our strategy for many years. This is not a new development, it is an integral part of our corporate identity and operations. Our aim is to provide sustainable solutions for our customers while ensuring that our operations have a positive impact on the environment and society.

### STRATEGIC SUSTAINABILITY PLAN

GAM's Strategic Sustainability Plan, "Embracing Sustainability", reflects this commitment and guides all our initiatives in this area. The plan is built upon four key pillars that bring together our core sustainability actions:

The first pillar is the Circular Economy with Reviver, our most ambitious project ever, which is transforming the machinery sector by remanufacturing equipment and giving it a second life, thereby reducing the environmental impact and promoting the efficient use of resources.

The second pillar is Energy and Sustainable Mobility, which includes initiatives such as Inquieto, our business line that manages last mile deliveries using sustainable vehicles. We also have a fleet of zero-emission machines and other internal initiatives, e.g. the use of 100% renewable energy in our facilities.

The third pillar is Social Innovation, for promoting talent and local development through initiatives such as Kirleo, our vocational school which helps workers to acquire knowledge and professional skills, making it easier for them to find jobs. We also promote the exchange of ideas and projects through #CharlandoEnGAM, a set of talks on sustainability, innovation and culture. We ensure that we provide a safe and healthy workplace for all our employees and work together with various associations and initiatives, e.g. in our GAM Forest.

Finally, the fourth pillar "Transforming the business" helps us to put sustainability at the heart of the company through sound corporate governance, setting clear metrics and specific targets to guide all our initiatives.

In short, our actions are designed to have a positive impact, not only for our customers, employees and shareholders, but also for the community and the environment. This is aligned with our mission to be a company that operates responsibly and with a long-term vision.

### SUSTAINABLE SOLUTIONS

At GAM, we offer our customers a range of solutions that not only meet their operational needs, but also have a positive impact on both the environment and society.

One of our key solutions is **machine rentals**, which is an inherently more sustainable model than ownership. By sharing resources, we optimise their use, reducing the need to produce new machines and promoting efficiency.

We also have a wide range of **zero-emission machinery** that allows our customers to operate with greener alternatives to traditional solutions, receiving ongoing support with the best advice to ensure an efficient transition to sustainability.

Our **Reviver** project is another outstanding example of a sustainable solution. By remanufacturing machines, we extend their service life and certify their emission reductions, enabling our customers to lower their emissions and meet their environmental commitments.

Additionally, in our **Kirleo** Vocational School, we design tailor-made training plans for our customers, starting with an initial assessment of their staff's skills. This helps to improve professionalisation in areas not covered by regulated training, helping to develop a more skilled workforce.

In terms of last mile management, we are delivering an innovative solution through **Inquieto**, a range of zero-emission vehicles, tailored to the specific needs of each customer. This service not only improves operational efficiency, but also promotes more sustainable transport.

Finally, our **Robotics** business helps to improve operational efficiency, by cutting energy consumption with zero-emission machines. These solutions also improve the safety and ergonomics of workplaces, ensuring a safer and healthier environment for our customers.

At GAM, we are committed to delivering innovative solutions that not only support our customers in their day-to-day operations, but also help them move towards a more sustainable and responsible future.

## SUSTAINABLE OPERATIONS

At GAM, we are deeply committed to sustainability, not only in the solutions we provide to our customers, but also in our internal operations and the way we manage our resources. Our sustainability strategy covers several key areas. First and foremost, we focus on the well-being and safety of our staff, on the understanding that a healthy and safe workplace environment is critical to the long-term success of the company. Safety is a priority and we continuously strive to provide it to our employees, partners and customers.

At our sites, we implement a number of measures to ensure the sustainable operation of our facilities. This includes using solar panels, electric chargers, LED lighting and other energy-efficient solutions that allow us to reduce our carbon footprint and promote the responsible use of resources.

Furthermore, at GAM we actively promote social initiatives that bolster our commitment to the community. We work closely with organisations like the Red Cross and the Food Bank, we promote sport and we run campaigns such as toy drives to support families in need.

Undoubtedly, people-centred activities are one of the most important aspects of our sustainability drive. At GAM, we are firmly committed to improving the quality of life of our employees and driving economic development in the communities in which we operate. We believe that people's talent is the foundation of the company's success, which is why we continuously strive to nurture and develop it.

One of our key focuses is to promote sustainable practices and raise awareness among all our staff. For this purpose, this year we have launched a **sustainability training itinerary** for all employees, with the aim of enhancing knowledge of this issue and embedding sustainability in our day-to-day work.

Employee **safety** is also one of our key pillars. We have a highly ambitious Safety Plan that helps us to manage and continuously improve safety.

As part of our safety culture, in early December we held **"Safety Day"**, a global event where all 2,000 GAM employees, spread across eight countries, took time to reflect on safety. This event was an opportunity to strengthen our commitment, share our experiences and promote a safe and healthy workplace for all.


Safety Day

REVIVER PROJECT

Today, more than ever, we understand that our commitment to the future of industry and the planet must go further than simply delivering products and services. With this in mind, we launched our ambitious Reviver project, an initiative that marks a paradigm shift in our approach to machinery manufacturing and industrial waste management, promoting the circular economy and the protection of our natural environment while at the same time having a strong social impact.

By refurbishing and recycling machinery and parts, we give equipment that would otherwise be discarded a second life, optimising the use of material resources more efficiently.

Creating a **circular economy** in the industrial sector is one of Reviver's main objectives. Instead of following the traditional "use and dispose" model for machinery, we seek to promote the reuse and remanufacturing of machines to ensure a more efficient use of resources and extend the service life of products.

The remanufacturing process in Reviver involves a number of steps: after an initial analysis, the equipment being remanufactured is fully dismantled and the condition of its components is assessed. Functional elements are simply reused, while damaged or worn parts are either repaired through a rigorous inspection, cleaning and refurbishment process, or replaced. The process ends with a comprehensive quality assurance process that guarantees the quality of the end product.

Additionally, machines remanufactured at Reviver have a **circular economy certification** which shows the percentage of machine components that have been reused and the reduction in $CO_2$ emissions achieved by not purchasing and therefore not having to manufacture a new machine.

This means bringing a **totally innovative product** to the market: a machine with all the same features as brand new machinery but with an emissions reduction certificate, providing high added value for our customers by helping them to meet their sustainability targets.

Reviver's environmental impact is substantial: by remanufacturing equipment, we lower natural resource extraction and pollutant emissions from conventional manufacturing processes and transport, cutting CO2 emissions by an estimated 9,000 tonnes by remanufacturing 3,000 machines every year. This initiative also helps to reduce waste generated by obsolete equipment, which is in line with the global sustainability goals.

One of the things we are most proud of at Reviver is the **social impact** we are having in the local area.

The plant is located in Villacé, León, an area hit by population decline following the closure of a ceramics factory in 2016, which had been driving the local economy since 1930. Reviver is boosting economic development in the area and will create a number of jobs equivalent to three times the current population.

Reviver's 200,000 m2 facility has been built with the same ethos as the entire project: they occupy the same building as the old ceramics factory that closed down and have been built by reusing the existing infrastructures, giving them a second life and adapting them to our operational requirements.

Reviver was created with a firm commitment to the **community**, not only seeking to revitalise the area but also to set an example by providing a diverse workplace that is operated according to the highest quality standards. We have our own **Technician School** to help our employees develop new skills. We also promote diversity through agreements with local organisations and we support female employment.

We have also supported the recovery of the environment by creating a 13,500 m2 lake that fosters the regeneration of local fauna, planting 40,000 m2 of trees and creating two scenic viewpoints, offering local residents a space to enjoy this restored natural environment.

## 1.8. Supporting sustainable development

Our strategy focuses on addressing the complex challenges defined by the Sustainable Development Goals (SDGs) with innovative solutions and positive impacts. Supported by the Reviver project, we remain committed to achieving the United Nations Sustainable Development Goals for 2024. The SDGs that are directly impacted by the key issues addressed by the company are as follows:

The social dimension


SDG 3: Promote good health, safety and well-being


SDG 4: Promote learning opportunities


SDG 10: Reduce inequality

The environmental dimension

SDG 7: Increase the share of energy consumed from renewable sources and improve energy efficiency

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable by promoting sustainable mobility

SDG 12: Ensure sustainable consumption and production patterns

SDG 13: Take urgent action to combat climate change and its impacts

SDG 15: Promote the sustainable use of terrestrial ecosystems

Economic dimension

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG 9: Industry, innovation and infrastructure

The company believes it is important to promote social and economic development and growth, supporting and collaborating with local organisations, in order to help generate wealth in all the places where it operates.

During 2024, we continued to build on our commitment to Corporate Social Responsibility, promoting initiatives that foster social well-being, inclusion, education and high-quality employment in the communities where we operate.

Our most notable activities include our participation in various social action campaigns, such as food donations, toy drives and blood donations, which have a direct and positive impact on the community.

In the realm of education, we sat on the jury of the Asturian Business Federation's 1st NEXT Awards for Vocational Training, an initiative that rewards innovative vocational training projects.

We also strengthened our training placements programme, benefiting 72 vocational training students and teachers, an increase of 105% on the previous year.

Finally, we further strengthened our commitment to the community by participating in equality committees and employment forums, where we promoted job opportunities for diverse groups, thus cementing our support for inclusion and equity.

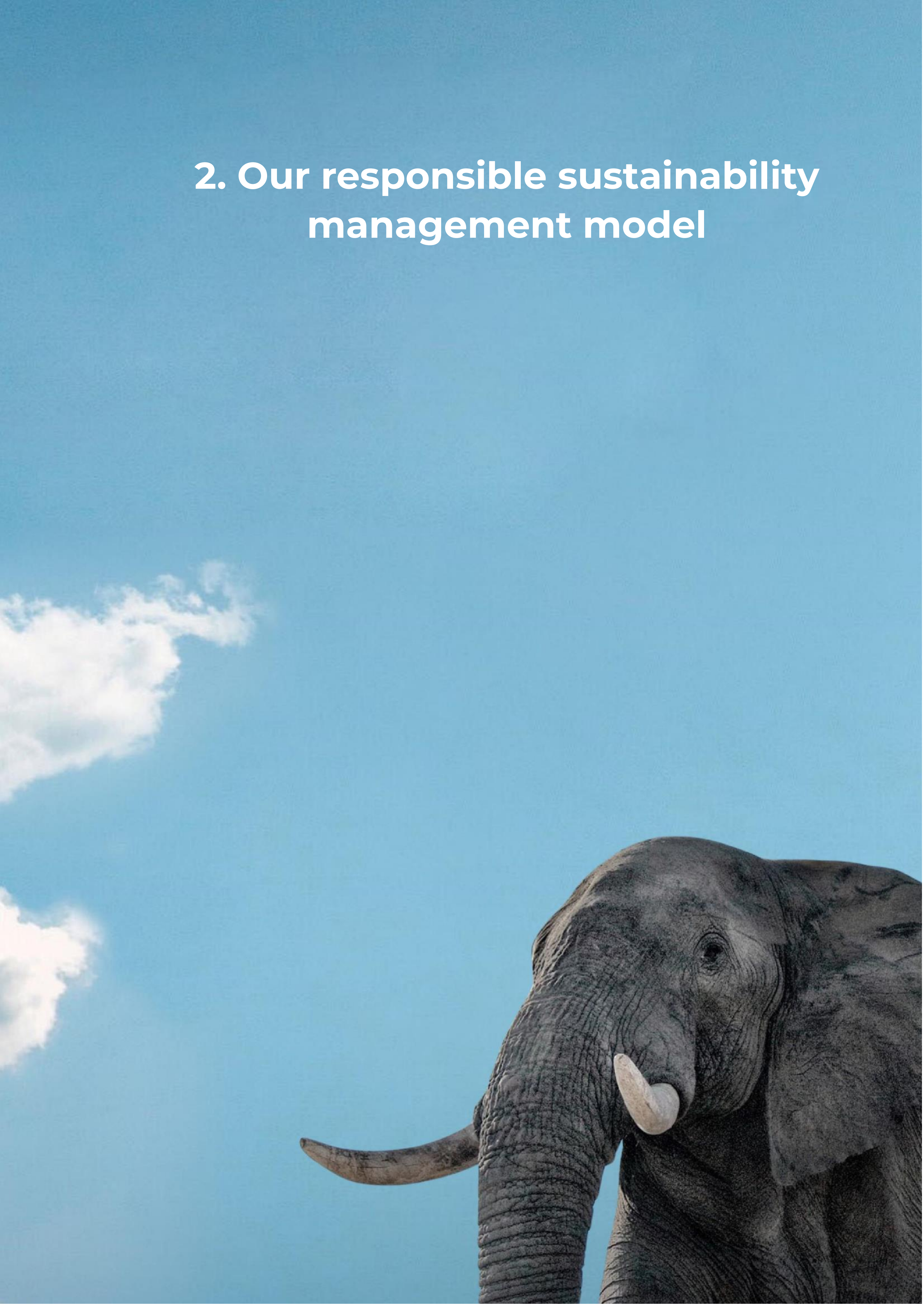
These actions underscore GAM's commitment to sustainable development, social progress and the well-being of the communities in which it operates.

## 1.9. Certifications and awards

Since July 2023, we have been awarded a "Silver" rating by ECOVADIS following an assessment of our compliance with sustainability standards. In 2024, we were once again awarded this certificate with the same rating, even though the requirements for obtaining it are becoming increasingly demanding, thus illustrating our unwavering commitment to sustainability.


Additionally, we were awarded the title of "Best rental company of the year" at the 2024 European Rental Awards, where the judges noted that "2023 was another year of important milestones for GAM, with acquisitions in Mexico and Spain, an extension of its material handling distribution business and an investment in its Reviver remanufacturing plant".

# 2. Our responsible sustainability management model



## Table of contents

# 2.1. General information

GAM's consolidated Non-Financial Information Statement (NFIS) for 2024, which is part of the Directors' Report, is the seventh report published by the company since Act 11/2018 of 28 December came into force in Spain. This yearly document also serves as the Sustainability Report, which provides information on the company's non-financial performance and sets out its sustainability strategy.

Unlike previous years, this is the first report to be prepared with reference to Directive (EU) 2022/2464 of 16 December 2022 (known as CSRD) on sustainability reporting by companies, which applies to reporting periods beginning on or after 1 January 2024. However, it also complies with the reporting requirements of Act 11/2018 of 28 December, amending the Commercial Code, the consolidated text of the Corporations Act approved by Royal Decree-Law 1/2010.

Despite the non-transposition of the aforementioned Directive in 2024, the information contained in GAM's consolidated NFIS has been prepared according to the European Sustainability Reporting Standards (ESRS) associated with the CSRD. However, the scope of verification of this report only covers information that relates to Act 11/2018. See section 7.2. Annex: Verification report.

Furthermore, information from Article 8 of the EU Taxonomy Regulation, and all associated delegated acts issued by the European Commission, has been included.

This consolidated NFIS will be presented as an annex to the Financial Statements.

## 2.1.1. General basis for preparation of sustainability statements (BP-1)

### 2.1.1.1. Scope of the consolidated Non-Financial Information Statement

The 2024 consolidated Non-Financial Information Statement covers the financial year from 1 January to 31 December 2024. The information provided for 2024 is presented for comparison purposes with the information for 2023.

The scope of this report includes the countries which, as a whole, account for the largest number of employees and volume of sales of the entire group, covering 100% of total staff and sales, respectively: Spain, Portugal, Morocco, Saudi Arabia, Colombia, Chile, Peru, Mexico and Dominican Republic, representing a total of 1,952 employees at year-end 2024 (809 employees as at 31 December 2023).

For an understanding of the extent to which this consolidated NFIS covers upstream and downstream stages of the value chain, see section *2.2.6.6. Business model and value chain*.

## 2.1.2. Specific circumstances (BP-2)

### 2.1.2.1. Time horizons

The time horizons established by the company are in line with those set out in section 6.4 of ESRS 1:

- Short-term: the period adopted by the undertaking as the reporting period in its financial statements; i.e. one year.
- Medium-term: from the end of the short-term reporting period defined above, up to five years.
- Long-term: more than five years.

### 2.1.2.2. Metrics

No metrics related to the upstream or downstream stages of GAM's value chain which are based on indirect sources or have a high degree of measurement uncertainty for the reported quantitative data have been used in this consolidated NFIS.

#### 2.1.2.3. Changes in the presentation and preparation of sustainability reporting

GAM has made the following changes in the preparation and presentation of this report:

- Although Directive (EU) 2022/2464 of 16 December 2022 was not transposed in 2024, the GAM Group has decided to perform a double materiality assessment, which is detailed in section 2.3 of this chapter. Furthermore, this report has been brought into line with the structure required by these regulations. This change includes much of the information that will have to be disclosed when Directive (EU) 2022/2464 is transposed, while the minimum disclosures required by Act 11/2018 of 28 December 2018 continue to be reported.

- In order to comply with the requirements of the CSRD, in sections *5.1.7. Characteristics of the undertaking's employees (S1-6) and 5.1.10. Diversity metrics (S1-9) of ESRS S1 – Own workforce,* the age groups have been updated. In the 2023 NFIS they were broken down into: under 25 years old, between 25 and 40 years old and over 40 years old. In this document, the results for the 2024 and 2023 tables are shown with the following age groups: under 30 years old, between 30 and 50 years old and over 50 years old.

#### 2.1.2.4. Disclosures stemming from other legislation or generally accepted sustainability reporting standards

In addition to being prepared on the basis of Directive (EU) 2022/2464 of 16 December 2022, this consolidated NFIS also includes information stemming from other legislation, namely:

- Act 11/2018 of 28 December, amending the Commercial Code, the consolidated text of the Corporations Act approved by Royal Decree-Law 1/2010.
- Article 8 of the EU Taxonomy Regulation and all associated delegated acts issued by the European Commission.

## 2.2. Sustainability governance

### 2.2.1. The role of the administrative, management and supervisory bodies (GOV-1)

#### 2.2.1.1. Composition and diversity of the administrative, management and supervisory bodies

After the Annual General Meeting, the Board of Directors is the Group's highest decision-making body. It is fully committed to the continuity of the business, firm in the belief that the Strategic Plan will ensure that the company meets its objectives.

As stated in the Rules, the Board of Directors is responsible for ensuring that we fulfil our corporate purpose, protect our overall interests and create value for the benefit of all shareholders. Therefore, the Board of Directors must always focus on the goal of maximising the Group's value.

On that basis, the Board defines and reviews business, commercial and financial strategies, GAM's planning and the implementation of investment projects in order to maximise profitability at reasonable risk. The Board of Directors met on six occasions in 2024.

We also have diversity policies in place with regard to the company's Board of Directors.
Both our website and the table below show the diverse areas of expertise and range of sectors of the Board of Directors.

The members of the Board of Directors are as follows:

| **Name** | **Pedro Luis Fernández Pérez** | **Patricia Riberas López** | **Francisco López Peña** |
|---|---|---|---|
| **Position** | **President and CEO** | **Director** | **Director** |
| **Type** | **Chief Executive Officer** | **External Proprietary Director** | **External Proprietary Director** |
| **Sectoral experience** | Graduate in Law from the University of Oviedo (1989). Master's Degree in General Business Administration, International MBA, ESDEN (Madrid), Master's Degree in Value Creation and Business Valuation, IESE (Madrid). Pedro Luis Fernández is the founder of General de Alquiler de Maquinaria S.A., a company in which he holds the positions of Chairman and CEO.<br><br>From 2014 to January 2018 he was President of the Asturian Business Federation (FADE). He combines these duties with other business activities, including: member of the North-West Regional Advisory Board of BBVA in Spain; member of the Jury of the Princesa de Asturias de la Concordia Awards; member of the jury for the "Fight against Hunger" category of the Alimerka Foundation's Luis Noé Fernández Awards; member of the Board of Directors of several companies in the leisure, food, industrial and venture capital sectors.<br><br>Finally, he has participated in various business forums and in teaching activities and talks. | Graduated Cum Laude in Business Administration (2013) from Babson College, Boston, USA. She received a Master's in Business Administration (MBA, 2018) from Columbia University, New York, USA.<br><br>She started her professional career as a consultant at Roland Berger Strategy Consultants in Madrid, where she took part in projects in various sectors. She then joined the Endeavor Foundation's team, carrying out assessments and consultancy work for Spanish business owners.<br><br>She is currently a Director of the Gestamp Group. She is also involved in managing operations within her family holding company. | He holds a degree in Civil Engineering from the Polytechnic University of Barcelona and a Master's in Business Administration (MBA) from IESE Business School, Barcelona. He has extensive experience in the automotive components industry and has been with the Gestamp Group for over 22 years.<br><br>He previously held senior management positions in companies in sectors such as industrial mining and textiles. He joined Gestamp as Director of Corporate Development in 1998, then became CFO from 2008 to 2017, and subsequently CEO until 2020.<br><br>He is also currently CEO of Orilla Asset Management. He is also a director of several companies within the Gestamp Automoción Group and of several unlisted companies in which Orilla Asset Management holds a stake. |

| Name | Jacobo Cosmen Menéndez-Castañedo | Verónica Pascual Boé | Ignacio Moreno Martínez |
|---|---|---|---|
| Position | Director | Director | Director |
| Type | Independent external director | Independent external director | Independent external director |
| Sectoral experience | President of CMC XXI, S.L.U., and Cofinex, S.L., and Director of General Técnica Industrial S.L.U. (ALSA).<br><br>He holds a Degree in Business Administration (London) and a Master's Degree in Business Administration from the University of Valladolid; Senior Management Programme and Management Development Programme in Oviedo and Advanced Management Programme in Boston (USA); BSc in Transport Systems Engineering from Loughborough University (UK) and Certificate of Competency for National and International Passenger Transport Activities. | She holds a degree in Aeronautical Engineering from the Polytechnic University of Madrid, a Master's in Business Administration (MBA) from Collège des Ingénieurs in Paris and an Executive Master in Positive Leadership and Strategy (EXMPLS) from IE Business School. She also holds several postgraduate degrees from INSEAD, Stanford, and Harvard Business School.<br><br>For the last 18 years, this entrepreneur has led a group of companies linked to the digital transformation, headed by ASTI Mobile Robotics Group, a company based in Spain, France, Germany and the United States, which supplies autonomous vehicle systems for the automation of industrial processes in sectors such as the automotive, food, cosmetics, pharmaceutical and retail industries. In August 2021, ASTI Mobile Robotics became part of ABB Robotics and Ms Pascual took over the position of Global Head of Autonomous Mobile Robotics until January 2023.<br><br>She currently heads her family office, ALBP Corp, whose main objectives include investing in technology-based projects. Ms Pascual also chairs the ASTI Technology and Talent Foundation, which was created to develop STEM talent among young people from an early age. She is also Vice-President of Endeavor España, a member of the Advisory Board of Telefónica Tech, and a Director in the companies Telefónica S.A., General de Alquiler de Maquinaria, S.A. (GAM), Telefónica Audiovisual Digital, Marsi Bionics and Viscofan. She began her international career in the Strategic Human Resources Management Department of the multinational industrial group Bouygues.<br><br>In 2004, she joined the family-owned company ASTI, having held various positions in the company's senior management (technical and commercial management). At the end of 2006, she took over as CEO and, in 2008, decided to acquire the company. She has held a number of positions, including: Promoter and Founder of the Burgos Digital Innovation Hub (DIHBU) through ASTI (2018); President of the Industry 4.0 Working Group of Castilla y León Regional Government (2016-2018); President of the Industry 4.0 Committee and Vice-President for Talent Development at AMETIC (2016-2018); Member of the Advisory Board of the University System Quality Agency (2015-2016); Member of the Advisory Board of EAE Business School (2015-2016); Member of the Governing Council of APD Castilla y León (2014-2015); Member of the Board of Directors of the Castilla y León Family Business Association (2001-2013). | He holds a degree in Economics and Business Studies from the University of Bilbao. Master's in Business Administration (MBA) from INSEAD. He is currently President of Metrovacesa, S.A., Director of Telefónica Brasil, a member of the Advisory Board of Telefónica, S.A., Director of Roadis Transportation Holding, S.L.U., Director of General de Alquiler de Maquinaria (GAM) and sits on the Board of Directors of Ontime Corporate Union and Sercotel. He is also Senior Advisor to PJT Partners for Spain. Until October 2016, he was CEO of Metrovacesa, S.A. He had previously held the position of President of this company.<br><br>He has also been General Manager of the Executive Department of Banco Bilbao Vizcaya Argentaria, S. A. (BBVA), CEO of N+1 Private Equity and CEO of Vista Capital Expansión S. A., SGECR (Private Equity). At Corporación Bancaria de España S.A. - Argentaria, among other positions, he was Deputy General Manager of Corporate and Institutional Banking, CEO of Desarrollo Urbanístico Chamartín S.A., and President of Argentaria Bolsa, Sociedad de Valores. He worked at Banco de Vizcaya, Banco Santander de Negocios, and Mercapital, as Office Manager, Director of Corporate Banking and Senior Director of Private Equity. |

Of the members of the Board of Directors listed in the above table:

- 16.67% are executive directors and 83.33 % are non-executive directors.
- 33% are female directors.
- 50% are independent directors.

### 2.2.1.2. Functions of the administrative, management and supervisory bodies

The Board of Directors is ultimately responsible for managing the company's risks, with operational management delegated to the Audit and Control Committee, which in turn is supported by the Internal Audit unit.

In conjunction with the Management Committee for the various departments, the Internal Audit function is responsible for defining, reviewing and updating the main risks faced by the company, as well as implementing measures to minimise the impact of the main risks that have been identified.

The main tool used by the company to define the risks to which it is exposed is the Risk Map. The main purpose of this document is to create an environment where it is possible to identify the main risks faced by the Group in the conduct of its business, to assess the likelihood and possible impacts of these risks on our financial position and our degree of risk tolerance. It also serves to identify the controls required to mitigate the impact of these risks on our consolidated financial position.

For the specific management of ESG risks, the company has a Sustainability Department, which works together with the functional areas and the Executive Committee to identify and manage risks and all other IROs (Impacts, Risks and Opportunities). It then reports them to the Appointments, Remuneration and Sustainability Committee (CNRS) and the Audit Committee (CA), which ensure that the company's risks are managed appropriately.

The level of risk considered acceptable in the pursuit of our business objectives is ultimately decided by the Board of Directors, which has delegated the function of overseeing and monitoring the control environment to the aforementioned Committee.

The company believes it is essential that the Group as a whole, and in particular those individuals who hold key decision-making positions, are aware of the main risks faced by the Group as they perform their duties, which are set out in the Risk Map.

The Group assesses its risk tolerance based on the extent to which it may affect its financial position and/or its reputation. For example, the Group has a low risk tolerance for certain risks such as: non-compliance with laws and regulations as well as risks to the safety, health and well-being of its employees, customers and the communities in which it operates.

The Risk Map sets out the main risks facing the GAM Group, based on the following criteria:

- Likelihood of occurrence.
- Proportionality of the impact of the risk on the consolidated financial position.

The document is based on the assumption that the main risks affect the Group as a whole, although there may be some that only affect a given business, sector or territory in which the company operates, in which case this is made clear (e.g. risk of concentration of operations in the Iberian business, competitive environment in the rental business).

It also assigns each risk to one of the four following categories: strategic risks, compliance risks, reporting risks, and operational risks.

There follows a list of risks which, although not exhaustive or comprehensive, focuses on those which may have a higher likelihood of occurrence and a greater impact on the Group's business model, solvency or liquidity, reputation or earnings.

This list may change over time with new risks being added and others being removed.

1. Competitive environment in the rental sector.
2. Risk of geographic concentration in the Iberian market.
3. Risk arising from our presence in emerging economies.
4. Risks associated with the integration of acquired companies.
5. Risk associated with implementing new businesses and projects.
6. Changes in market, technology or regulatory requirements.
7. Risks arising from being affiliated with officially distributed brands.
8. Delays in manufacturing and delivery.
9. Cost volatility.
10. Outflow or shortage of key talent or problems attracting new talent.
11. Failures in management and information systems. Cyber risks.
12. Accidents.
13. Internal communication problems.
14. Share prices and ownership concentration.
15. Legislative or contractual non-compliance.
16. Fraud.
17. Reporting errors.
18. Credit risk and investment recoverability.
19. Liquidity risk and indebtedness.

#### 2.2.1.3. Sustainability among the administrative, management and supervisory bodies

The Appointments, Remuneration and Sustainability Committee is responsible for assessing the skills, knowledge and experience required of candidates to fill vacancies on the Board and Management Committee, as well as the sustainability and governance strategy and guidelines to be followed.

The Committee members are as follows:

| Name | Position |
|---|---|
| Verónica María Pascual Boé | Chair |
| Jacobo Cosmen Menéndez-Castañedo | Member |
| Francisco López Peña | Member |

Verónica Pascual Boé is the Chair of the Appointments, Remuneration and Sustainability Committee. In 2024, the Appointments, Remuneration and Sustainability Committee (CNRS) met on six occasions.

Given that all matters relating to ESG (Environmental, Social, Governance) are continually evolving, to update their knowledge, the members of the CNRS and other people from the company, including the President and CEO, the Director of Sustainability and several people from the People and Culture Department, took part in a tailor-made training course at CUNEF in September 2024, entitled "ESG in Corporate Strategy". It covered topics such as the current role of boards of directors in ESG, challenges in the value chain, case studies, trends and best practices.

### 2.2.2. Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV- 2)

Given the importance of sustainability within the organisation, the various administrative, management and supervisory bodies are informed of any related issues so that they can be managed effectively.

All relevant parties were involved in our double materiality assessment process, where the IROs were identified: functional areas, the Executive Committee and the Board of Directors through the Appointments, Remuneration and Sustainability Committee and the Audit Committee.

The double materiality assessment and IROs were developed with the functional areas. They were subsequently reviewed and approved by the Executive Committee. They were then included as an item for discussion at the CNRS in September. The members of the CNRS provided *feedback* on the assessment and changes were made to key points and, given the importance of this exercise, an extraordinary meeting of the CNRS and CA was held in November, so that they could jointly review and validate the double materiality assessment and the IROs.

From 2025 onwards, this topic will be included on the agenda of the CNRS twice a year to ensure that it is properly managed and updated if necessary.

### 2.2.3. Integration of sustainability-related performance in incentive schemes (GOV-3)

The parent company's board members are remunerated in accordance with the transparency requirements applicable to listed companies. In this respect, the details and individual breakdown of the conditions for the board members appear in the Annual Directors' Remuneration Report, which is drawn up for this purpose and published in accordance with current regulations. This report can be viewed on the company's website.

Work is currently underway to set variable remuneration for senior managers which is linked to sustainability targets in 2025.

As for the Board of Directors, the Spanish National Securities Market Commission (CNMV) advises against variable pay so as not to affect its impartiality, so ESG targets will only be used to determine the variable remuneration of senior managers.

The conditions of the incentive schemes for directors are approved and updated by the Appointments, Remuneration and Sustainability Committee.

### 2.2.4. Due diligence (GOV-4)

We do not currently have a due diligence process in place for key sustainability issues. However, we do have procedures and guidelines that deal with different stages of a due diligence process, as detailed in the table below:

| Key stages of the due diligence process | Section |
|---|---|
| Integrating due diligence into corporate governance, strategy and business model | We have a Code of Conduct. For further information, see *6.1.3. Business conduct policies and corporate culture (G1-1)*. |
| Engaging with stakeholders | We engage with stakeholders through various communication channels. For further information, see *2.2.7.2. Engagement and communication channels.* |
| Identifying and assessing negative impacts | We have environmental, social and governance policies in place to address negative impacts. For further information, see *4.1.3. Policies related to climate change mitigation and adaptation (E1-2), 4.2.2. Policies related to resource use and circular economy (E5-1), 5.1.3. Policies related to own workforce (S1-1), 6.1.3. Business conduct policies and corporate culture (G1-1)*. |

| | |
|---|---|
| Taking measures to address negative impacts | We have a whistleblowing channel. For further information, see *5.1.5. Processes to remediate negative impacts and channels for own workforce to raise concerns(S1-3)*. |
| Monitoring and reporting on the effectiveness of these efforts | We are working on monitoring the effectiveness of our due diligence efforts. |

## 2.2.5. Risk management and internal controls over sustainability reporting (GOV-5)

With regard to risk management and internal controls relating to the disclosure of this consolidated Non-Financial Information Statement, we have a number of internal processes in place to ensure the reliability and quality of the information reported. The drafting of the report is coordinated by the Strategy and Transformation Department, which works directly with the People and Culture, Environmental and Occupational Health and Safety (OHS) areas. Each area is responsible for drafting the part of the report that is specific to its department, with each part subsequently being combined in a single report that is reviewed by the Strategy and Transformation Department, whose responsibilities include sustainability management.

Once the report has been drafted, it is submitted and presented to the Appointments, Remuneration and Sustainability Committee and the Board of Directors' Audit Committee for approval, as well as being sent to all members of the Board of Directors.

## 2.2.6. Strategy, business model and value chain (SBM-1)

### 2.2.6.1. Sustainability-related objectives

As regards sustainability-related objectives, we have made the following commitments:

- To promote sustainability in the machinery sector through Reviver.
- To provide customers with solutions that have a positive environmental and social impact.
- To improve people's quality of life.
- To promote economic development in the communities in which we operate.
- To help reduce carbon emissions.

### 2.2.6.2. Core business activities and key elements of the business strategy related to sustainability

The elements of GAM's strategy that relate to sustainability issues, our business model and the value chain are described in chapter *1. Introduction* and in sections *1.5. GAM around the world*, *1.6. Range of solutions and 1.7. GAM and sustainability*. These sections provide a description of our sustainability strategy and the services offered by the company, with a special focus on sustainable solutions and operations.

### 2.2.6.3. Key markets

GAM operates in Spain, Portugal, Morocco, Mexico, Chile, Peru, Dominican Republic and Saudi Arabia. The company also has 119 outlets, as detailed above in section 1.5. *GAM around the world*.

### 2.2.6.4. Headcount of employees by geographical areas

The number of employees by geographical area can be found in section *5.1.7. Characteristics of the undertaking's employees (S1-6).*

### 2.2.6.5. Revenue

The revenue obtained in 2024 and 2023 for each line of business operated by the GAM Group is shown below. This table can be found in *Note 22 Recurring revenue* in the Financial Statements.

| | Thousands of euros | | | |
|---|---|---|---|---|
| | 31.12.2024 | | 31.12.2023 | |
| | Spain | International | Spain | International |
| **Machinery rentals** | 129,110 | 40,356 | 118,752 | 40,734 |
| **Revenue from ancillary services** | 43,587 | 17,246 | 42,919 | 8,358 |
| Freight revenue | 12,128 | 3,165 | 12,076 | 3,316 |
| Revenue from repairs and spare parts | 13,140 | 4,380 | 12,450 | 3,470 |
| Revenue from training | 4,116 | 294 | 3,801 | 166 |
| Other revenue sources | 14,203 | 9,407 | 14,592 | 1,406 |
| **Sales of machinery etc.** | 47,069 | 26,545 | 46,617 | 23,237 |
| **Other revenue** | 33 | 92 | 208 | 30 |
| **Recurring revenue** | **219,799** | **84,239** | **208,496** | **72,359** |

Besides the business lines listed in the table above, there are no further key sectors worth noting.

### 2.2.6.6. Business model and value chain

The GAM Group's vision involves being the best global industrial services partner for its customers, delivering value and meeting every need, having a positive impact on the environment and the communities in which it operates.

For this purpose, we have mapped our entire value chain, with a special focus on the following third parties:

- Suppliers of machinery and services.

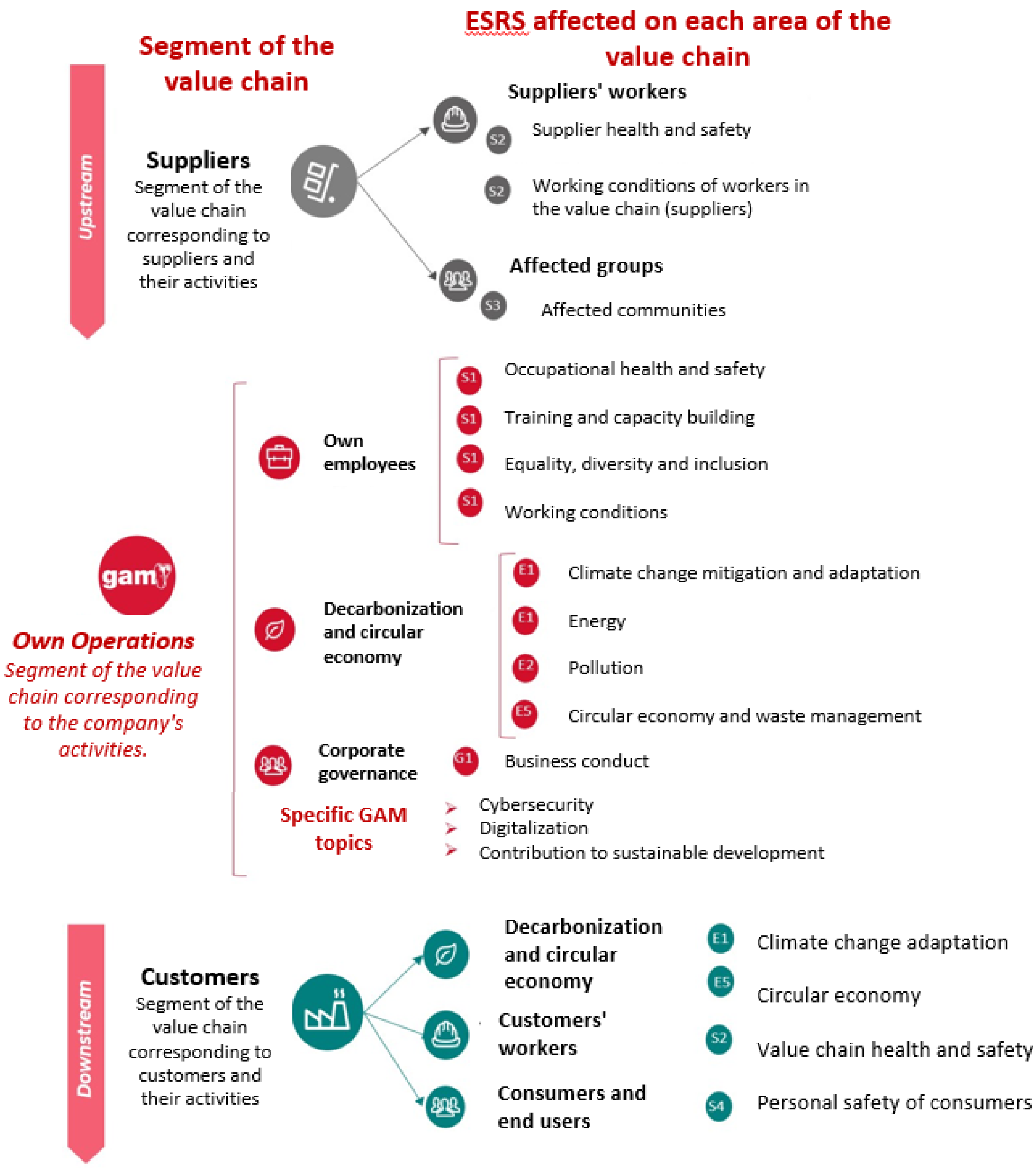
We maintain long-term relationships with machinery manufacturers, sometimes acting as their distributors in various markets.

We also work with suppliers of spare parts, supplies and other components that are necessary for equipment maintenance and repairs.

Logistics is a key component in GAM's value chain, so when we do not have our own transport in some geographical areas, we have long-term collaboration agreements with transport companies.

- Customers from the ten business lines and the eight markets in which we operate, from various sectors.

The following illustration shows a diagram of all the segments of GAM's value chain and the ESRS that are applicable to each of them. Based on an analysis of these segments of the value chain, we subsequently determined whether or not their impact on each IRO identified should be categorised as material.




## 2.2.7. Interests and views of stakeholders (SBM-2)

### 2.2.7.1. Key stakeholders

Stakeholders are defined as entities or individuals who can reasonably be expected to be significantly affected by the activities, products or services of the reporting organisation, or whose actions can be expected to affect the organisation's ability to successfully implement its strategies and meet its objectives.

We are committed to excellence, transparency and meeting the needs and expectations of our stakeholders. For this reason, we base our professional relationships on transparency and mutual trust in order to establish long-lasting relationships and provide high-quality services. Our key stakeholders are detailed below:

- Shareholders and investors: these play a vital role in the company's economic development. Consequently, the information disclosed must give a true and fair view of the company's financial position.

- Customers: these are the company's biggest asset, which is why our relationship with them is based on courtesy, professionalism and actively listening to their needs.

- Staff: these are the company's main asset and some of its success is due to the shared philosophy and existing values applicable to all areas and countries where the company operates, in an innovative, dynamic and collaborative work environment in which we promote the participation of different generations, cultural exchange, teamwork and respect for diversity.

- Authorities: a relationship based on mutual respect and cooperation, full compliance with the law and full cooperation when required.

- Local community (social environment): developing the areas in which we operate and supporting the local community are priorities for the company.

### 2.2.7.2. Engagement and communication channels

Engaging with the key stakeholders identified by the company is central to our business model as their interests and views help us to develop strategies with the aim of creating a positive impact for them.

There is a section of the website for shareholders called "Shareholders' Forum" and an email account managed by the Finance Department to handle any queries, issues and matters raised by them.

When dealing with customers, we are aware of the importance of effective communication. Therefore, we have a "Digital Solutions" working team that focuses on the customer experience, providing an agile and comprehensive response to their needs. We also have a Complaints and Claims Procedure.

GAM maintains continuous communication with its staff through multiple channels, depending on the areas being addressed, e.g. training, performance, health and safety, well-being, etc.

In terms of internal communication, we have a monthly *newsletter*, “GAM CONECTA”, which is sent by email to all employees and can also be seen on posters with QR codes in our various offices. This *newsletter* includes explainer videos that describe the work performed by the company's employees, the different lines of business, projects that GAM has carried out, short videos on safety, etc. Additionally, "Monitoring Committees" are held fortnightly to discuss a variety of topics (monthly results, best practices, new reports available, etc.). These are attended by the heads of each area, and a summary of the sessions is sent to their teams so that the entire company is kept abreast of these new developments.

In terms of external communication we have #CharlandoEnGAM (talks in GAM), our own social innovation project, aimed at fostering the exchange of knowledge between professionals from different sectors and creating a forum for discussion and reflection on current issues. Through this initiative, GAM's staff can enjoy the benefits of collaborating with leaders in the fields of innovation, culture and sustainability. In 2024, six sessions were held, covering topics from key sectors such as healthcare, mobility, food and technology.

### 2.2.7.3. Stakeholders and their relationship with the strategy and business model

The interests and views of the aforementioned stakeholders were factored into the double materiality assessment as follows for each group:

- Customers: during the process of identifying IROs, we gathered their views by reviewing ESG documents published by our customers which reflect the sustainability-related issues that matter to them, reviewing the ESG questionnaires required by customers (Achilles and GoSupply questionnaires), reviewing the specific requirements of customers, and conducting interviews with customers to discuss the IROs that we identified and prioritised.

- Staff: their interests and views were gathered during the process of identifying and prioritising IROs, with the following department heads having been involved:
    - Environmental Manager
    - Manager of Reviver
    - Head of People and Culture and Compliance
    - Head of Strategy, Transformation and Sustainability
    - Financial Officer
    - Heads of Operations, Customers and Suppliers
    - Head of Cybersecurity and Technology
- Suppliers: during the process of identifying IROs, by reviewing ESG documents published by our suppliers which reflect the sustainability-related issues that matter to them and reviewing the internal documents related to suppliers (e.g. Annual Suppliers' Report).
- Society and authorities: during the process of identifying IROs, by reviewing internal documents on the requirements of industry associations, and the promissory note programme linked to the company's sustainability and sustainable finance requirements.

#### 2.2.7.4. Changes to the business model or strategy

The views and interests of stakeholders with regard to the company's sustainability impacts that were identified in our double materiality assessment were fed back to the company's administrative, management and supervisory bodies. In particular, briefings were held to discuss the results with the Management Committee, CEO and Board of Directors. The interests and views expressed by stakeholders are aligned with our strategy and business model, and serve as a guide and catalyst for their implementation.

As detailed in section *2.3.1.7. Governance of double materiality*, the results of the double materiality assessment are approved by the Board of Directors.

## 2.3. Double materiality assessment

### 2.3.1. Processes to identify and assess material Impacts, Risks and Opportunities (IRO-1)

#### 2.3.1.1. Introduction

At GAM we work to enable our customers to outsource their non-core business activities by offering comprehensive services and turnkey projects. The company believes that it is vital to continue pursuing sustainability and we are working to develop new sustainable solutions that meet the needs and address the concerns of all our stakeholders, while also having a positive impact on people and the environment. The GAM Group's business strategy, our relationships with our value chain and the analysis of the sector in which we operate are the key points covered in the double materiality assessment discussed in this section, which is a vital part of the company's responsible management model.

Double materiality covers both impact materiality and financial materiality. [1]The scope of double materiality includes impacts on people and the environment that are associated with the company's own

1 Impact materiality is defined as any material information about the company's impacts on people or the environment relating to a given sustainability issue. Meanwhile, financial materiality refers to material information about the risks and opportunities relating to a given sustainability issue which may have an impact on the company's cash flows, earnings and financial position, access to finance or the cost of capital in the short, medium or long term.

operations, both *upstream* and *downstream* of the value chain, in the products and services offered by the GAM Group and in its business relationships.

A sustainability issue meets the criterion for double materiality if it has a material impact or is financially material, or both.

Using the double materiality approach, we have identified the impacts that we have on society and the environment as a result of our own operations and those of our value chain, as well as the risks and opportunities that may arise externally and which must be taken into account to ensure the proper conduct of our business. Identifying these impacts, risks and opportunities is the basis of our responsible management model. This enables us to focus on issues that are material to the company and the partners we work with, allowing us to develop policies, action plans, and various improvements in different areas in order to deliver value to customers while having a positive impact on the environment and the communities in which we operate.

#### 2.3.1.2. Context analysis

Context analysis, i.e. having an overview of our operations and business relationships, is essential for the company to establish its strategic vision and subsequently identify the IROs. In this context analysis we identified the relevant issues that are covered in the various internal and external documents to gain an insight into the potential material topics for GAM.

To get an overview of our activities, we carried out an internal context analysis in which we examined the most pertinent internal documents. Firstly, to gain a better understanding of the company itself, we analysed the policies, value chain, company organisational chart, as well as the latest materiality assessment provided in the 2023 consolidated Non-Financial Information Statement. Additionally, in order to identify potential material topics and significant IROs, we analysed different internal sources such as ESG questionnaires, the 2023 consolidated NFIS, the strategic plan and sustainability plan, and the corporate risk map, among other things.

To gain an overview of our business relationships, we carried out an external context analysis in which we focused on analysing the regulatory environment, current trends in sustainability with particular emphasis on our sector, the main sustainability ratings and indices, and public coverage of our company by different media outlets. This allowed us to determine the level of relevance of the potential material topics covered by these different sources, which is useful for identifying IROs.

Finally, another key aspect of this process is the value chain analysis. This is an important step as it allows to understand which stakeholders are or may be affected by our own operations, either upstream or downstream of the value chain. Our value chain encompasses the company's activities, resources and relationships on which we rely to serve customers. The upstream stakeholders we identified are the suppliers with fuel services, spare parts & repair services and machinery, while the downstream stakeholders are the customers in different industries spread across the territories in which we operate.

Ultimately, as well as allowing us to gain an in-depth understanding of the company's value chain, this analysis of internal and external contexts serves as the basis for the double materiality assessment. This process allowed us to draw up an initial list of potential material topics that would be analysed and assessed in subsequent stages.

#### 2.3.1.3. Engagement of internal and external stakeholders

Based on the context analysis that we performed and the list of potential material topics, at this stage we identify the company's stakeholders that will be involved in the double materiality assessment, whether in identifying, assessing and/or prioritising the IROs.

Thus, stakeholders were involved throughout the process as follows:

- Customers: firstly, the sustainability positioning of the company's customers was taken into account during the context analysis. By analysing the ESG documents published by customers, ESG questionnaires completed at the request of customers and other related documents, we identified the potential material topics and various related IROs. Furthermore, an interview was conducted with one of the company's key customers to jointly reflect on the IROs identified and prioritised, leading to changes being made based on their views.

- Staff: the views of the company's senior management on key sustainability topics were essential in identifying and prioritising IROs, due to their extensive knowledge of the sector and the business model they follow. Therefore, the heads of the key departments, e.g. Environmental, Human Resources, Compliance and Finance, among others, were involved in the process.

- Suppliers: the views of suppliers were also taken into account as we obtained information about their perspectives while identifying IROs by examining the ESG documents published by them. These documents outline the key material sustainability topics in their strategies.

- Society and authorities: the views of industry associations regarding the company were taken into account by analysing the ESG documents published by them, the GAM 2024 sustainability-linked promissory note programme and sustainable finance requirements. This provided additional information for identifying the IROs.

The results obtained from engaging with these stakeholders were discussed and analysed in various internal forums, leading to changes in the list of material IROs. It should also be noted that the resources analysed in this context included the Sustainability Master Plan and the Strategic Plan, which had already taken stakeholder requirements into account.

### 2.3.1.4. Identification of Impacts, Risks and Opportunities

To identify actual and potential Impacts, Risks and Opportunities we drew on the results of the contextual documents analysed *(2.3.1.2. Context analysis)* and the views of the stakeholders *(2.3.1.3. Engagement of internal and external stakeholders).* Furthermore, the IROs were classified according to the sub-topics and sub-sub-topics outlined in the ESRS standards.

In our case, due to the nature of the services we offer to our customers, we believed it was more important to identify the IROs relating to *ESRS E1 - Climate change*, with special emphasis on the sub-topic Climate change mitigation - and the IROs relating to *ESRS S1 - Own workforce.* We can also highlight the IROs that were identified in relation to ethics and culture under *ESRS G1 – Business conduct,* and others concerning cybersecurity, digitisation and innovation.

The impacts, risks and opportunities that were identified mainly relate to the company's own operations and to the geographical area of Spain. Given the different territories in which we operate, at the beginning of the process we analysed the relative importance of each territory to the company. After holding various meetings with the heads of the different countries and areas, it was concluded that the analysis would focus on Spain because of its relative importance and role in the company's business model. However, the IROs that were identified were shared with all territories so that they could be cross-checked and, if necessary, additional perspectives could be included.

In terms of time horizons, the short-, medium- and long-term horizons described in section *2.1.2.1.* of this chapter: *Time horizons* were used.

On this basis, positive and negative impacts were identified and categorised as actual and potential. To identify risks and opportunities, we considered the impacts that we have through our own activities, our value chain and our business relationships, as well as the possible dependencies that sometimes arise.

The resulting list of all IROs that were identified was shared with the aforementioned internal departments to be assessed and subsequently approved.

### 2.3.1.5. Assessment and prioritisation of material impacts, risks and opportunities

In the assessment of the positive and negative impacts identified for each topic, we first assessed their severity. For positive impacts, their severity is assessed based on their scale and scope, while for negative impacts, remediability is also assessed. Furthermore, for potential impacts, whether positive or negative, in addition to their severity, the likelihood of the impact occurring is assessed. It should be noted that the ESRS state that, in the case of impacts on human rights, severity takes precedence over likelihood.

When assessing the risks and opportunities identified for each topic, the severity, i.e. the scale and scope of the potential financial impacts, was assessed first. To facilitate this assessment, certain variables are considered which have a potential financial impact on these risks and opportunities, such as financial position, cash flows, access to finance and the cost of capital. Secondly, the likelihood of these risks and opportunities materialising was assessed.

To make the assessment of IROs as objective as possible, a rating scale with severity and likelihood scores was established to serve as a common basis for everyone responsible for assessing IROs in each different area. To assess the scope of impacts, risks and opportunities, the part of the value chain impacted by the various IROs was taken into account, as well as the stakeholders who are affected. When assessing likelihood, time horizons were applied, with the short term being less than one year, the medium term being within the next five years and the long term being after five years.

Once the severity and likelihood of the impacts, risks and opportunities were assessed according to the established scoring methodology, a single threshold was applied to all IROs to identify those that are material. Severity was determined by averaging the scores for scale, scope and remediability if applicable, and the result accounted for 60% of the overall score, while likelihood accounted for the other 40% of the score. An IRO is classified as "Material" if its total impact score is at least 3.4 out of 5.

On this basis, we obtained the final list of material IROs for the GAM Group and the sustainability topics associated with the resulting material IROs.

### 2.3.1.6. Results of the double materiality assessment

Following the process described above, in 2024 we identified a total of 41 IROs that were rated as material. They fall under the following ESRS applicable to the CSRD with their respective topics and sub-topics:

| **Environmental area** | | |
|---|---|---|
| **ESRS/Topic** | **Sub-topic** | **Materiality** |
| ESRS E1 – Climate change | Climate change adaptation | Non-material |
| | Climate change mitigation | Material |
| | Energy | Material |
| ESRS E2 – Pollution | Air pollution | Non-material |
| | Water pollution | Non-material |
| | Pollution of soil | Non-material |
| | Pollution of living organisms and food resources | Non-material |
| | Substances of concern | Non-material |
| | Substances of very high concern | Non-material |
| | Microplastics | Non-material |
| ESRS E3 – Water and marine resources | Water | Non-material |
| | Marine resources | Non-material |
| ESRS E4 – Biodiversity and ecosystems | Direct impact drivers of biodiversity loss | Non-material |
| | Impacts on the state of species | Non-material |
| | Impacts on the extent and condition of ecosystems | Non-material |
| | Impacts on and dependencies of ecosystem services | Non-material |
| ESRS E5 – Circular economy | Resource inflows, including resource use | Material |
| | Resource outflows related to products and services | Non-material |
| | Waste | Material |
| **Social Area** | | |
| **ESRS/Topic** | **Sub-topic** | **Materiality** |
| ESRS S1 – Own workforce | Working conditions | Material |
| | Equal treatment and opportunities for all | Material |
| | Other work-related rights of own workforce | Non-material |

| | | |
|---|---|---|
| ESRS S2 – Employees in the value chain | Working conditions of employees in the value chain | Non-material |
| | Equal treatment and opportunities for all employees in the value chain | Non-material |
| | Other work-related rights of employees in the value chain | Non-material |
| ESRS S3 – Affected communities | Communities' economic, social, and cultural rights | Non-material |
| | Communities' civil and political rights | Non-material |
| | Rights of indigenous peoples | Non-material |
| ESRS S4 – Consumers and end-users | Information-related impacts for consumers and/or end-users | Non-material |
| | Personal safety of consumers and/or end-users | Material |
| | Social inclusion of consumers and/or end-users | Non-material |
| **Governance Area** | | |
| **ESRS/Topic** | **Sub-topic** | **Materiality** |
| ESRS G1 – Business conduct | Corporate culture | Material |
| | Protection of whistleblowers | Material |
| | Animal welfare | Non-material |
| | Political engagement | Non-material |
| | Management of relationships with suppliers, including payment practices | Material |
| | Corruption and bribery | Non-material |
| **Others** | | |
| **ESRS/Topic** | **Sub-topic** | **Materiality** |
| Supporting sustainable development | - | Material |
| Cybersecurity | - | Material |

However, information has been provided on some topics and sub-topics that, although not material according to the double materiality assessment, have to be disclosed in accordance with Act 11/2018 and which the organisation has decided to report in order to ensure continuity with the information reported in previous years.

Having outlined the topics and sub-topics that have been rated as material, the material IROs are detailed below, as well as whether they are categorised as impacts, risks or opportunities and whether the positive or negative impacts identified have been deemed to be actual or potential.

| ESRS E1 - Climate change | | | | | |
|---|---|---|---|---|---|
| **Climate change mitigation** | | | | | |
| **Type of IRO** | **Actual / Potential** | **Description of IRO** | **Type of IRO** | **Actual / Potential** | **Description of IRO** |
| Positive impact | Potential | Mitigation of climate change due to reductions in CO2 emissions through the development of projects involving the electrification of the machinery fleet. | Opportunity | - | Attracting sustainable finance (loans, guarantee facilities or working capital linked to ESG clauses) from financial institutions, due to strong performance in strategies and actions related to sustainability, digitisation, innovation and climate change. |
| Positive impact | Potential | Climate change mitigation due to reductions in CO2 emissions through the development of new projects with sustainable strategies like Reviver, which not only cuts emissions by remanufacturing machinery and making it unnecessary to manufacture new units, but also by generating remanufactured spare parts, reusing old equipment, planting trees, etc. | Opportunity | - | Improving GAM's image with investors in relation to ESG indices by setting specific time-bound carbon reduction goals and targets (e.g. SBTi). |
| Positive impact | Potential | Significant boost to decarbonisation strategies through gaining knowledge of and starting to calculate Scope 3 emissions. | Opportunity | - | Improved efficiency in emission calculations based on ERA (European Rental Association) guidance. |
| Positive impact | Potential | Increased sustainability in the logistics sector through Inquieto, a business line with last mile zero-emission solutions. | Opportunity | - | Possible improvement in climate change mitigation by exploring the possibility of using trains to transport machinery from Reviver (Villadangos station). |
| Negative impact | Potential | Worsening of climate change mitigation due to a lack of alternatives for logistics (transport of machinery by road in trucks). | Opportunity | - | Enhanced reputation due to the development of an emissions reduction and/or monitoring plan for the coming years. |
| Negative impact | Actual | Generating Scope 2 CO2 emissions due to the company not limiting power consumption to renewable energy sources (it is currently renewable on Spanish sites). | Opportunity | - | Mitigating environmental impacts through carbon offsetting measures. |
| **Energy** | | | | | |

| Type of IRO | Actual / Potential | Description of IRO |
|---|---|---|
| Risk | - | Uncertainty about technological developments in generator sets. |
| Risk | - | Increased energy costs due to geopolitical conflicts and/or lack of available resources. |

| Type of IRO | Actual / Potential | Description of IRO |
|---|---|---|
| Opportunity | - | Reduced operating costs and exposure to cost variability as a result of setting specific and quantified targets for the phasing out of non-renewable energy consumption (fossil fuels and fossil fuel electricity) every year. |

**ESRS E5 - Resource use and circular economy**

**Resource inflows, including resource use**

| Type of IRO | Actual / Potential | Description of IRO |
|---|---|---|
| Opportunity | - | Increased revenues through the Reviver project due to the introduction of a new product that hitherto did not exist and which delivers sustainability, decarbonisation and recycling to GAM's customers. |
| Opportunity | - | Cost savings through the use of remanufactured spare parts and lower expenditure when using remanufactured machines vs new machines (Reviver). |

**Waste**

| Type of IRO | Actual / Potential | Description of IRO |
|---|---|---|
| Positive impact | Actual | Helping to reduce waste in the sector through the reuse and recycling of machinery (Reviver). |

## ESRS S1 – Own workforce

### Working conditions

| Type of IRO | Actual / Potential | Description of IRO |
|---|---|---|
| Positive impact | Potential | Greater employee satisfaction and commitment thanks to the flexible working policy and the launch of pilot projects for short working days. |
| Positive impact | Potential | Greater attraction and retention of talent through policies based on a good work-life balance (quality of employment, flexibility, etc.). |
| Positive impact | Actual | Decrease in turnover of staff following an analysis of pay for similar positions within the sector to ensure adequate and competitive pay for our employees compared to other companies. |

| Type of IRO | Actual / Potential | Description of IRO |
|---|---|---|
| Positive impact | Actual | Increased awareness among employees regarding occupational health and safety thanks to the strengthening of the safety plan. |
| Negative impact | Potential | Decline in the health and safety of workers due to rising accident rates for both men and women. |

### Equal treatment and opportunities for all

| Type of IRO | Actual / Potential | Description of IRO |
|---|---|---|
| Positive impact | Actual | A representative proportion of women on GAM's board and in its management. |
| Positive impact | Actual | Promoting the employment of people with special needs through the Reviver project. |
| Positive impact | Potential | Improved GAM employee satisfaction through process digitisation, improving work efficiency and quality of work. |

| Type of IRO | Actual / Potential | Description of IRO |
|---|---|---|
| Opportunity | - | Improvement in training in vocational schools provided by Kirleo (GAM's vocational school) teaching staff and the resulting rise in income in this business. |
| Risk | - | Problems in filling certain vacancies within the Group due to a shortage of staff for certain positions. |

| ESRS S4 – Consumers and end-users | | | | | |
|---|---|---|---|---|---|
| **Personal safety of consumers and/or end-users** | | | | | |
| **Type of IRO** | **Actual / Potential** | **Description of IRO** | **Type of IRO** | **Actual / Potential** | **Description of IRO** |
| Positive impact | Actual | Increased end-user loyalty due to a process of monitoring and maintaining the safety of machinery leased by GAM. | Positive impact | Actual | Lower number of work-related accidents for GAM's customers thanks to training in safety, health and safe employment using specialised manuals, and specific training provided through Kirleo. |

| ESRS G1 – Business conduct | | | | | |
|---|---|---|---|---|---|
| **Protection of whistleblowers** | | | | | |
| **Type of IRO** | **Actual / Potential** | **Description of IRO** | **Type of IRO** | **Actual / Potential** | **Description of IRO** |
| Positive impact | Actual | Helping to ensure proper compliance with regulations and ethical standards by implementing record-keeping processes, documentation, new policies and regular audits. | Positive impact | Potential | Protection for whistleblowers through anonymous reporting and complaints channels, allowing employees to speak freely (compliance with Act 2/2023). |
| Positive impact | Actual | Building trust with regulators and authorities, customers and employees through compliance with rules and standards of conduct. | | | |

| Corporate culture | | | | | |
|---|---|---|---|---|---|
| **Type of IRO** | **Actual / Potential** | **Description of IRO** | **Type of IRO** | **Actual / Potential** | **Description of IRO** |
| Positive impact | Potential | Improved monitoring of GAM's sustainability strategy thanks to the work of the company's ESG Committee. | Opportunity | - | Access to finance and lower capital cost due to improved transparency and communication channels with GAM's stakeholders. |
| Negative impact | Actual | Lack of transparency and traceability for customers due to the absence of a robust and clear sustainable procurement system. | Opportunity | - | Inclusion of ESG requirements and targets in the variable pay of GAM's senior management to increase sustainability-oriented decision-making. |

| ESRS G1 – Business conduct | | |
|---|---|---|
| **Supplier relationship management** | | |
| **Type of IRO** | **Actual / Potential** | **Description of IRO** |
| Positive impact | Potential | Establishing a robust ESG assessment system for suppliers. |

| Others | | | | | |
|---|---|---|---|---|---|
| **Supporting sustainable development** | | | | | |
| **Type of IRO** | **Actual / Potential** | **Description of IRO** | **Type of IRO** | **Actual / Potential** | **Description of IRO** |
| Positive impact | Actual | Improving the situation of target groups by increasing investment in Kirleo's training and promoting labour market integration. | Positive impact | Actual | Implementation of initiatives aimed at promoting development in the regions in which it is present, focusing on the needs and expectations of local communities, minimising negative impacts and strengthening potential partnerships and social measures, e.g. development of España vaciada (Empty Spain) through the Reviver project. |

| Cybersecurity | | |
|---|---|---|
| **Type of IRO** | **Actual / Potential** | **Description of IRO** |
| Risk | - | Operational disruption affecting GAM's commercial and production operations in the event of cyberattacks. |

#### 2.3.1.7. Governance of double materiality

The double materiality assessment is updated every year and is reported in the company's Non-Financial Information Statement. The results of this assessment are approved by the Board of Directors.

Due to the introduction of a dual approach to materiality assessments proposed by EFRAG, this assessment has been revised since the previous year to include new developments and to make any necessary changes to the process.

### 2.3.2. Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The IROs that have been identified as material relate to climate change, resource use and the circular economy, own workforce, consumers and end-users, business conduct, and so forth. However, most of them are centred around the topics of climate change, own workforce and business conduct. This is aligned with the three key pillars covered by the company's responsible management model. Additionally, it highlights the large number of actual and potential positive impacts on people and the environment and the opportunities open to the company. In terms of positive impacts, approximately half are actual impacts, reflecting the true impact that we are already having on society through our services and commitment to sustainable development. The other half is composed of potential positive impacts, mostly occurring over a medium-term time horizon.

Three of the four material negative impacts are actual impacts. This means that the company should focus on the environmental, social and governance areas where these negative impacts occur and work to address them.

In terms of opportunities, we have the potential to improve our environmental performance and take advantage of the competitive edge this can provide with regard to customer positioning. This includes promoting internal and external projects with sustainable strategies that reduce CO2 emissions. Moreover, opportunities in the social and governance areas offer ways forward to improve relations with our own staff and to strengthen our corporate culture.

In terms of risks, there are two energy-related environmental risks, one risk in the area of cybersecurity and one risk related to the company's own workforce. We address these risks by including them in our internal risk management and considering the likely financial impacts.

# 3. EU taxonomy

## Table of contents

# 3.1. Article 8 of Regulation 2020/852

## 3.1.1. Introduction

On 22 June 2020, Regulation (EU) 2020/852 was published to help redirect capital flows towards more sustainable activities. It is aimed at addressing initiatives such as the Green Pact, the Paris Agreement or the Sustainable Development Goals, by supporting the shift from the current economic model to a carbon-neutral one.

The regulation sets out a science-based taxonomy and six environmental objectives which these activities could help to achieve. The implementation of the "EU Environmental Taxonomy" will be applied gradually and will be complemented by a specific taxonomy to assess contributions to social objectives.

Delegated Regulation (EU) 2021/2139 sets out the technical criteria for determining whether an economic activity contributes to climate change mitigation or adaptation and whether it causes no significant harm to any other environmental objectives (circular economy, water and marine resources, pollution prevention and control, and biodiversity). DR (EU) 2021/2178 specifies the content, presentation of information and methodology to be disclosed by companies that are subject to Article 19 bis or 29 bis of Directive 2013/34/EU, such as GAM.

It covers the following concepts:

**Eligibility**

- Eligible: activities included in DR (EU) 2021/2139 Annex I (mitigation) and/or Annex II (adaptation), identified as having potential for alignment; Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending 2021/2139 Annex I and/or Annex II; Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing 2020/852 and amending 2021/2178 Annex II, relating to the transition to the circular economy.
- Non-eligible: activities not included in DR (EU) 2021/2139, DR (EU) 2023/2485 or DR (EU) 2023/2486.

**Alignment**

- Eligible/aligned: eligible activities that meet the technical screening criteria (TSC) of the environmental objective, do not significantly harm the other environmental objectives (DNSH) and are implemented in a way that meets the minimum social safeguards.
- Eligible/non-aligned: eligible activities that do not currently meet the requirements for alignment (TSC, DNSH and Minimum Social Safeguards).

According to the provisions of (EU) 2021/2178, based on information from 2023, it is necessary to disclose the proportion of net turnover, CapEX (capital expenditure) and OpEX (operating expenditure) from the company's activities that are eligible and non-eligible. Based on information from 2024, in addition to the aforementioned eligibility, it is necessary to report whether or not the above indicators are aligned.

## 3.1.2. GAM's positioning

**Scope of the report**

All companies that fall within the scope of consolidation of the GAM Group have been included in the analysis carried out to identify eligible and aligned activities according to the European Commission's criteria for the Taxonomy.

**Results**

The eligibility and alignment of GAM's activities are detailed below, with an explanation of the results and calculations.

| Indicators | 2024 | 2023 | Year-on-year change |
|---|---|---|---|
| **% total CapEX eligible** | 58.88 % | 32.71 % | 26.17 % |
| **% total OpEX eligible** | 38.32 % | 4.55 % | 33.77 % |
| **% total income eligible** | 25.95 % | 5.63 % | 20.32 % |
| **% total CapEX non-eligible** | 41.12 % | 67.29 % | -26.17 % |
| **% total OpEX non-eligible** | 61.68 % | 95.45 % | -33.77% |
| **% total income non-eligible** | 74.04 % | 94.37 % | -20.33 % |

## Turnover

| Financial year 2024 | Year | | | Substantial contribution criteria | | | | | | Criteria of no significant injury (No significant injury) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Codes | Turnover | Share of turnover, year 2024 | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum guarantees | Proportion of turnover conforming to taxonomy (A.1.) or eligible according to taxonomy (A.2.), year 2023 | Category facilitating activity | Transition activity category |
| | Target acronyms and activity number | Thousands of euros | % | S, N, N/EL | S, N, N/EL | S, N, N/EL | S, N, N/EL | S, N, N/EL | S, N, N/EL | S/N | S/N | S/N | S/N | S/N | S/N | S/N | % | F | T |
| **A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (conforming to the taxonomy)** | | | | | | | | | | | | | | | | | | | |
| **Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)** | | **- €** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | - | - | - | - | - | - | - | **0%** | | |
| Of which: facilitators | | - € | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | - | - | - | - | - | - | - | **0%** | F | |
| Of which: transitional | | - € | **0%** | **0%** | | | | | | - | - | - | - | - | - | - | **0%** | | T |
| **A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy)** | | | | | | | | | | | | | | | | | | | |
| Automotive and mobility components manufacturing | 3.18. CCM | 184 € | 0,06% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0,09% | | |
| Operation of personal mobility devices, cycling logistics | 6.4 CCM | 45 € | 0,01% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0,05% | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | 6.5 CCM | 1.344 € | 0,44% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0,50% | | |
| Sale of spare parts | 5.2 CE | 5.607 € | 1,84% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 1,80% | | |
| Sale of second-hand goods | 5.4 CE | 8.868 € | 2,92% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 3,19% | | |
| Product-as-a-Service and other use- and result-oriented circular service models | 5.5 CE | 62.841 € | 20,67% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 0,00% | | |
| **Turnover from taxonomy-eligible but not environmentally sustainable activities (non-taxonomy compliant activities) (A.2)** | | **78.889 €** | **25,95%** | **0,52%** | - | - | - | **25,43%** | - | | | | | | | | **5,63%** | | |
| **A. Turnover from eligible activities according to taxonomy (A.1+A.2)** | | **78.889 €** | **25,95%** | **0,52%** | - | - | - | **25,43%** | - | | | | | | | | **5,63%** | | |
| **B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY** | | | | | | | | | | | | | | | | | | | |
| **Turnover from ineligible activities according to taxonomy (B)** | | **225.149 €** | **74,05%** | | | | | | | | | | | | | | | | |
| **TOTAL** | | **304.038 €** | **100%** | | | | | | | | | | | | | | | | |

| | | PROPORCIÓN DEL VOLUMEN DE NEGOCIOS / VOLUMEN DE NEGOCIOS TOTAL | |
|---|---|---|---|
| | | que se ajusta a la taxonomía por objetivo | elegible según la taxonomía por objetivo |
| Mitigación del cambio climático | CCM | 0% | 0,52% |
| Adaptación al cambio climático | CA | 0% | 0% |
| Uso sostenible y protección de los recursos hídricos y marinos | WTR | 0% | 0% |
| Prevención y control de la contaminación | CE | 0% | 25,43% |
| Transición hacia una economía circular | PPC | 0% | 0% |
| Protección y recuperación de la biodiversidad y los ecosistemas | BIO | 0% | 0% |

## CAPEX

| Financial year 2024 | Year | | | Substantial contribution criteria | | | | | | Criteria of no significant injury (No significant injury) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Codes | CAPEX | Share of turnover, year 2024 | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum guarantees | Proportion of turnover conforming to taxonomy (A.1.) or eligible according to taxonomy (A.2.), year 2023 | Category facilitating activity | Transition activity category |
| | Target acronyms and activity number | Thousands of euros | % | S, N, N/EL | S, N, N/EL | S, N, N/EL | S, N, N/EL | S, N, N/EL | S, N, N/EL | S/N | S/N | S/N | S/N | S/N | S/N | S/N | % | F | T |
| **A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (conforming to the taxonomy)** | | | | | | | | | | | | | | | | | | | |
| **Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)** | | **- €** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | - | - | - | - | - | - | - | **0%** | | |
| Of which: facilitators | | - € | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | - | - | - | - | - | - | - | **0%** | F | |
| Of which: transitional | | - € | **0%** | **0%** | | | | | | - | - | - | - | - | - | - | **0%** | | T |
| **A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy)** | | | | | | | | | | | | | | | | | | | |
| Exploitation of personal mobility devices, bicycle logistics | 6.4 CCM | 21.013 € | 27,46% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 24,89% | | |
| Sale of second-hand goods | 5.4 CE | 18.874 € | 24,66% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 6,60% | | |
| Product-as-a-Service and other circular service models oriented towards use and performance | 5.5 CE | 5.173 € | 6,76% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 0,00% | | |
| **CapEx of activities eligible under the taxonomy but not environmentally** | | **45.060 €** | **58,88%** | **27,46%** | - | - | - | **31,42%** | - | | | | | | | | **32,71%** | | |
| **A. CapEx of eligible activities according to taxonomy (A.1+A.2)** | | **45.060 €** | **58,88%** | **27,46%** | - | - | - | **31,42%** | - | | | | | | | | **32,71%** | | |
| **B. NON-TAXONOMY ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **CapEx of activities not eligible according to the taxonomy** | | **31.466 €** | **41,12%** | | | | | | | | | | | | | | | | |
| **TOTAL** | | **76.526 €** | **100%** | | | | | | | | | | | | | | | | |

| | | PROPORTION OF CAPEX/ CAPEX TOTAL | |
|---|---|---|---|
| | | which conforms to the taxonomy by objective | eligible according to taxonomy by objective |
| Climate change mitigation | CCM | 0% | 27,46% |
| Climate change adaptation | CA | 0% | 0% |
| Sustainable use and protection of water and marine resources | WTR | 0% | 0% |
| Pollution prevention and control | CE | 0% | 31,42% |
| Transition to a circular economy | PPC | 0% | 0% |
| Protection and restoration of biodiversity and ecosystems | BIO | 0% | 0% |

## OPEX

| Financial year 2024 | Year | | | Substantial contribution criteria | | | | | | Criteria of no significant injury (No significant injury) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Codes | CAPEX | Share of turnover, year 2024 | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Minimum guarantees | Proportion of turnover conforming to taxonomy (A.1.) or eligible according to taxonomy (A.2.), year 2023 | Category facilitating activity | Transition activity category |
| | Target acronyms and activity number | Thousands of euros | % | S, N, N/EL | S, N, N/EL | S, N, N/EL | S, N, N/EL | S, N, N/EL | S, N, N/EL | S/N | S/N | S/N | S/N | S/N | S/N | S/N | % | F | T |
| **A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (conforming to the taxonomy)** | | | | | | | | | | | | | | | | | | | |
| **Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)** | | **- €** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | - | - | - | - | - | - | - | **0%** | | |
| Of which: facilitators | | - € | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | - | - | - | - | - | - | - | **0%** | F | |
| Of which: transitional | | - € | **0%** | **0%** | | | | | | - | - | - | - | - | - | - | **0%** | | T |
| **A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy)** | | | | | | | | | | | | | | | | | | | |
| Manufacture of automotive and mobility components | 3.18. CCM | 397 € | 0,81% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0,58% | | |
| Operation of personal mobility devices, bicycle logistics | 6.4 CCM | 576 € | 1,17% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 3,45% | | |
| Sale of second-hand goods | 5.4 CE | 3.334 € | 6,79% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 0,52% | | |
| Product-as-a-service and other use- and output-oriented circular service models | 5.5 CE | 14.513 € | 29,55% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | % | | |
| **OpEx of activities eligible according to the taxonomy but not environmentally** | | **18.820 €** | **38,32%** | **1,98%** | - | - | - | **36,34%** | - | | | | | | | | **4,56%** | | |
| **A. OpEx of taxonomy-eligible activities (A.1+A.2)** | | **18.820 €** | **38,32%** | **1,98%** | - | - | - | **36,34%** | - | | | | | | | | **4,56%** | | |
| **B. NON-TAXONOMY ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **OpEx of activities not eligible according to the taxonomy** | | **30.293 €** | **61,68%** | | | | | | | | | | | | | | | | |
| **TOTAL** | | **49.113 €** | **100%** | | | | | | | | | | | | | | | | |

| | | PROPORTION OF OPEX / OPEX TOTAL | |
|---|---|---|---|
| | | which conforms to the taxonomy by objective | eligible according to taxonomy by objective |
| Climate change mitigation | CCM | 0% | 1,98% |
| Climate change adaptation | CA | 0% | 0% |
| Sustainable use and protection of water and marine resources | WTR | 0% | 0% |
| Pollution prevention and control | CE | 0% | 36,34% |
| Transition to a circular economy | PPC | 0% | 0% |
| Protection and restoration of biodiversity and ecosystems | BIO | 0% | 0% |

### Report on nuclear energy and fossil gas-related activities

| Row | Nuclear energy activities | |
|---|---|---|
| 1. | The company conducts, finances or has exposure to research, development, demonstration and deployment of innovative power generation facilities that produce energy from nuclear processes with a minimum of fuel cycle waste. | NO |
| 2. | The company undertakes, finances or has exposures to the construction and safe operation of new nuclear facilities to produce electricity or process heat, including for district heating purposes or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies. | NO |
| 3. | The company carries out, finances or has exposures to the safe operation of existing nuclear installations that produce electricity or process heat, including for district heating purposes or industrial processes such as the production of hydrogen from nuclear energy, as well as safety upgrades. | NO |
| | **Fossil gas activities** | |
| 4. | The company carries out, finances or has exposures to the construction or operation of power generation facilities that produce electricity from gaseous fossil fuels. | NO |
| 5. | The company carries out, finances or has exhibitions to the construction, renovation and operation of combined heat/cold and power plants using gaseous fossil fuels. | NO |
| 6. | The company carries out, finances or has exposures to the construction, renovation and operation of heat generation facilities that produce heat/cooling from gaseous fossil fuels. | NO |

### Description of eligible and non-eligible activities

In order to identify whether the GAM Group carries out activities that can be classified as eligible, the Group's main activities are set out below, and we have assessed whether they are in line with the activities described in the Taxonomy. Using the tool launched by the European Commission, the "EU Taxonomy Compass" and in accordance with the climate delegated act detailing the eligible activities for the environmental objective "Climate change mitigation", the environmental objective "Climate change adaptation" and the environmental objective "Transition to a circular economy", we have determined whether the activities carried out by the GAM Group are considered eligible as per the activities described in the Taxonomy.

The following conclusions were drawn from an analysis carried out by a cross-departmental team led by the Strategy and Transformation Department:

- <u>Training:</u> certified worker training through open courses, tailored programmes and in-company training, as outlined in DR (EU) 2023/2486. We concluded that it is not any of the eligible activities described in the Taxonomy for the aforementioned environmental objectives.

- <u>Drone engineering and mobile robotics:</u> industry solutions for the development, leasing, and maintenance of drones and mobile robots (AGVs). We concluded that it is not eligible as it does not fall under any of the activities described in the Taxonomy for the aforementioned environmental objectives.

- <u>Event management and production:</u> comprehensive service covering event management, technical design, audiovisual equipment rentals and the assembly of structures and installation of power (generators). We concluded that it is not any of the eligible activities described in the Taxonomy for the aforementioned environmental objectives.

- <u>Modular structures:</u> modular building rentals (construction site cabins and other modular units). We concluded that it is not any of the eligible activities described in the Taxonomy for the aforementioned environmental objectives.

- Distribution: sale of machinery and components (spare parts) for which GAM is an official distributor. – We concluded that only the sale of spares parts is eligible as it falls under the activities described in point 5.2 of the Taxonomy “Sale of spare parts”.
- Trading of machinery: sale of makes of machinery for which GAM is not an official distributor. We concluded that it is not any of the eligible activities described in the Taxonomy for the aforementioned environmental objectives.
- Used sales: sale of machinery which has previously been leased throughout its useful life and, at the end of its useful life, is sold. We can classify this activity as taxonomy-eligible as per point 5.4 “Sale of second-hand goods”.
- Machinery rentals and maintenance: As a company that provides machinery-related services, we purchase the equipment from machinery manufacturing companies and, after analysing the customer's needs (data collection, potential improvements in the efficiency of their production processes, etc.), we provide the most appropriate equipment that best suits the customer's business and/or production process. We make the necessary adaptations to the equipment (for example, specific attachments to move a given material) and we carry out the maintenance (preventive and corrective), helping to improve the equipment's productivity, performance and useful life. Consequently, we are specialists who provide rental, maintenance and repair services for the equipment, while retaining ownership of the equipment at all times. At the end of the rental period (which can range from 1 day for short-term rental business to 5-6 years in the case of long-term leasing/outsourcing), we retrieve the equipment from the customer's premises, perform the necessary maintenance, and lease it again on another contract. We understand that this description of our business falls within the scope of activity 5.5 “Product-as-a-service and other circular use- and result-oriented service models” (sustainable activity in itself, i.e. not transitional or enabling) of ANNEX III of Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023.
- Inquieto: this activity includes rentals, maintenance and repairs of equipment that does not produce emissions because it is electric or engineless, which could be classified as falling under the activities described in the Taxonomy. We concluded that it falls under three of the activities listed in the climate change adaptation and mitigation regulation, namely: “3.18. “3.18. Manufacture of automotive and mobility components”; “6.4. Operation of personal mobility devices, cycle logistics” and “6.5 Transport by motorbikes, passenger cars and light commercial vehicles”, which are described in the Taxonomy for the aforementioned environmental objectives.
- Reviver: Reviver is a new business line in the GAM Group, focusing on the circular economy. Its main activity is to remanufacture machinery and components for subsequent sale, so we can classify its activity within section “5.4. Sale of second-hand goods” of the regulation on the transition to the circular economy.

Therefore, the group's eligible activities include the distribution of spare parts, rentals and maintenance of zero-emission machines, the sale of used equipment, machine rentals, and the sale of remanufactured equipment and components (Reviver).

As remarked above, according to the EU Taxonomy Compass, the following eligible activities could be included in the Group's activities:

### 3.1.3. Commission delegated regulation (EU) 2023/2485 – Climate change mitigation and adaptation

| | |
|---|---|
| **3.18. Manufacture of automotive and mobility components** | Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of mobility components for zero-emission personal mobility devices and of automotive and mobility components, systems, separate technical units, parts and spare parts classified in categories M1, M2, M3, N1, N2 and N3. |
| **6.4. Operation of personal mobility devices, cycle logistics** | The sale, purchase, financing, leasing, rental and operation of personal mobility devices or personal transport equipment powered by the user's muscle power, a zero-emission engine or a combination of zero-emission engine and muscle power. |
| **6.5. Transport by motorbikes, passenger cars and light commercial vehicles** | The purchase, financing, hiring, leasing and operation of vehicles of categories M1 and N1. |

To see if our activities are in line with points 3.18 and 6.5, we must examine the definitions of M1, M2, M2, N1, N2 and N3 vehicles:

**1. Categoría M: Vehículos a motor destinados al transporte de personas y que tengan por lo menos cuatro ruedas, o tres ruedas y un peso máximo superior a 1 tonelada.**

-Categoría M1: Vehículos destinados al transporte de personas que tengan, además del asiento del conductor, ocho plazas sentadas como máximo.

-Categoría M2: Vehículos destinados al transporte y personas que tengan, además del asiento del conductor, más de ocho plazas sentadas y que tengan un peso máximo que no supere las 5 toneladas.

-Categoría M3: Vehículos destinados al transporte de personas que tengan, además del asiento del conductor, más de ocho plazas sentadas y que tengan un peso máximo que supere las 5 toneladas.

**2. Categoría N: Vehículos a motor destinados al transporte de mercancías y que tengan por lo menos cuatro ruedas, o tres ruedas y un peso máximo superior a 1 tonelada.**

-Categoría N1: Vehículos destinados al transporte de mercancías con un peso máximo inferior a las 3,5 toneladas.

-Categoría N2: Vehículos destinados al transporte de mercancías con un peso máximo superior a 3,5 toneladas pero inferior a 12 toneladas.

-Categoría N3: Vehículos destinados al transporte de mercancías con un peso máximo superior a 12 toneladas.

The bulk of the group's machinery consists of pallet trucks, mini-excavators, cranes or other equipment that does not fall within this definition.

However, the company Inquieto Moving Attitude engages in sales and rentals of zero-emission vehicles used for last-mile deliveries, such as quadricycles, motorcycles and vans.

In this case, the vehicles in its fleet can be categorised as M1, N1 and N2, so these vehicles fall within the above definitions.

Furthermore, activity 6.4 refers to sales or rentals of personal mobility vehicles powered by zero-emission engines. In the case of Inquieto, the electric bicycles and scooters that also form part of its fleet can be included here.

These activities can be deemed to fall within the scope of Article 10 of the Regulation, specifically within point **1. C) increasing clean or climate-neutral mobility.**

### 3.1.4. Commission delegated regulation (EU) 2023/2486 – Transition to the circular economy

| | |
|---|---|
| **5.4. Sale of second-hand goods** | Sale of second-hand goods that have been used for their intended purpose before by a customer (physical person or legal person), possibly after repair, refurbishment or remanufacturing. |
| **5.2. Sale of spare parts** | The economic activity relates to spare parts that are used in products manufactured by economic activities classified under NACE code C28,22, «Manufacture of lifting and handling equipment». |
| **5.5. Product-as-a-service and other circular use- and result-oriented service models** | The economic activities in this category could be associated with several NACE codes, in particular G46, G47, and N.77 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. |

As we saw above, we would include Used sales within the eligible activities under this regulation, as they would meet both of the above criteria, since both second-hand goods and spare parts are sold.

The rental business falls under point 5.5.

Finally, we would classify Reviver's activity as eligible as it falls within the scope of activity described in point 5.4. “Sale of second-hand goods”.

In conclusion, the GAM Group's activities that are considered to be eligible are as follows:

- Distribution of spare parts.
- Inquieto's activity.
- Sales of used equipment.
- Machinery rentals (in particular handling and lifting equipment).
- Reviver's activity.

### 3.1.5. Alignment analysis

As stated in the introduction, in order to assess whether our activities that have been identified as eligible are also aligned, we have analysed whether they meet the technical screening criteria (TSC) of the environmental objectives of mitigation and transition to the circular economy, the related DNSH, and whether they meet the minimum social safeguards. Our conclusion is that as there is no evidence that the second criterion (DNSH) is being met, none of these activities can be classified as aligned.

### 3.1.6. Description of indicators

**Turnover:** the proportion of turnover referred to in Article 8(2), point (a), of Regulation (EU) 2020/852 will be calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by the net turnover (denominator)

In GAM's specific case, the denominator is the net turnover in the Consolidated Financial Statements for 2024.

The numerator is the net turnover in the Consolidated Financial Statements from the activities that we have classified as Taxonomy-eligible.

For this indicator, we have included Inquieto's turnover, specifically, from sales and rentals of zero-emission vehicles, as well as revenues received from the provision of repair and spare parts services, as these are connected to the sales and rental activity.

In the case of used sales, total revenue (excluding capital gains) from the sale of used machinery or from the rental fleet has been used as the KPI numerator.

For sales of spare parts, we have included total revenue from these sales.

**CapEX:** the proportion of CapEX will be calculated as the numerator divided by the denominator. The denominator covers additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator also covers additions to tangible and intangible assets resulting from business combinations.

In GAM's specific case, the denominator consists of all additions to cost relating to property, plant and equipment, rights of use with an option or obligation to purchase and intangible assets included in movements of fixed assets in the Consolidated Financial Statements in 2024.

The numerator covers the additions to cost in property, plant and equipment and intangible assets in respect of the activities we have classified as Taxonomy-eligible.

For this indicator we take into account two activities that have resulted in CapEX in 2024.

Firstly, for the numerator, we take into account the additions to fixed assets related to Inquieto's activity, and additions of equipment that do not produce emissions because they are electric or engineless, as they help to mitigate climate change in accordance with article 10, section 1) of the delegated acts, which is why we believe they should be included in this calculation.

c) el aumento de la movilidad limpia o climáticamente neutra;

The other activity we take into account is Reviver's business. In 2024, over 9 million euros were invested in CapEX to build the plant where machinery and components will be remanufactured, thus promoting the circular economy, one of the key points of the Taxonomy.

**OpEX:** the proportion of OpEX referred to in the article will be calculated as the numerator divided by the denominator; the latter includes non-capitalised direct costs related to research and development, building renovation activities, short-term leases, maintenance and repairs, as well as other direct costs associated with the daily maintenance of property, plant and equipment assets, incurred by the company or the third party to whom the activities are outsourced, and which are necessary to ensure the continuous and efficient operation of such assets.

In GAM's specific case, the denominator consists of short-term leases, maintenance and repairs, including spare parts used in repairs of fleet equipment.

The numerator is the amount of these expenditures that are associated with the activities that we have classified as Taxonomy-eligible.

In Inquieto's case, we have included leasing costs, mainly from renting and leasing industrial units, as well as the cost of spare parts and repairs for its zero-emission vehicles.

Furthermore, we have factored in the cost of repairs and spare parts related to equipment that does not produce emissions because it is electric or engineless, since, although most of the machinery owned by the company is not included in the vehicles listed in the Taxonomy, 82.1% of the fleet does not produce any emissions and therefore helps to mitigate climate change in accordance with Article 10, section 1) of the delegated acts.

c) el aumento de la movilidad limpia o climáticamente neutra;

For used sales, we have taken into account the leases, spare parts and repairs necessary to put equipment from the rental fleet in a saleable condition.

OpEX is not included in sales of spare parts, as no repairs or maintenance are carried out for this activity.

# 4. Environment

## Table of contents

## 4.1. ESRS E1 - Climate change

### 4.1.1. Transition plan for climate change mitigation (E1-1)

#### 4.1.1.1. GHG emission reduction targets and levers

While the GAM Group has not put in place a Transition plan for climate change mitigation per se in 2024, it has decided to establish a strategy for 2025 that lays the groundwork for identifying, measuring and monitoring a number of targets related to greenhouse gas (GHG) emission reductions. It will also establish an action plan and measures to meet any future targets that may be set.

### 4.1.2. Processes to identify and assess material climate-related impacts, risks and opportunities (ESRS 2 IRO-1)

| ESRS E1 - Climate change | | | |
|---|---|---|---|
| **Climate change mitigation** | | | |
| **Type of IRO** | **Value chain** | **Description of IRO** | **Strategy and business model** |
| Potential positive impact | Own operations | Mitigation of climate change due to reductions in CO2 emissions through the development of projects involving the electrification of the machinery fleet. | Continuing the strategy of gradually electrifying the fleet. For further information see section: *4.1.4.1. Actions and resources for climate change mitigation.* |
| Potential positive impact | Own operations | Climate change mitigation due to reductions in CO2 emissions through the development of new projects with sustainable strategies like Reviver, which not only cuts emissions by remanufacturing machinery and making it unnecessary to manufacture new units, but also by generating remanufactured spare parts, reusing old equipment, planting trees, etc. | Gradual increase in Reviver's contribution to the equipment added to the fleet. Decrease in CapEX investment. For further information see section *3. EU taxonomy.* |
| Potential positive impact | Own operations | Significant boost to decarbonisation strategies through gaining knowledge of and starting to calculate Scope 3 emissions. | Definition and establishment of Scope 3 emissions quantification procedures in 2025. For further information see |

| | | | |
|---|---|---|---|
| | | | section *4.1.6.4. Gross Scope 1, 2, 3 and total GHG emissions (E1-6)* |
| Potential positive impact | Own operations | Increased sustainability in the logistics sector through Inquieto, a business line with last mile zero-emission solutions. | Continuing the strategy of making zero-emission vehicles available on the market. For further information see section: *4.1.4.1. Actions and resources for climate change mitigation.* |
| Actual negative impact | *Upstream/Downstream* | Worsening of climate change mitigation due to a lack of alternatives for logistics (transport of machinery by road in trucks). | Gradual involvement of the supply chain in adopting measures to improve the efficiency and sustainability of the services provided to GAM. For further information see section: *4.1.4.1. Actions and resources for climate change mitigation.* |
| Actual negative impact | Own operations | Generating Scope 2 CO2 emissions due to the company not limiting power consumption to renewable energy sources (it is currently renewable on Spanish sites). | Gradual transition to energy suppliers offering renewable sources for international subsidiaries. For further information see section *4.1.6.4. Gross Scope 1, 2, 3 and total GHG emissions (E1-6).* |
| Opportunity | Own operations | Attracting sustainable finance (loans, guarantee facilities or working capital linked to ESG clauses) from financial institutions, due to strong performance in strategies and actions related to sustainability, digitisation, innovation and climate change. | Strengthening of the GAM Group's sustainability strategy. For further information see section: *4.1.4.1. Actions and resources for* |

| | | | |
|---|---|---|---|
| | | | *climate change mitigation.* |
| Opportunity | Own operations | Improving GAM's image with investors in relation to ESG indices by setting specific time-bound carbon reduction goals and targets (e.g. SBTi). | Establishing specific science-based plans, targets and objectives. For further information see section: *4.1.6.4. Gross Scope 1, 2, 3 and total GHG emissions (E1-6).* |
| Opportunity | Own operations | Improved efficiency in emission calculations based on ERA (European Rental Association) guidance. | Analysis and application, where appropriate, of sector-specific criteria and recommendations that promote the implementation of concrete ESG strategies to reduce emissions. For further information see section *4.1.6.4. Gross Scope 1, 2, 3 and total GHG emissions (E1-6).* |
| Opportunity | Own operations | Possible improvement in climate change mitigation by exploring the possibility of using trains to transport machinery from Reviver (Villadangos station). | Assessment of the use of new transport models for Reviver's output: multimodal, rail, etc. For further information see sections *1.7. GAM and sustainability* and *4.2.3. Actions and resources in relation to resource use and circular economy (E5-2).* |

| | | | |
|---|---|---|---|
| Opportunity | Own operations | Enhanced reputation due to the development of an emissions reduction and/or monitoring plan for the coming years. | Definition and future implementation of a Decarbonisation Plan. For further information see section *4.1.6.4. Gross Scope 1, 2, 3 and total GHG emissions (E1-6).* |
| Opportunity | Own operations | Mitigating environmental impacts through carbon offsetting measures. | Assessment of the adoption of offsetting measures (currently only implemented by the GAM Forest initiative). For further information see section *4.1.4.1. Actions and resources for climate change mitigation.* |
| **Energy** | | | |
| **Type of IRO** | **Value chain** | **Description of IRO** | **Strategy and business model** |
| Risk | Own operations | Uncertainty about technological developments in generator sets. | GAM will promote the use of new technologies in electricity generation, based on criteria of profitability, efficiency and sustainability. For further information see section *4.1.4.1. Actions and resources for climate change mitigation.* |
| Risk | Own operations | Increased energy costs due to geopolitical conflicts and/or lack of available resources. | GAM aims to modernise and electrify its machinery fleet to make it increasingly more energy-efficient. For further information see section *4.1.4.1. Actions and* |

| | | | |
|---|---|---|---|
| | | | *resources for climate change mitigation.* |
| Opportunity | Own operations | Reduced operating costs and exposure to cost variability as a result of setting specific and quantified targets for the phasing out of non-renewable energy consumption (fossil fuels and fossil fuel electricity) every year. | For further information see the section that describes the “Inquieto” sustainable mobility project and the project to upgrade the machinery. |

## 4.1.3. Policies related to climate change mitigation and adaptation (E1-2)

The GAM Group has developed its Environmental and Social Policy, which describes how it manages climate change-related impacts, risks and opportunities. The purpose of this Policy is to establish the general principles and basic operating standards that the GAM Group follows with regard to environmental and social matters.

Furthermore, the body that oversees and supervises the application of the principles and measures is the Appointments, Remuneration and Sustainability Committee, which is also responsible for informing the Board of Directors of any significant developments related to this Policy.

This Policy was approved by the Board of Directors in 2023 and applies to all GAM Group companies.

For further information: Environmental and Social Policy

GAM also has an integrated management system. In this system, short- and long-term objectives and programmes are established and their implementation and monitoring is scrutinised. The aim of this system is to ensure that the company meets the legislative requirements and needs of its customers, to develop and implement new documents, and to facilitate transparency and reporting on GAM's performance with regard to quality, the environment, and health and safety.

GAM's Environmental Management System is prepared, implemented and monitored by the company's Health and Safety and Certification Department, which reports to the Corporate People and Culture Department, analysing the impacts that are detected and advising on the implementation and monitoring of measures aimed at improving environmental management. The Environmental Management System is implemented across the entire business in Spain.

This system and its policy were developed in 2019 and GAM's management is responsible for disseminating it so that it is fully understood and implemented by all the organisation's staff.

For further information: Integrated management policy

During 2023 and 2024, the Integrated Management System was audited in accordance with ISO 14001:2015 in the following Group companies: GAM España Servicios de Maquinaria, GAM Training Apoyo y Formación, Recambios Carretillas y Maquinaria (RECAMASA), Carretillas Mayor y Grupo Dinamo Hyspaman (GDH) covering its head offices at Carretera Tiñana, nº1, 33199 in Granda, Siero.

The company aims to gradually extend this certification to other Group territories and companies.

## 4.1.4. Actions and resources in relation to climate change policies (E1-3)

### 4.1.4.1. Actions and resources for climate change mitigation

Environmental management is involved at every level of GAM's business management, affecting many aspects of the company: purchasing policy, production, fleet, technical department, workshop, People and Culture, etc. In order to promote improved management, we carry out the following actions:

**Fleet management**

- Renewing our fleet of machines.
- Improving efficiency, reducing emissions and fuel consumption.
- Scheduled replacement of older and less environmentally efficient equipment.

**Renewing our *mix* of machinery**

Gradually replacing equipment that has combustion engines with electric-powered machines.

**Sustainable mobility (Inquieto)**

"Last mile" or "last kilometre" delivery consists of delivering goods to the end customer, which is the most complex step in the whole process. With *e-commerce* growing, today's consumers are demanding faster and more efficient deliveries. For this reason, our goal is to offer delivery solutions with a key point of differentiation for sellers and their suppliers. This is why Inquieto, a company owned entirely by GAM, was created in September 2020.

We have entered this sector with the aim of offering solutions that not only facilitate the delivery of goods, but also introduce new processes. Making cities healthier, reducing traffic congestion, preventing pollution and disruption for the public, freeing up space for people, and improving the delivery experience for users are some of the objectives behind this new business solution. It is time for people to start reclaiming urban spaces and make cities healthier.

We have a ground-breaking sustainable delivery transport service using zero-emission vehicles with a very small noise footprint, equipped for modern-day mobility in towns and cities and with experts in the logistical requirements of each sector. This is an important issue for GAM and we strive to find the right equipment to optimise our customers' routes.

With this vision in mind, we have decided to go one step further by developing services for hubs, disruptive technology to optimise the entire logistics process by designing, installing and maintaining these hubs outside urban areas.

Through this initiative, the GAM Group has placed the following number of zero-emission vehicles on the market:

| Category | 2024 | 2023 |
|---|---|---|
| Zero-emission vehicles placed on the market in Spain and Portugal | 789 | 618 |

In 2024, we changed the criteria for monitoring the performance of Inquieto to the number of vehicles leased as at the reporting date (31 December 2024) plus the number of vehicles sold in the period. We believe this indicator is more appropriate than the one reported in previous years, which was the number of vehicles delivered to customers, since if there are any short-term contracts such vehicles may be delivered several times in a year.

**Remanufacturing plant (Reviver)**

See section *4.2* for more details. *ESRS E5 - Circular economy and waste management*.

**Environmental risk management**

With regard to environmental risks, we generally put environmental provisions and insurance policies in place, with our public liability insurance covering environmental aspects. The main polices and their amounts are detailed below:

- Environmental and public liability for pollution caused by the machine rental business. Insurance and coverage (sum insured per claim and year of insurance, for each insured centre).
  - Workplace accidents due to pollution: covered.
  - Additional activities including transport: covered.

- Environmental liability insurance:
  - Sum insured per claim, per machine and per year of insurance: 2,000,000 euros.
  - Health and safety and prevention costs: included.
  - Primary, complementary and compensatory remediation costs: included.
  - Cost of decontaminating soil outside of insured site: included.
  - Sub-limit of indemnity per worker (public liability cover for workplace accidents): 300,000 euros.
  - Sub-limit for defence costs incurred by the insured: 20,000 euros.
  - Excess per claim: 4,000 euros.

**Environmental Management System indicators**

Our Environmental Management System has indicators that allow us to analyse our consumption of key resources and establish strategies to reduce our consumption. The main indicators are as follows:

- Energy consumption analysis: energy audits are carried out regularly in order to foster and promote measures within energy consumption processes that help us to reduce primary energy consumption and make it more efficient.

  In this respect, we have introduced plans to replace the luminaires in Spain, gradually installing LED technology as our preferred lighting. This initiative continued throughout 2024.

- Fuel consumption analysis: the fuel consumption (red diesel A) per work centre (litres purchased/year and per subsidiary/centre) has been included as a Management System indicator to identify consumption patterns, analyse year-on-year changes in consumption and, where appropriate, establish strategies aimed at optimising consumption.

- Analysis of the source of electricity used, based on the national energy mix.

**Renewable energy**

98% of the energy we consume in Spain is from renewable sources. At present, this is only monitored in Spain, but we are exploring ways to adopt measures that will allow us to report the rating of the energy consumed in all countries in which we operate in the future.

**Greenhouse gas emission calculations**

We have launched a project to calculate greenhouse gas emissions and to certify emissions, which will allow us to set reduction targets.

In addition to the above analyses, we have established indicators that provide information on the impact that GAM's activities may have on the environment:

- Calculation of pollutant emissions resulting from the use of fossil fuels ($NO_x$, $SO_x$, VOCs).

- Carbon footprint: we calculate the emissions resulting from our use of electricity and fossil fuels. (Scope 1+2).

We will also maintain our goal to certify emissions in Spain by 2025.

**Self-consumption facilities**

As part of its commitment to the energy transition, the GAM Group has opted for self-consumption facilities. That is why we installed 1,334 solar panels in the Reviver plant in 2024, while in 2003 we installed 400 photovoltaic panels at our headquarters in Granda (Asturias) and the San Fernando de Henares site (Madrid), and we intend to replicate this at the company's other sites.

We generated 367,376 kWh of electricity for self-consumption in 2024 and 231,484 kWh in 2023, which represents 10% of the electricity consumed by GAM in Spain (8.3 % in 2023).

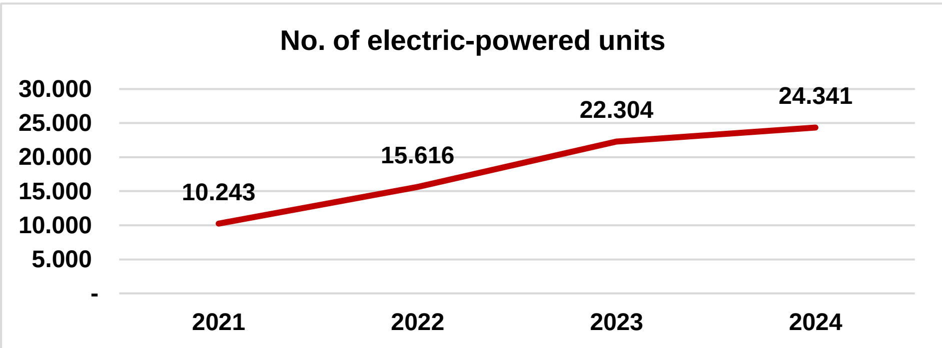
**GAM Forest**

We signed an agreement with the Asturian company Bosquia in 2021 to create the GAM Forest, by planting around 500 trees in Candamo, in the Principality of Asturias. This area was especially hard hit by the devastating fires that broke out in the summer of 2017 in Galicia and Asturias.

At the initial planting in 2022, the site was reforested with a selection of native species based on a preliminary forest survey, including, for example: privet, buckthorn, holm oak, hawthorn, chestnut, arbutus and oak. Although no further activity took place in this project in 2024, the GAM Group plans to continue with this activity in 2025.

**Fleet electrification**

The GAM Group is continuing to work on increasing our percentage of electric-powered equipment as a way to mitigate the effects of internal combustion machinery. The following graph shows the number of electrified machines the company has:




It should be noted that only 15.9% (19% in 2023) of our leasable equipment produces emissions, and this percentage is falling thanks to our commitment to clean technologies.

**GoGreen Plus service**

In 2024, we reached an agreement with DHL Express to join its GoGreen Plus programme, which aims to reduce carbon emissions from air transport by approximately 10% through the use of sustainable aviation fuels. This sustainable fuel (SAF) is an environmentally friendly alternative, produced from sustainable raw materials, such as used cooking oils, agricultural waste, etc. In turn, its implementation reduces greenhouse gas emissions by up to 80% over the life cycle of the fuel.

**Other environmental measures**

In 2023 we launched a project to provide charging facilities for electric vehicles, completing the installation of 4 chargers for electric vehicles at our headquarters in Asturias and 3 at our site in San Fernando de Henares (Madrid). We aim to roll out this project to other sites in the coming years to make them available for our visitors, employees and fleet vehicles. This initiative continued in 2024 and a total of 17 electric vehicle chargers were installed at the Reviver plant.

## 4.1.5. Greenhouse gas (GHG) emissions

Following on from the above, the GAM Group has decided to establish a strategy for 2025 that lays the groundwork for identifying, measuring and monitoring a number of targets related to lowering greenhouse gas emissions.

## 4.1.6. Energy consumption (E1-5)

### 4.1.6.1. Non-renewable and renewable energy consumption

In 2024, the GAM Group consumed a total of 3,707,425 kWh of energy (3,388,358 kWh in 2023), 73.2% of which came from renewable sources (82.1% in 2023).

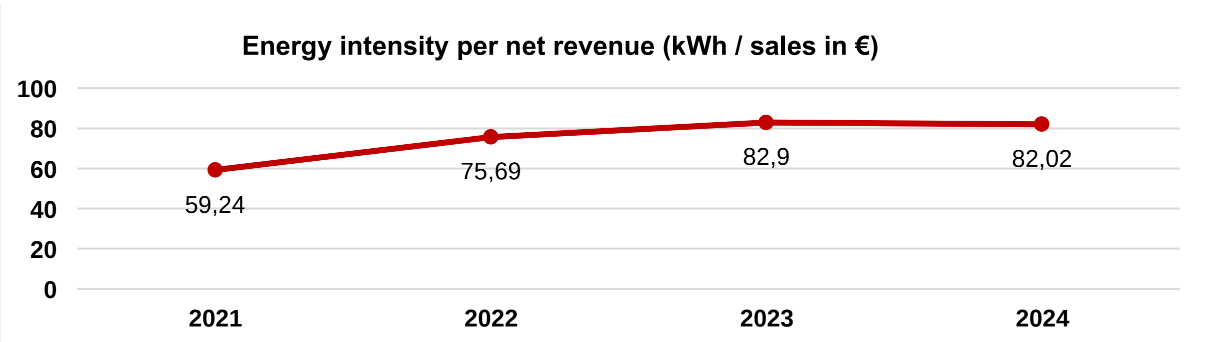
| Category | 2024 | 2023 | Year-on-year change |
|---|---|---|---|
| **Renewable energy (kWh)** | **2,715,712** | **2,783,880** | **(68,168)** |
| Electricity (kWh) | 2,715,712 | 2,783,880 | (68,168) |
| **Renewable energy (kWh)** | **991,713** | **604,478** | **387,235** |
| Electricity (kWh) | 991,713 | 604,478 | 387,235 |
| **Total renewable and non-renewable energy (kWh) consumed** | **3,707,425** | **3,388,358** | **319,067** |

Besides the energy sources detailed above, the GAM Group did not consume any other type of energy, renewable or non-renewable, during 2023 and 2024.

### 4.1.6.2. Non-renewable energy production

The GAM Group did not produce any form of non-renewable energy in 2024 or 2023.

### 4.1.6.3. Energy intensity



Energy intensity is calculated by dividing the energy consumed by the annual sales figure. Following on from the above, practically all of the energy we consume comes from renewable sources, so breaking this graph down by type of energy would not lead to any significant differences in the conclusion drawn from the analysis. Therefore, the results achieved and shown in the table below relate to renewable energy and also to the small amount of non-renewable energy consumed.

### 4.1.6.4. Gross Scope 1, 2, 3 and total GHG emissions (E1-6)

The following table shows the Scope 1 and Scope 2 greenhouse gas emissions by the GAM Group in 2024 and 2023 in tonnes of CO2:

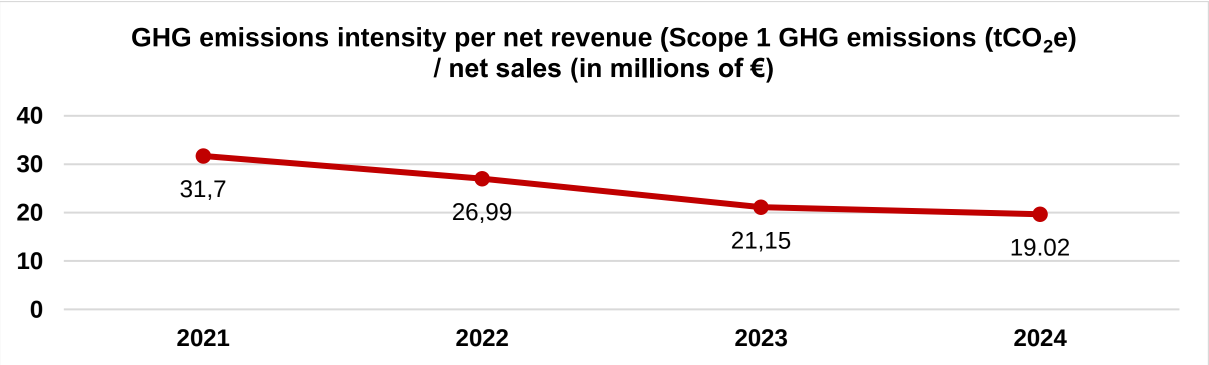
| Emissions | 2024 | 2023 | Year-on-year change |
|---|---|---|---|
| **Scope 1 GHG emissions ($tCO_2e$)** | **5,782** | **5,941** | **-159** |
| **Scope 2 GHG emissions ($tCO_2e$)** | **419** | **258** | **161** |
| **Total GHG emissions ($tCO_2e$)** | **6,202** | **6,199** | **3** |

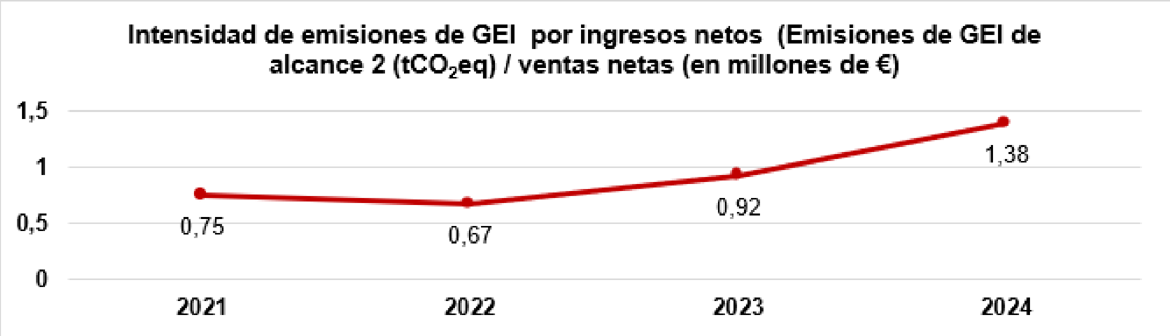
As indicated above, in 2025 GAM will establish a strategy for setting greenhouse gas reduction targets and an action plan and measures to meet any future targets that may be set.

Finally, it is worth noting that in 2024, the percentage of the fleet of vehicles, machinery and assets owned by the GAM Group that did not produce emissions because they were electric or engineless rose to 84.1% (in 2023, the percentage was 82.1%). Electrical equipment mainly consisting of forklift trucks, lifting platforms, pallet trucks and stackers and engineless units: mainly pallet trucks and manual stackers.

### 4.1.6.5. GHG emissions intensity per net revenue

The following graphs show the intensity of greenhouse gas emissions per million euros in net sales that the GAM Group has obtained in recent years. The figures show that the GAM Group has reduced its Scope 1 GHG emissions each year with the various measures it has taken and the sales figures have also increased.






## 4.2 ESRS E5 – Circular economy

### 4.2.1. Processes to identify and assess resource use and circular economy-related impacts, risks and opportunities (ESRS 2 IRO-1)

| ESRS E5 - Resource use and circular economy | | | |
|---|---|---|---|
| **Resource inflows, including resource use** | | | |
| **Type of IRO** | **Value chain** | **Description of IRO** | **Strategy and business model** |
| Opportunity | Own operations | Increased revenues through the Reviver project due to the introduction of a new product that hitherto did not exist and which delivers sustainability, decarbonisation and recycling to GAM's customers. | Reviver project<br>For further information, see *1,8. GAM and sustainability and 4.2.3. Actions and resources in relation to resource use and circular economy* (E5-2). |
| Opportunity | Own operations | Cost savings through the use of remanufactured spare parts and lower expenditure when using remanufactured machines vs new machines (Reviver). | Reviver project. For further information see sections 1.7. *GAM and sustainability and 4.2.3. Actions and resources in relation to resource use and circular economy* (E5-2). |
| **Waste** | | | |

| Type of IRO | Value chain | Description of IRO | Strategy and business model |
|---|---|---|---|
| Positive impact | Own operations | Helping to reduce waste in the sector through the reuse and recycling of machinery (Reviver). | Reviver project. For further information see sections *1.7. GAM and sustainability* and 4,2.3. *Actions and resources in relation to resource use and circular economy* (E5-2). |

## 4.2.2. Policies related to resource use and circular economy (E5-1)

The GAM Group has an environmental and social policy which sets out the general principles and basic rules that have been established by the Group's Board of Directors. The Appointments, Remuneration and Sustainability Committee is the body that oversees compliance with this Policy and its principles.

For further information: Environmental and Social Policy

## 4.2.3. Actions and resources in relation to resource use and circular economy (E5-2)

The foreseeable effects of our activity on the environment mainly relate to the consumption of raw materials and energy, waste generated by machine repairs and maintenance activities and soil and water pollution caused by accidental spillages of chemical substances (mainly hydrocarbons).

These effects are included in our Management System's Environmental Aspect Identification and Assessment procedure.

GAM's environmental performance centres around analysing foreseeable impacts and also defining and implementing solutions in the event of some of the identified risks materialising.

Waste generation is a direct consequence of GAM's activity, and, aware of our obligations, we implement numerous measures worldwide to ensure strict compliance with regulations and to minimise any environmental impact that our activity may have.

Below we outline our main actions regarding resource use and the circular economy:

The foreseeable effects of our activity on the environment mainly arise from the consumption of raw materials and energy, waste generated by machine repairs and maintenance activities and soil and water pollution caused by accidental spillages of chemical substances (mainly hydrocarbons).

These effects are included in our Management System's Environmental Aspect Identification and Assessment procedure.

GAM's environmental performance centres around analysing foreseeable impacts and also defining and implementing solutions in the event of some of the identified risks materialising.

Waste generation is a direct consequence of GAM's activity, and, aware of our obligations, we implement numerous measures worldwide to ensure strict compliance with regulations and to minimise any environmental impact that our activity may have.

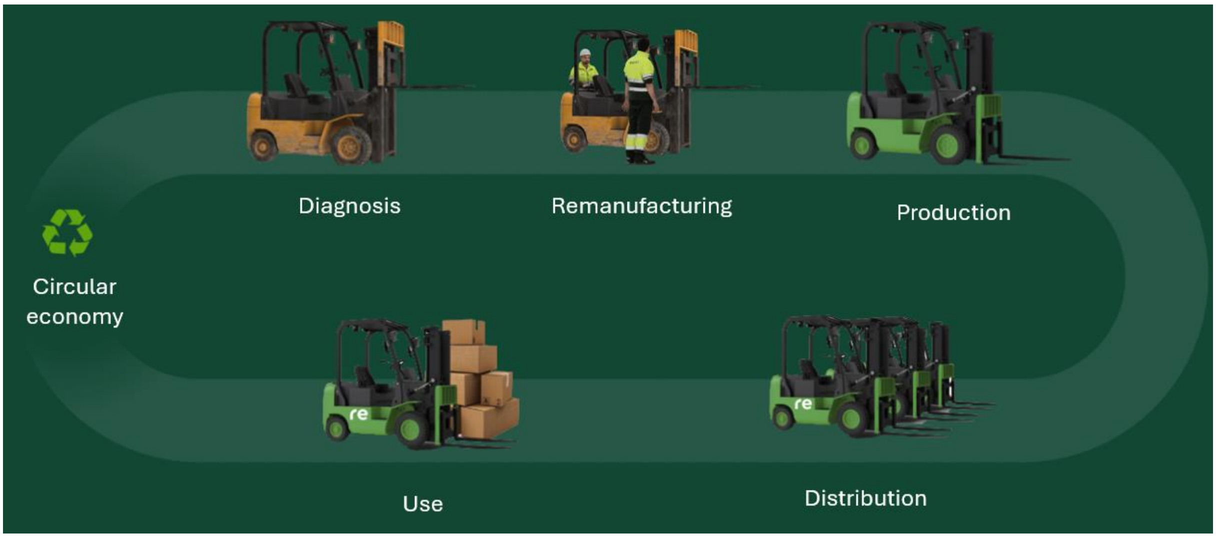
In terms of the circular economy, at the end of 2023 GAM launched Reviver, our machinery remanufacturing plant (see section *1.7. GAM and sustainability*) which has become the cornerstone of our commitment to sustainability and marks the introduction of the circular economy in our industry.

**REVIVER: Circular economy in the machinery sector**

At GAM we are strongly committed to the environment, with a clear mission to protect it through more efficient investment of our resources. Sustainability, whether it be economic, environmental or social, requires us to make decisions and take actions that do not harm future generations, ensuring their well-being in all these areas. Therefore, we strive to improve our production and economic processes in order to be more efficient and optimise all resources at our disposal.

In recent years we have become aware of the large amount of waste produced in our sector. Our current machinery manufacturing process consumes a high amount of raw materials, generates high levels of pollution, makes little use of recyclable resources, and has high manufacturing costs.
We need a way to close the circle of the useful life of machines in an environmentally friendly way, promoting their reuse and the circular economy, while seeking to comply with the new EU policies on reducing the amount of waste sent to landfill.

We therefore decided to find a solution that would allow us to move from the current linear manufacturing model (extraction of raw materials, machine design, production, distribution, use of the equipment, end-of-life and waste generation) to a circular model in which the equipment is assessed, remanufactured, distributed, used and, at the end of its service life, undergoes another assessment for potential remanufacturing.




Reviver was created to address all these concerns. It is the largest machinery remanufacturing plant in Europe, with the motto "don't build what has already been built, don't extract what has already been extracted" which has a high social impact.

In Reviver:

- We remanufacture machinery

- We refurbish suitable spare parts
- We recycle unusable spare parts

Photograph of the GAM Reviver facilities, located at: Cam. el Tejar, S/N, 24234 Villamañán, León

The latest technology available on the market is used for these processes: virtual reality, digital twins, simulations, 3D printing, augmented reality and we have a MES (Manufacturing Execution System) integrated with a WMS (Warehouse Management System).

All machines remanufactured at Reviver have a CIRCULAR ECONOMY CERTIFICATION which shows the percentage of components that have been reused and the reduction in emissions achieved by our remanufacturing process compared to the manufacture of a new machine.

Reviver also has a strong social element, as it involved renovating an old factory in 'España vaciada' (empty Spain), allowing us to revive the area's economy and stabilise the population by bringing talent back home.
Moreover, Reviver was created with a firm social commitment to serve as an example of a diverse workplace that is operated according to the highest quality standards.

As a result of this machinery remanufacturing and refurbishment process at Reviver's plants, the GAM Group remanufactured 183 pieces of equipment in 2024.

Furthermore, the other measures that we implement in relation to resource use and the circular economy are as follows:

- Entering into hazardous waste management agreements at our centres with government-approved companies, in accordance with the legal regulations in force at each of our sites.

- Managing the waste produced appropriately, including its storage, segregation at source and collection by an authorised waste management company, which will process it according to the nature of the waste, prioritising its recovery over its disposal.

- Reducing the amount of raw materials and energy we consume by:
    - Continuously improving our purchasing policy, with the aim of reducing the amount of products and raw materials we use.
    - Improving the efficiency of processes that require the use of raw materials and energy resources.

## 4.2.4. Resource inflows (E5-4)

| Type of consumable | 2024 | 2023 |
|---|---|---|
| Paint (litres) | 24,233.3 | 25,550.0 |
| Solvent (litres) | 46,696.6 | 36,315.9 |
| Oil (litres) | 414,154.2 | 467,927.8 |
| Grease (kg) | 12,447.8 | 16,761.0 |
| Toner (units) | 275.0 | 232 |

This quantitative information covers the same countries as the financial information presented in the Financial Statements.

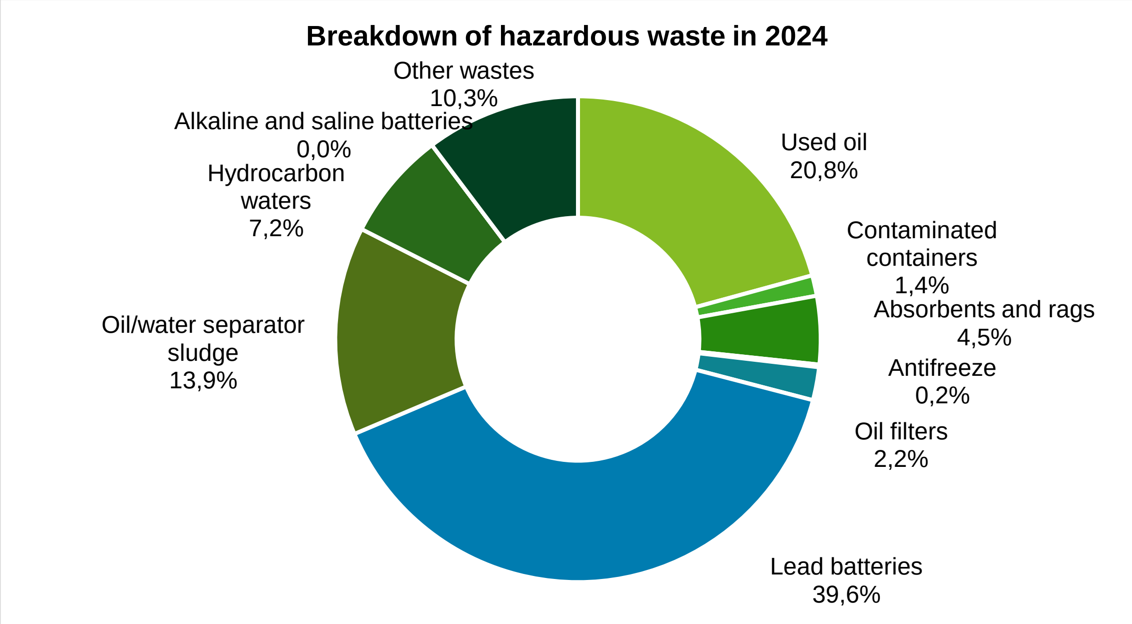
| Category | 2024 | 2023 | Year-on-year change |
|---|---|---|---|
| Diesel (litres) | 1,685,134 | 2,020,514 | (335,380) |
| Petrol (litres) | 472,510 | 117,597 | 354,913 |
| LPG (litres) | 17,309 | 0 | 17,309 |
| **Total other non-renewable energy consumed (litres)** | **2,174,954** | **2,138,111** | **36,843** |

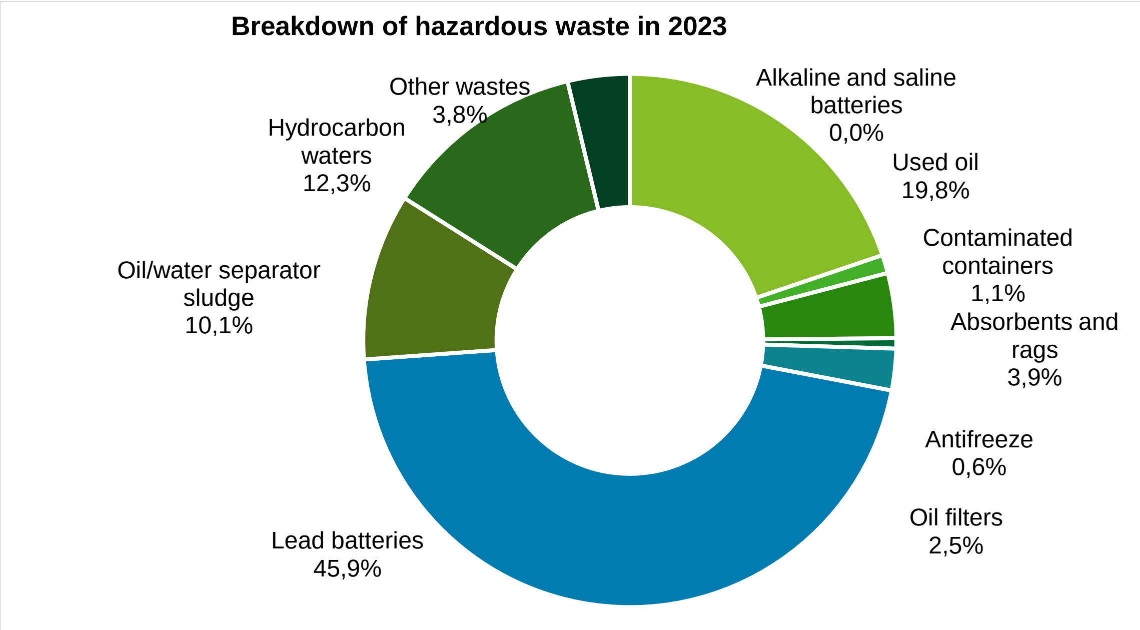
## 4.2.5. Resource outflows (E5-5)

Due to its direct global operations, the GAM Group generates various types of waste, which are broken down below according to whether they are hazardous or non-hazardous:

| Type of waste (tonnes) | 2024 | 2023 |
|---|---|---|
| Waste oil | 235.4 | 184.2 |
| Contaminated containers | 15.5 | 10.3 |
| Absorbents and rags | 51.4 | 36.6 |
| Anti-freeze | 1.98 | 5.8 |
| Oil filters | 24.9 | 23.4 |
| Lead batteries | 448.7 | 426.2 |
| Oil/water separator sludge | 157.1 | 93.9 |
| Hydrocarbon-contaminated water | 82.0 | 114.1 |
| Alkaline and saline batteries | 0.036 | 0 |
| Other waste | 116.4 | 34.9 |
| **Total hazardous waste** | **1,133.3** | **929.4** |
| Ferrous metals | 302.1 | 98.8 |
| **Non-hazardous waste** | **302.1** | **98.8** |
| **Total hazardous and non-hazardous waste** | **1,435.42** | **1,026.2** |

During 2024, the percentage of waste recovered in Spain rose to 84%. In 2023, this percentage stood at 83%.


Breakdown of hazardous waste in 2024
Other wastes 10,3%
Alkaline and saline batteries 0,0%
Hydrocarbon waters 7,2%
Oil/water separator sludge 13,9%
Used oil 20,8%
Contaminated containers 1,4%
Absorbents and rags 4,5%
Antifreeze 0,2%
Oil filters 2,2%
Lead batteries 39,6%


Breakdown of hazardous waste in 2023
Other wastes 3,8%
Hydrocarbon waters 12,3%
Oil/water separator sludge 10,1%
Lead batteries 45,9%
Alkaline and saline batteries 0,0%
Used oil 19,8%
Contaminated containers 1,1%
Absorbents and rags 3,9%
Antifreeze 0,6%
Oil filters 2,5%

# 5. Social

Table of contents

## 5.1. ESRS S1 – Own workforce

### 5.1.1. Interests and views of stakeholders (SBM-2)

People are the driving force behind GAM's success and one of the key factors in delivering our business plan. This is why our comprehensive talent management strategy covers everything from the initial process of attracting talent and talent retention to ongoing development. We also have tools for active listening and the implementation of specific action plans tailored to the needs of the teams. This chapter and section *2.3. Double materiality assessment* in this document describe how we accommodate the interests, views and rights of employees when developing our strategy and business model.

### 5.1.2. Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

| ESRS S1 – Own workforce | | | |
|---|---|---|---|
| **Working conditions** | | | |
| **Type of IRO** | **Value chain** | **Description of IRO** | **Strategy and business model** |
| Potential positive impact | Own operations | Greater employee satisfaction and commitment thanks to the flexible working policy and the launch of pilot projects for short working days. | Flexible working hours policy<br>For further information see section *5.1.3. Policies related to own workforce (S1-1).* |
| Potential positive impact | Own operations | Greater attraction and retention of talent through policies based on a good work-life balance (quality of employment, flexibility, etc.). | Flexible working hours policy<br>For further information see section *5.1.3. Policies related to own workforce (S1-1).* |
| Actual positive impact | Own operations | Decrease in turnover of staff following an analysis of pay for similar positions within the sector to ensure adequate and competitive pay for our employees compared to other companies. | Remuneration system<br>For further information see section *5.1.3. Policies related to own workforce (S1-1).* |
| Actual positive impact | Own operations | Increased awareness among employees regarding occupational health and safety thanks to the strengthening of the safety plan. | Occupational health and safety<br>Safety master plan. For further information see sections *5.1.3. Policies related to own workforce (S1-1) and 5.1.6. Taking action on (…) (S1-4).* |

| | | | |
|---|---|---|---|
| Actual negative impact | Own operations | Decline in the health and safety of workers due to rising accident rates for both men and women. | Occupational health and safety<br>Safety master plan. For further information see sections *5.1.3. Policies related to own workforce (S1-1) and 5.1.6. Taking action on (…) (S1-4).* |
| **Equal treatment and opportunities for all** | | | |
| **Type of IRO** | **Value chain** | **Description of IRO** | **Strategy and business model** |
| Actual positive impact | Own operations | A representative proportion of women on GAM's board and in its management. | Commitment to equal treatment and equal opportunities. For further information see section 5.1.3. *Policies related to own workforce (S1-1).* |
| Actual positive impact | Own operations | Promoting the employment of people with special needs through the Reviver project. | Commitments to integrate persons with disabilities. For further information see section 5.1.3. *Policies related to own workforce (S1-1).* |
| Potential positive impact | Own operations | Improved GAM employee satisfaction through process digitisation, improving work efficiency and quality of work. | Digitisation and innovation. For further information see section 5.1.6. *Taking action on (…) (S1-4).* |
| Opportunity | Own operations | Improvement in training in vocational schools provided by KIRLEO (GAM's vocational school) teaching staff and the resulting rise in income in this business. | Training plan. |
| Risk | Own operations | Problems in filling certain vacancies within the Group due to a shortage of staff for certain positions. | Training plan.<br>Attracting young professionals, with a special focus on vocational training. |

The reported information covers the company's employees, i.e. all workers who have an employment relationship with the company, excluding trainees, who are not included in the scope of the quantitative information. Our staff fall into different professional categories depending on their knowledge and experience. The breakdown by professional category (manual workers, middle management and directors) will be included for the relevant quantitative indicators.

Notable IROs identified as material in the above table include the following:

- With regard to material positive impacts, the description of the IROs shows which actions have led to them (flexible working and work-life balance policies, remuneration review, OHS training, the Reviver project and the rise in the number of women on GAM's board and management).

- The actual negative impact identified as material relates to individual cases of specific accidents involving GAM's workers.

- The risks and opportunities that have been identified stem from material impacts on GAM's own workforce.

## 5.1.3. Policies related to own workforce (S1-1)

Preparing the organisation to face present and future challenges requires us to identify the best talent, whether in-house or external, and to ensure that it reflects today's diverse society, as well as ensuring proper management of existing knowledge and a remuneration system that rewards valuable contributions and results.

GAM's culture, i.e. our approach, is based on key concepts such as leadership, meaning a sense of responsibility to see projects through from start to finish; collaborative teamwork, pooling our collective intelligence and applying a common methodology to maximise the efficiency of the organisation and its processes.

Within the People and Culture area, we have working guidelines within the framework provided by the Code of Conduct, whose key pillars include the safeguarding, development and professional growth of the people who work in the company, and recognising the value they contribute, all from a perspective in which diversity - in its broadest sense - is one of the main pillars.

To address the material impacts, risks and opportunities identified in relation to our own workforce, we have the following policies and/or guidelines in place:

**Remuneration system**

During 2024, we continued to work on the metrics to enable gradual adjustments to pay. To this end, we completed a study of all existing positions in the company, in order to classify them within the existing salary bands and create our salary structure. This ensures fair and competitive pay, both within the organisation and relative to the wider labour market.

In order to calculate fixed remuneration, when salaries are being raised, such increases must be based on the performance of the individuals and their position in the salary band in which their job falls.

**Flexible working hours**

During 2024, the policy of making working hours more flexible in order to promote a better work-life balance remained in place.

Moreover, as regards the process of tailoring the working day to the needs of both employees and the labour market, we enable remote working and flexible working hours for special circumstances related to family responsibilities (either because of dependent children or parents who require care), provided that production and organisational needs so permit.

Special consideration is also given to other circumstances relating to pregnancies, maternity/paternity, nursing or caring for dependants, in line with the applicable legislation in force.

Additionally, in September 2024, a pilot test of short working days was launched at the company's site in Asturias, which employs the largest number of people in GAM's staff. This test fulfils two objectives: to increase productivity and to promote a better work-life balance.

At the time of writing this report, this pilot test has been extended further over time, and has been implemented in other work centres in different geographical areas, so that we can gradually move towards common, coordinated working hours, while at the same time maintaining a good service for our customers.

**Digital disconnection**

We are continuing to work with all stakeholders to establish a digital disconnection policy to ensure that staff are able to disconnect from work after they have finished their working day. This policy is currently being developed and will be implemented in 2025. This, together with existing work-life balance policies, will strengthen GAM's culture of taking care of our staff.

**Equality and non-discrimination**

Our Code of Conduct sets out our policy on non-discrimination towards people on the basis of any characteristic, belief or condition that is based on racial and ethnic origin, colour, sex, sexual orientation, gender identity, age, religion, or political opinion.

The company also complies with current legislation on equality, having brought the initial Equality Plan into line with the new legal requirements, underscoring our firm commitment to establish and develop policies that incorporate equal treatment and opportunities for men and women, without discriminating directly or indirectly based on gender, as well as promoting and fostering measures to achieve true equality within the organisation.

With this in mind, we have an action plan that has been jointly agreed with the legal representatives of the workers, who play an essential role in the proper monitoring of these policies. This plan is reviewed on a regular basis by the committee created for this purpose.

We strongly reject any behaviour involving sexual harassment and gender-based harassment. This is set out in section 3.13.4 of the Code of Conduct: "GAM shall guarantee the right to working conditions that respect the dignity of the person. For this reason, it shall protect employees against acts of psychological violence and shall combat any attitude or behaviour that is discriminatory or detrimental to individuals, their convictions and their preferences. GAM shall take the necessary measures to prevent and, where appropriate, redress sexual harassment, “mobbing" and any other form of violence or discrimination".

With regard to persons with disabilities, we do not have a specific policy to integrate them other than the guiding principles of the Equality Plan adopted by the Management. However, as part of our commitment to improving the employability of persons with disabilities, we promote their inclusion in the Reviver project with highly significant recruitment targets.

To this end, we are working closely with various associations and/or foundations which identify individuals with these profiles and then include them in recruitment processes.

**Occupational health and safety**

We have an Occupational Health and Safety and Certification Department that ensures that the conditions are safe in our sites and workplaces throughout the Group.

During 2024, the Health and Safety Management System was audited in accordance with ISO 45001:2018 for the following Group companies: GAM España Servicios de Maquinaria GAM and Training Apoyo y Formación, covering its head offices at Carretera Tiñana, nº1, 33199 in Granda, Siero. The companies GAM Aldaiturriaga and Carretillas Mayor were also audited according to the same standard.

As part of this system, the accident rate is reviewed regularly and is a key indicator within the Management System.

**Respect for human rights**

One of our biggest commitments and priorities is respect for human rights. For this purpose, we are guided by the following, among others:

- The Universal Declaration of Human Rights.
- The UN Guiding Principles on Business and Human Rights.
- The Fundamental Principles and Rights of the International Labour Organisation (ILO).

This commitment is set out in paragraph 3 of the Code of Conduct on Standards of Conduct in Relation to Human Rights, which reads as follows: “All activities of GAM and its staff shall strictly respect human rights and civil liberties and all measures shall be taken to ensure respect for fundamental rights, the principles of equal treatment and non-discrimination, safeguarding against the exploitation of child labour and any other principles set out in the Universal Declaration of Human Rights and the United Nations Global Compact in relation to human rights, labour rights, the environment and anti-corruption”.

We also provide the necessary whistleblowing channels so that breaches of the Code and other misconduct can be reported to and dealt with by an appropriate member of staff. These channels protect the confidentiality of the whistleblower and the Group guarantees that it will cooperate with the relevant authorities if required.

### 5.1.4. Processes for engaging with own workforce and workers' representatives about impacts (S1-2)

Our employees are key to the development of our strategy and business model and to the success of the company. Therefore, their insights are essential to allow us to continuously improve and manage the actual and potential impacts identified in the double materiality assessment.

For example, in the area of training and career development, we have internal communication tools to help us to publicise job vacancies and to encourage the functional and geographic mobility of staff. We also have tools for active listening and the implementation of specific action plans tailored to the needs of the teams.

Moreover, as can be seen in section *5.1.9. Collective bargaining coverage and social dialogue (S1-8)*, the views of our employees are also heard via the existing employee representatives through open and ongoing dialogue.

### 5.1.5. Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

We take the needs and concerns of our staff seriously, so we provide the means for them to voice them when necessary. In particular, we have:

- Whistleblowing channel available to all stakeholders, including the company's own workforce, who wish to raise concerns about any irregularities they may have detected. Specifically, in the event of a possible case of workplace harassment, to ensure that the situation is examined properly, the analysis is carried out by an external consultancy firm, thereby ensuring complete independence and objectivity. For further information: Whistleblowing channel.
- A tool that allows us to actively listen to the main concerns of the company's employees, completely anonymously. This tool is used to analyse the overall results achieved with the aim of addressing those areas where it is necessary to improve the company's culture and ensure that its staff have opportunities for professional growth in a healthy and safe working environment. This work climate consultation is carried out on a regular basis.

  In fact, as a result of these consultations, to address one of staff's greatest concerns, a pilot test of short working days is being carried out, which has already been described in other sections.

As can be seen in *2.3.1.5. Assessment and prioritisation of material impacts, risks and opportunities*, we identified a material negative impact on workers' health and safety. Aware of the risk associated with both our business activities and a failure to adopt healthy lifestyles, we have implemented the necessary measures to protect the health and safety of our employees.

Additionally, in 2024, we sought to implement collaborative programmes to promote healthy habits, either through informative talks or by signing agreements with renowned organisations. In this latter area, we are exploring the possibility of joining the health programme promoted by a leading national insurance company and disseminating it among the staff.

## 5.1.6. Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

As outlined in the "Strategy and business model" column of the table in section *5.1.2. Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)*, we have adopted specific measures to manage the IROs that have been classified as material.

These measures include developing and establishing policies (flexible working policy) and procedures (remuneration system) that have had real positive impacts for our employees.

Regarding the actual positive impact of improving employee satisfaction through the digitisation of processes, we have been strongly committed to digitisation and innovation for several years now. In the second half of 2021, we launched GAM Digital, the company's Master Plan to digitise the company with the aim of becoming a "data-driven"' company whose decision-making is based on data. This significantly boosted our competitiveness and efficiency by optimising our processes.

With an initial three-year action framework, the Plan identified 85 measures that were grouped into 46 projects with an impact on 3 areas: staff, technology and processes. Over the course of 2024, the main projects that have been carried out within this Master Plan are as follows:

- Customer Experience: a project that seeks to deliver excellence in our relationships with customers. In 2024, it was focused on digitising our relationship with certain customers who, by their nature, do not require personalised advice from our network.
- Customisation of certain applications in our ERP system to make them easier to use; thereby improving efficiency and the users' experience.
- BPM (Business Process Management): *software* tool used to improve our organisation's processes by analysing, defining and automating them. Throughout 2024 we have focused on developing our business processes by starting to implement BPM in our long-term business line. This has played a crucial role in boosting the efficiency of the back office and improving our customer service.

The GAM Digital project ended in 2024 with outstanding results, fulfilling the objective of using data as the basis for our decision-making. However, the digitisation of the company is an ongoing process and over the next few years we will build on these improvements and continue to work in line with our continuous improvement model.

In addition, since 2022 we have been running our R&D&I centre, GAM Innovation Lab, where we develop our most innovative projects, such as a predictive maintenance model and repair cost prediction model, and we explore new ways of interacting with our customers.
With regard to managing health and safety-related IROs, we have made special efforts to act in this area:

- We have launched the Safety Master Plan, which has three strands:
  - Actions: a number of concrete actions have been planned and implemented to improve safety and security: inspections of vans, interviews with people who were involved in accidents in 2024 to analyse the causes, reviews of operational protocols, etc.
  - Training: review of the occupational health and safety training plan to tailor it to each job in the company.
  - Communication: various activities to disseminate the company's safety initiatives:
    - Creating the poster that was circulated to all our sites in different languages with the slogan "Think before you take a risk".
    - A short video on safety in the monthly *newsletter*.

- On 3 December we held our first "Safety Day", an event that took place in all our sites in the eight countries in which we operate. At this event they received a message from the company's President in which he stressed the importance and emphasis we place on safety. Afterwards, each manager shared the core messages they wanted to convey as a company, and examined the main causes of workplace accidents that occurred at our different sites in 2024 in order to address these causes. Finally, inspections were carried out in all our facilities and questionnaires were filled out to determine the state of these facilities and rectify any problems that may exist in them.
- Furthermore, given the importance of this issue, the report on accidents and accident rates has been presented to the Board on a regular basis and is reviewed at the various meetings held throughout the year.

### 5.1.7. Characteristics of the undertaking's employees (S1-6)

The figures that appear in the tables below, which provide an overview of the characteristics of GAM's own workforce, were compiled as of the end of the reporting period, i.e. 31 December 2024. They contain figures for the employees of all companies in the GAM Group in Spain, Portugal, Morocco, Mexico, Peru, Colombia, Dominican Republic, Chile and Saudi Arabia.

The definition of company employees can be found in section *5.1.2. Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)* in chapter *5.1.* ESRS S1 – Own workforce.

Below there is a breakdown of staff by country, gender, age group and professional category.

**Table 1. Total number of employees by country at year-end 2024 and 2023**

| Staff by country | 2024 | 2023 |
|---|---|---|
| Spain | 1,405 | 1,305 |
| Portugal | 101 | 96 |
| Peru | 35 | 34 |
| Chile | 81 | 72 |
| Mexico | 193 | 176 |
| Colombia | - | 6 |
| Dominican Republic | 24 | 21 |
| Morocco | 50 | 48 |
| Saudi Arabia | 63 | 51 |
| **Total** | **1,952** | **1,809** |

Note: These figures do not include people who have carried out training placements in our sites during 2024; they are not included in any of the tables presented here.

The difference in headcount is due to the increase in business activity, particularly in the territories that experienced the highest growth in 2024.

**Table 2. Staff by gender**

| Staff by gender | 2024 | 2023 |
|---|---|---|
| Men | 1,589 | 1,455 |
| Women | 363 | 354 |
| **Total** | **1,952** | **1,809** |

**Table 3. Staff by age group**

| Staff by age group | 2024 | 2023 |
|---|---|---|
| Under 30 | 273 | 296 |
| Between 30 and 50 | 1,160 | 1,076 |
| Over 50 | 519 | 437 |
| **Total** | **1,952** | **1,809** |

Note: The age groups have been adjusted in line with the age groups required by the European Sustainability Reporting Standards. Therefore, the 2023 headcount figures in the above table have been recalculated according to the new age groups.

**Table 4. Staff by professional category**

| Staff by professional category | 2024 | 2023 |
|---|---|---|
| Directors | 88 | 90 |
| Middle management | 698 | 660 |
| Manual workers | 1,166 | 1,059 |
| **Total** | **1,952** | **1,809** |

As regards the type of contract, the following tables show a breakdown of staff by permanent or temporary contracts, as well as the average number of contracts broken down by gender, age group and professional category.

**Table 5. Contract type by gender at year-end**

| Contract type / Gender | | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|---|
| | | Women | Men | Total | Women | Men | Total |
| Part-time contract | | 30 | 20 | 50 | - | - | - |
| Full-time contract | Temporary | 41 | 179 | 220 | 138 | 37 | 175 |
| | Permanent | 292 | 1,390 | 1,682 | 1,317 | 317 | 1,634 |
| **Total** | | **363** | **1,589** | **1,952** | **1,455** | **354** | **1,809** |

**Table 6. Contract type by age group at year-end**

| Contract type / Age group | | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|---|
| | | Under 30 | Between 30 and 50 | Over 50 | Under 30 | Between 30 and 50 | Over 50 |
| Part-time contract | | 6 | 29 | 15 | - | - | - |
| | Temporary | 76 | 127 | 17 | 66 | 92 | 17 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Full-time contract | Permanent | 191 | 1,004 | 487 | 230 | 984 | 420 |
| **Total** | | **273** | **1,160** | **519** | **296** | **1,076** | **437** |

Note: The age groups have been adjusted in line with the age groups required by the European Sustainability Reporting Standards. Therefore, the 2023 contract type figures in the above table have been recalculated according to the new age groups.

**Table 7. Contract type by professional category at year-end**

| Contract type / Professional category | | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|---|
| | | Directors | Middle management | Manual workers | Directors | Middle management | Manual workers |
| Part-time contract | | 3 | 29 | 18 | - | - | - |
| Full-time contract | Temporary | - | 92 | 128 | 1 | 62 | 112 |
| | Permanent | 84 | 577 | 1,020 | 89 | 598 | 947 |
| **Total** | | **88** | **698** | **1,166** | **90** | **660** | **1,059** |

**Table 8. Average by contract type and gender**

| Contract type / Gender | | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|---|
| | | Women | Men | Total | Women | Men | Total |
| Part-time contract | | 22 | 9 | 32 | - | - | - |
| Full-time contract | Temporary | 36 | 147 | 183 | 138 | 37 | 175 |
| | Permanent | 295 | 1,372 | 1,667 | 1,317 | 317 | 1,634 |
| **Total** | | **353** | **1,527** | **1,881** | **1,455** | **354** | **1,809** |

**Table 9. Average by contract type and age group**

| Contract type / Age group | | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|---|
| | | Under 30 | Between 30 and 50 | Over 50 | Under 30 | Between 30 and 50 | Over 50 |
| Part-time contract | | 4 | 21 | 7 | - | - | - |
| Full-time contract | Temporary | 61 | 104 | 17 | 66 | 92 | 17 |
| | Permanent | 183 | 1,000 | 484 | 230 | 984 | 420 |
| **Total** | | **248** | **1,126** | **507** | **296** | **1,076** | **437** |

Note: The age groups have been adjusted in line with the age groups required by the European Sustainability Reporting Standards. Therefore, the 2023 contract type figures in the above table have been recalculated according to the new age groups.

**Table 10. Average by contract type and professional category**

| Contract type / Professional category | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Directors | Middle management | Manual workers | Directors | Middle management | Manual workers |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Part-time contract | | 1 | 21 | 9 | - | - | - |
| Full-time contract | Temporary | - | 75 | 107 | 1 | 62 | 112 |
| | Permanent | 86 | 574 | 1,006 | 89 | 598 | 947 |
| **Total** | | **88** | **671** | **1,123** | **90** | **660** | **1,059** |

The following tables show the number of redundancies/dismissals that have taken place in the company, broken down by gender, age and professional category:

**Table 11. Redundancies/dismissals by gender**

| No. of redundancies/dismissals by gender | 2024 | 2023 |
|---|---|---|
| Men | 46 | 42 |
| Women | 13 | 11 |
| **Total** | **59** | **53** |

**Table 12. Redundancies/dismissals by age group**

| No. of redundancies/dismissals by age group | 2024 | 2023 |
|---|---|---|
| Under 30 | 12 | 4 |
| Between 30 and 50 | 32 | 35 |
| Over 50 | 15 | 14 |
| **Total** | **59** | **53** |

Note: The age groups have been adjusted in line with the age groups required by the European Sustainability Reporting Standards. Therefore, the 2023 figures for redundancies/dismissals in the above table have been recalculated according to the new age groups.

**Table 13. Redundancies/dismissals by professional category**

| No. of redundancies/dismissals by professional category | 2024 | 2023 |
|---|---|---|
| Directors | - | 5 |
| Middle management | 24 | 12 |
| Manual workers | 35 | 36 |
| **Total** | **59** | **53** |

The figures reported in the table below show the total turnover of company employees broken down by the reasons for terminating their contract. Furthermore, the turnover rate has been calculated based on the total number of employees who have left the company divided by the total number of employees at year-end, i.e. 31 December 2024.

**Table 14. Turnover**

| Turnover | 2024 |
|---|---|
| Resignations | 164 |

| | |
|---|---|
| Redundancies/Dismissals | 59 |
| Others | 23 |
| **Total** | **246** |
| **Turnover rate** | **12.6 %** |

Note: "Others" refers to agreements between the parties, ends of contracts and ends of trial periods.

### 5.1.8. Characteristics of non-employees in the undertaking’s own workforce (S1-7)

According to the definition provided by the European Sustainability Reporting Standards, the non-employees of a company include both individual contractors ("self-employed workers") who supply labour to the company and workers provided by companies primarily engaged in "employment activities". Based on this definition, the information required on non-employees is not available in the company's systems. GAM is working on developing this indicator for future years.

### 5.1.9. Collective bargaining coverage and social dialogue (S1-8)

The working conditions of the company's own workforce depend on the labour regulations applicable in each country in which GAM operates. In Spain and Portugal all staff are covered by the collective bargaining agreement applicable to their sector in each province, except for the company operating in the Basque Country, which has its own collective bargaining agreement. In the case of the subsidiaries (Saudi Arabia, Morocco, Mexico, Dominican Republic, Colombia, Peru and Chile) the employees are not covered by any collective bargaining agreement, but instead by the corresponding domestic employment legislation, strictly adhering to its provisions. This means that 77% of staff are covered by a collective bargaining agreement.

The company maintains close and regular contact with workers' representatives in Spain. There are currently four workers' committees in Asturias, Madrid, Catalonia and Castilla y León, with nine members in Asturias and five in the others. There are also 20 staff representatives, seven of whom belong to the company Carretillas Mayor, and one shop steward.

The company is governed by the employment legislation in force in the other countries and liaises with the bodies and committees to which this legislation confers such powers.

### 5.1.10. Diversity metrics (S1-9)

The following tables provide information on diversity in our directors, according to gender and age group:

**Table 15. Directors by gender**

| Directors | 2024 | | 2023 | |
|---|---|---|---|---|
| Men | 77 | 87.5 % | 77 | 85.6 % |
| Women | 11 | 12.5 % | 13 | 14.4 % |
| **Total** | **88** | **-** | **90** | **-** |

**Table 16. Directors by age group**

| Directors | 2024 | 2023 |
|---|---|---|
| Under 30 | 1 | 1 |
| Between 30 and 50 | 43 | 52 |
| Over 50 | 44 | 37 |
| **Total** | **88** | **90** |

## 5.1.11. Adequate wages (S1-10)

The staff working at GAM receive an adequate wage in accordance with the indices of the remuneration system which are based, as indicated above, on two benchmarks, internal and external equity, i.e. they are in line with the market and relative to the company's level of revenue.

## 5.1.12. Social protection (S1-11)

The company's staff are covered by social protection through public programmes.

Additionally, in 2024, we started providing basic health insurance coverage for our Mexican workers as one of our fringe benefits, which is paid for by the company.

## 5.1.13. Persons with disabilities (S1-12)

In order to comply with current legislation in Spain, the company employs five disabled persons and to offset the shortfall in meeting the minimum percentage stipulated in the General Disability Act, the company adopts alternative measures that are validated with the corresponding exemption certificates. These measures essentially consist of the provision of materials and/or services by special employment centres.

Group-wide, GAM has 5 persons with disabilities on its staff (0.26% of all staff).

## 5.1.14. Training and skills development metrics (S1-13)

With regard to the regular appraisals implemented by the company, 61% of employees subject to these appraisals have participated in them and their performance and career development have been reviewed. The number of training hours by professional category and country is shown below:

**Table 17. Training hours by category and by country**

| | 2024 | | | |
|---|---|---|---|---|
| Country | Directors | Middle management | Manual workers | Total |
| Spain | 1,358 | 7,186 | 14,509 | 23,053 |
| Portugal | 18 | 356 | 617 | 991 |
| Peru | 24 | 203 | 294 | 522 |
| Morocco | 27 | 57 | 713 | 797 |
| Chile | 97 | 299 | 423 | 820 |
| Colombia | - | - | 10 | 10 |
| Mexico | 131 | 2,511 | 969 | 3,611 |

| | | | | |
|---|---|---|---|---|
| Saudi Arabia | 122 | 292 | 47 | 460 |
| Dominican Republic | 50 | 23 | 29 | 102 |
| **Total** | **1,826** | **10,928** | **17,612** | **30,366** |

Note: Ozmaq's training hours are included under Mexico.

| 2023 | | | | |
|---|---|---|---|---|
| **Country** | **Directors** | **Middle management** | **Manual workers** | **Total** |
| Spain | 746 | 6,655 | 8,533 | 15,934 |
| Portugal | 4 | 301 | 176 | 481 |
| Peru | 4 | 85 | 134 | 223 |
| Morocco | - | 582 | 3,276 | 3,858 |
| Chile | - | 20 | 1,062 | 1,082 |
| Colombia | 55 | 38 | 56 | 149 |
| Mexico | - | 521 | 187 | 708 |
| **Total** | **808** | **8,202** | **13,424** | **22,434** |

Note: The 2023 training hours figures do not include information from Saudi Arabia, the Dominican Republic or Ozmaq.

## 5.1.15. Health and safety metrics (S1-14)

With regard to accidents, we present the following health and safety metrics:

**Table 18. Health and safety metrics**

| Health and safety metrics | 2024 | | 2023 | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| Incidence rate (no. accidents per 1000 workers) | 71.1 | 2.8 | 80.0 | 34.6 |
| Frequency rate (no. accidents per million hours worked) | 39.5 | 1.5 | 44.5 | 19.2 |
| Severity rate (no. of working days lost per 1,000 hours worked) | 1.1 | 0.03 | 1.2 | 0.5 |

Note: Accident rates for 2024 do not include accidents on the way to and from work and medical care that does not require sick leave. They are based on an average of 1,800 hours of work per year per employee.

No occupational diseases were recorded in 2024, while one was recorded in 2023.

Given the type of activity carried out by the company, there are no work shifts, except in those cases in which services engaged by a customer in the industrial sector so require.

Therefore, the working hours are in accordance with the provisions of the corresponding collective agreements and applicable labour regulations.

The absences recorded during 2024 were either due to accidents or common illnesses. 3,040 days were lost as a result of work-related accidents.

## 5.1.16. Work-life balance metrics (S1-15)

During 2024, the policy of making working hours more flexible in order to promote a better work-life balance remained in place. In 2024, the company worked on a proposal for a Digital Disconnection Policy, which will be implemented during 2025.

As regards the process of tailoring the working day to the needs of both employees and the labour market, the company enables remote working, and flexible working hours for special circumstances related to family responsibilities (either because of dependent children or parents who require care), provided that production and organisational needs allow it.

Special consideration is also given to other circumstances relating to pregnancies, maternity/paternity, nursing or caring for dependants, in line with the applicable legislation in force.

All company employees are entitled to family-related leave. In 2024, 24 women reduced their working hours due to childcare.

## 5.1.17. Remuneration metrics (pay gap and total remuneration) (S116)

**Table 19. Average pay by gender**

| Average pay by gender | 2024 | 2023 |
|---|---|---|
| Men | 30,177 | 30,591 |
| Women | 27,047 | 25,936 |
| Total | **29,610** | **29,682** |

Note: In euros

**Table 20. Average pay by age group**

| Average pay by age group | 2024 | 2023 |
|---|---|---|
| Under 30 | 20,499 | 20,870 |
| Between 30 and 50 | 28,115 | 28,946 |
| Over 50 | **37,689** | **37,395** |

Note: In euros

**Table 21. Average pay by professional category**

| Average pay by professional category | 2024 | 2023 |
|---|---|---|
| Directors | 75,546 | 70,886 |
| Middle management | 30,526 | 30,464 |

| | | |
|---|---|---|
| Manual workers | **25,570** | **25,694** |

Note: In euros

**Table 22. Average pay of directors and senior managers**

| Average pay of directors | 2024 | 2023 |
|---|---|---|
| Men | 61.5 | 52.3 |
| Women | 51.8 | 58 |

Note: In thousands of euros. The salary paid to the Executive Director for fulfilling his duties as the company's CEO has not been taken into account.

For further details, see the annual remuneration report in the corporate governance section of GAM's website.

| | 2024 | 2023 |
|---|---|---|
| Average pay of senior managers | 211 | 218 |

Note: In thousands of euros. Furthermore, the figures for average pay by gender are not shown in the above table for confidentiality reasons, as there are only 2 women.

The company's total pay gap - average - stands at 10%, slightly below the Spanish average of 15.7% (2022 data published by the Spanish Ministry of Equality).

At the end of 2023, the company conducted a detailed analysis of its remuneration scheme to ensure fairness internally and keep it in line with the market, based on objective criteria related to the level of responsibility, impact on the business and scope of the various positions. In 2024, we continued to work on a number of levels, as outlined in the Remuneration system subsection of chapter *5.1.3. Policies related to own workforce (S1-1)* in this report.

The company has no pension schemes, although in Spain it offers its employees a flexible remuneration model whereby, at the employee's discretion, a percentage of their wages can be used to cover the following options: medical insurance, childcare vouchers, meal vouchers or individual training. During 2024, a total of 204 employees took advantage of this remuneration system, representing 10% of the company's total staff (182 people in 2023, representing 10% of staff). These points are discussed in greater detail in notes 2.18, 14.d and 31 to the Financial Statements.

## 5.1.18. Incidents, complaints and severe human rights impacts (S1-17)

During 2024, no complaints of human rights violations were received.

## 5.2. ESRS S4 – Consumers and end-users

### 5.2.1. Interests and views of stakeholders (SBM-2)

Our customers are the company's biggest asset, which is why our relationship with them is based on courtesy, professionalism and actively listening to their needs. There are tools that allow us to actively listen to them and implement specific action plans to improve customer satisfaction and, in particular, to improve their safety. This chapter and section *2.3. Double materiality assessment* describe how we accommodate the interests, views and rights of consumers and end-users when developing our strategy and business model.

### 5.2.2. Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

| ESRS S4 – Consumers and end-users | | | |
|---|---|---|---|
| **Personal safety of consumers and/or end-users** | | | |
| **Type of IRO** | **Value chain** | **Description of IRO** | **Strategy and business model** |
| Actual positive impact | *Downstream* | Increased end-user loyalty due to a process of monitoring and maintaining the safety of machinery leased by GAM. | Occupational health and safety<br>For further information see section *5.2.3 Policies related to consumers and end-users (S4-1).* |
| Actual positive impact | *Downstream* | Lower number of work-related accidents for GAM's customers thanks to training in safety, health and safe employment using specialised manuals, and specific training provided through Kirleo. | Kirleo. For further information see section 5.2.6. *Taking action on (…) and the effectiveness of those actions (S4-4).* |

The consumers or end-users who are significantly affected by the company are our customers, i.e. the users of the machinery we supply through our services and who need accurate and easily accessible information concerning the machinery. To ensure the health and safety of these users, they are provided with manuals containing specific information about the operation of the machinery and training to avoid potentially harmful use of the product, thus reducing the number of work-related accidents.

Notable IROs identified as material in the above table include the following:

The actual positive impacts identified as material with respect to the consumers and end-users they affect are due to certain activities promoted by the company. More specifically, these activities involve GAM monitoring and maintaining the safety of the leased machinery, and training end-users in the proper use of the machinery.

No material negative impacts, risks or opportunities have been identified.

### 5.2.3. Policies related to consumers and end-users (S4-1)

The fundamental rules of our company are enshrined in our Code of Conduct, which contains the rules of conduct and ethical standards that must be complied with by everyone who is subject to it. This includes ensuring the health and safety of consumers and end-users.

Specifically, the company expressly forbids the technical operation of any machinery or equipment that is part of its fleet (except for those operations that take place during repairs and/or maintenance activities and are carried out by qualified technical personnel as part of their duties). The safety of GAM employees and third-party users of such machinery and/or equipment must always be ensured under all circumstances.

### 5.2.4. Processes for engaging with consumers and end-users about impacts (S4-2)

Any consumer or end-user who is affected can voice their concerns or requirements through the Whistleblowing Channel. For further information see section 6.1.3. *Business conduct policies and corporate culture (G1-1)*. We also have specific lines of communication for users of our machinery.

### 5.2.5. Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

As can be seen in *2.3.2. Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3),* two material positive impacts have been identified in relation to the health and safety of our customers' workers. As we are aware of the risk associated with the activities we carry out, we implement the necessary measures to protect the health and safety of our customers' employees.

Within the company, there are channels of communication with users of our machinery, allowing us to provide a detailed explanation of how to operate the equipment if they require greater detail than that provided in the manufacturer's manuals. Furthermore, these communication channels are used to report any problems with the machinery to GAM and to submit requests for corrective action.

Moreover, any consumer or end-user who is affected can voice their concerns or requirements through the Whistleblowing Channel. For further information see section 6.1.3. *Business conduct policies and corporate culture (G1-1)*.

With regard to customer satisfaction, we also have a Complaints and Claims Procedure that sets out how to proceed from the moment an incident or grievance is reported and an incident ticket is opened, to the gathering of information, assessment and classification of the incident, logging in our system, verification, correction, request for resolution and, finally, closing the incident ticket.

Seven incidents were reported in 2024, five of which were resolved and two of which are still ongoing at the date of preparing this report. Additionally, one outstanding incident from 2023 was resolved.

Moreover, it should be noted that only GAM's companies in Spain follow this process. For its part, Carretillas Mayor has its own service monitoring system. In all other countries, they are handled directly by the representatives and sales teams themselves, with no official records.

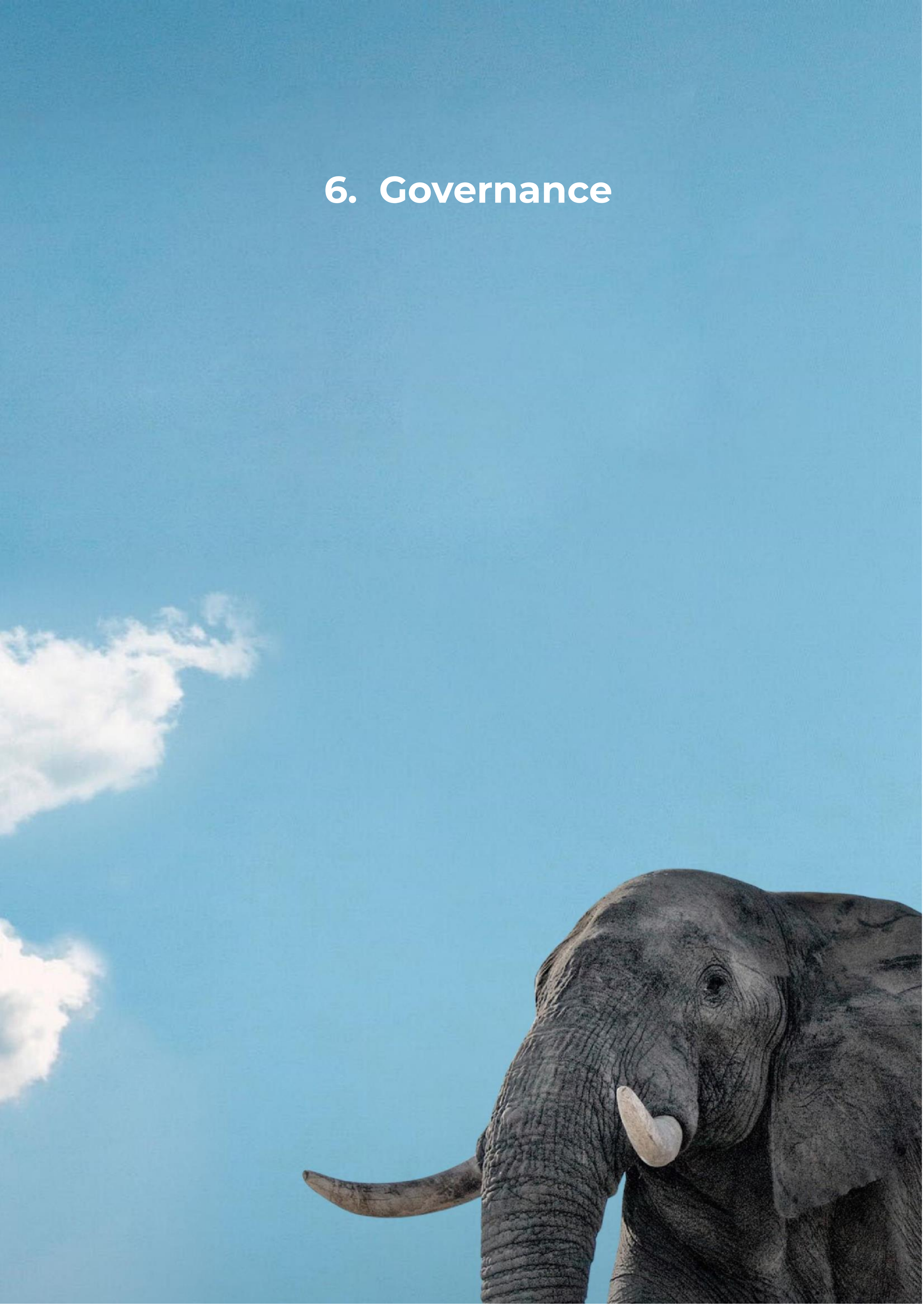
### 5.2.6. Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

One of the main measures adopted to remedy the possible negative impacts that may occur with regard to work-related accidents is to train these employees in safety, health and safe employment using specialised manuals.

With regard to the health and safety of machine users, we take a number of measures:

- Process for monitoring and maintaining the safety of leased machinery: during this process, mechanical failures or operational risks in the equipment are identified, preventive and corrective maintenance protocols are implemented for the equipment, and all machinery is monitored to ensure compliance with regulations.
- Specialised machine manuals: we provide customers with the specific machine manuals prepared by the manufacturer. As well as the manufacturers' manuals, an additional information manual is supplied with some specific machines.
- Additional training through our Kirleo Vocational School: health and safety training courses are available for our customers. For further information: Kirleo.

# 6. Governance



## Table of contents

# 6.1. ESRS G1 – Business conduct

| ESRS G1 – Business conduct | | | |
|---|---|---|---|
| **Protection of whistleblowers** | | | |
| **Type of IRO** | **Value chain** | **Description of IRO** | **Strategy and business model** |
| Actual positive impact | Own operations<br>*Upstream* | Helping to ensure proper compliance with regulations and ethical standards by implementing record-keeping processes, documentation, new policies and regular audits. | Code of Conduct<br>Crime Prevention Model<br>Anti-Corruption Policy<br>For further information see sections *6.1.3. Business conduct policies and corporate culture (G1-1) and 6.1.5. Prevention and detection of corruption and bribery (G1-3).* |
| Actual positive impact | Own operations | Building trust with regulators and authorities, customers and employees through compliance with rules and standards of conduct. | Code of Conduct<br>For further information see section *6.1.3. Business conduct policies and corporate culture (G1-1).* |
| Potential positive impact | Own operations | Protection for whistleblowers through anonymous reporting and complaints channels, allowing employees to speak freely (compliance with Act 2/2023). | Whistleblowing channel<br>For further information see section *6.1.3. Business conduct policies and corporate culture (G1-1).* |
| **Corporate culture** | | | |
| **Type of IRO** | **Value chain** | **Description of IRO** | **Strategy and business model** |
| Potential positive impact | Own operations | Improved monitoring of GAM's sustainability strategy thanks to the work of the company's ESG Committee. | ESG Committee. For further information see section *6.1.1. The role of the administrative, supervisory and management bodies (ESRS 2 GOV-1).* |
| Actual negative impact | Own operations | Lack of transparency and traceability for customers due to the absence of a robust and clear sustainable procurement system. | Supplier management<br>For further information see section *6.1.4. Management of relationships with suppliers (G1-2).* |
| Opportunity | Own operations | Access to finance and lower capital cost due to improved transparency and communication channels with GAM's stakeholders. | Communication channels<br>For further information see section *2.2.7.2. Engagement and communication channels.* |

| | | | |
|---|---|---|---|
| Opportunity | Own operations | Inclusion of ESG requirements and targets in the variable pay of GAM's senior management to increase sustainability-oriented decision-making. | For further information see section *2.2.3. Integration of sustainability-related performance in incentive schemes (GOV-3).* |
| **Supplier relationship management** | | | |
| **Type of IRO** | **Value chain** | **Description of IRO** | **Strategy and business model** |
| Potential positive impact | Own operations | Establishing a robust ESG assessment system for suppliers. | Supplier management For further information see section *6.1.4. Management of relationships with suppliers (G1-2).* |

## 6.1.1. The role of the administrative, supervisory and management bodies (ESRS 2 GOV-1)

The company's governing bodies and their functions are as follows:

- Annual General Meeting (AGM): this is the highest body representing shareholders. Its functions are governed by the Articles of Association and the AGM Regulations. The Annual General Meeting was held on 13 June in 2024.
- Board of directors: after the Annual General Meeting, the Board of Directors is the Group's highest decision-making body. It is fully committed to the continuity of the business, firm in the belief that the new Strategic Plan will lead to the fulfilment of the set objectives. As stated in the Rules, the Board of Directors is responsible for ensuring that we fulfil our corporate purpose, protect our overall interests and create value for the benefit of all shareholders. Therefore, the Board of Directors must always focus on the goal of maximising the Group's value. On that basis, the Board defines and reviews business, commercial, industrial and financial strategies, GAM's planning and the implementation of investment projects in order to maximise profitability at reasonable risk. GAM has diversity policies in place with regard to the company's Board of Directors.

  Furthermore, in matters of business conduct, the members of the Board of Directors have extensive experience from serving on the supervisory bodies of other companies.
- Appointments, Remuneration and Sustainability Committee: this is responsible for assessing the skills, knowledge and experience required of candidates to fill vacancies on the Board and Management Committee, as well as the sustainability and governance strategy and guidelines to be followed.
- Audit and Control Committee: this is responsible for ensuring the accuracy of the financial information, as well as its transparency and compliance with current legislation.

Information on the areas of expertise and experience of the members of the Board of Directors can be found in section *2.2.1.1. Composition and diversity of the administrative, management and supervisory bodies*.

In order to maintain good business conduct and compliance with the ethical and business standards of the various governing bodies of the GAM Group, we have a Corporate Governance Policy that was approved by the Board of Directors in December 2023. For further information: Corporate Governance Policy.

In 2025, the ESG Committee will be set up to oversee the GAM Group's sustainability strategy and to monitor the Group's commitment to sustainability.

### 6.1.2. Processes to identify and assess business conduct-related impacts, risks and opportunities (ESRS 2 IRO-1)

The process to identify and assess business conduct-related impacts, risks and opportunities is described in section 2.3. Double materiality assessment.

### 6.1.3. Business conduct policies and corporate culture (G1-1)

**Management of behaviour contrary to business conduct policies**

The proper implementation of GAM's corporate governance model ensures that the company achieves its objectives in line with our Strategic Plan. The framework that has been put in place regulates and controls the actions of the governing bodies, establishes the mechanisms to mitigate possible risks and shapes our relations with stakeholders. Our organisation has policies and regulations that define the way we operate on a day-to-day basis.

This enables us to ensure that GAM's governance is conducted in accordance with the principles of efficiency and transparency that have been embedded in line with key recommendations and existing standards, by adopting advanced corporate governance practices and following the recommendations of the Code of Good Governance.

In order to ensure transparency, the legal framework defined by the group, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report are available on our corporate website.

Our corporate culture is based on ethics, integrity and good governance. Our fundamental rules are enshrined in our Code of Conduct, which contains the rules of conduct and ethical standards that must be complied with by everyone who is part of the company. GAM's rules of conduct are as follow:

- Legal compliance.
- Quality and excellence.
- Reputation and prestige.
- Protecting and promoting People and Culture.
- Environmental protection and commitment.
- Confidentiality and transparency.

The Code sets out general rules of conduct:

- Compliance with the law and GAM's internal rules.
- Respect for fundamental rights.
- Combating corruption.
- Preventing money laundering and the financing of terrorism.
- Compliance with accounting, financial and tax regulations.
- Protection of personal data, industrial and intellectual property.
- Fair competition.
- Conduct in the event of a conflict of interest.

- Truthfulness of information.
- Professional confidentiality.
- Protection and use of assets.

Regarding People and Culture:

- Non-discrimination.
- Promoting professional training.
- Promoting occupational health and safety.
- Respect for the moral integrity and dignity of individuals.

Regarding relations with customers, suppliers and public bodies:

- Rules for recruitment, selection and promotional activity.

We have different mechanisms in place to detect, report and investigate problems related to illegal behaviour or behaviour that is in breach of the company's Code of Conduct.

**Criminal Risk Prevention Model**

Since the company's inception, honesty, integrity, fair treatment and full compliance with all laws have shaped how we conduct our business. This is why the company has its own Crime Prevention Model and Anti-Corruption Policy, in addition to the aforementioned Code of Conduct, with these being the company's main tools for regulatory compliance and crime prevention. The Crime Prevention Model addresses the need to identify and put in place practices in each area to prevent or, as the case may be, significantly reduce the likelihood of a crime being committed within the company, due to the latest reforms to criminal law, which have made legal persons criminally liable in our legal system. The employees, managers and directors of the company have received specific training on all of these reforms. All GAM companies fall within the scope of the Model.

A particularly important aspect of the Model is the risk analysis, which is reviewed periodically, and the effectiveness of our control measures, with our commercial activity being highly scrutinised as it represents the greatest risk in terms of corruption and bribery.

As regards anti-money laundering measures, all money transfers within the company to its employees, contractors, suppliers, customers or any other group are made by individuals with express powers of attorney and within the limits of such powers, by means of registered securities or bank transfers. Payments in cash are strictly forbidden except for amounts below the limit stipulated in the regulations.

The whistleblowing channel that is part of our Crime Prevention Plan is the tool provided for dealing with this type of behaviour. In June 2023, following the entry into force of Act 2/2023 of 20 February on whistleblower protection, with the company's firm commitment to protect whistleblowers from reprisals, the necessary changes were made to adapt to this legislation, with the main new feature being the possibility of protecting the anonymity of whistleblowers. The channel is available on the corporate website and the company informs its employees of the existence of this channel through the online training it provides.

All of the aforementioned procedures that the company has in place to investigate any business conduct incidents, whether they relate to corruption, bribery or corporate culture, ensure a prompt, independent and objective investigation.

The company has a policy on business conduct training. All employees must undergo mandatory training in this area on an annual basis.

## 6.1.4. Management of relationships with suppliers (G1-2)

Our suppliers are a key part of our business. Therefore, we manage our relationships with our suppliers based on the values of cooperation and mutual trust. In 2024 we implemented initiatives to improve this management in the following areas:

**Sustainability**

Our commitment to sustainability and environmental responsibility is also reflected in the way we manage our supply chain. Aware of the vital role that suppliers play, we work closely with them to ensure that their practices and values are progressively aligned with our sustainability objectives.

In this regard, we are working on a supplier sustainability policy that sets out guidelines for assessing our suppliers based on their ESG practices. The purpose of implementing this policy is to ensure that suppliers operate in an ethical and sustainable manner, helping to protect the environment and social well-being, through:

- Supplier Code of Conduct: we have a Supplier Code of Conduct that reflects our values and expectations of suppliers and provides them with guidance to ensure that they share GAM's vision of integrity and respect.

  The core principles of this Code encompass occupational health and safety, environmental and social sustainability, and regulatory compliance and anti-corruption. It also sets out our commitments to respect human and labour rights, equality and fair treatment, fair working conditions and workers' welfare. It also establishes quality standards for the provision of services and environmental obligations.

- Sustainability questionnaire: we are working on a sustainability questionnaire that assesses suppliers' sustainability practices in order to identify and promote best practices to ensure that our suppliers operate in a responsible manner that is aligned with their corporate values and standards.

**Digitisation**

In 2024, we implemented digital reports to review the department's productivity and procurement performance, with a detailed analysis of each supplier.

**Procurement systems**

Managing an automatic supply management system for materials with the highest turnover (Material Requirement Planning) allows us to plan and manage the materials required for each site more efficiently in order to cut unnecessary storage costs, reduce transport and urgent orders and, as a result, reduce the carbon footprint of our procurement process, which is not currently being measured, while at the same time delivering a service to our customers when needed. In 2024, we worked to reduce our stocks by shipping all the materials that were required at our sites instead of arranging for them to be purchased, even though transport was more expensive than the part itself. So even though we arrange transport (which the supplier would also do), we use existing materials without ordering new ones. In 2024, we signed an agreement with DHL Express to reduce our carbon footprint by 10%. We also order used and remanufactured parts from our Reviver factory, as well as remanufactured products from our suppliers.

**Support for local suppliers**

We have centralised purchasing management for most spare parts and other small supplies at our headquarters in Asturias, where we boost growth among local suppliers. This helps to improve the social/employment climate, as well as having a greater positive impact due to the concentration of our purchasing and supply operations. These policies have other indirect consequences for the supply chain, supporting the development of other companies in the local logistics, distribution and transport sectors.

**Internal efficiency and training**

We performed an assessment of the various tasks and procedures carried out by the purchasing department in order to identify any inefficiencies, and any changes required to eliminate them were implemented in order to standardise and optimise our procurement management processes. During 2024, both in-house and external training sessions were held on the following topics:

- Efficiency
- Internal communication
- Sustainability
- Compliance
- Superelastic tyres
- Lithium batteries
- Industrial products

Furthermore, individual training needs have been addressed based on the skills required for different jobs, with the following training being provided:

- Customs management procedures for exports and imports
- Leadership
- Artificial intelligence

**Planning and monitoring**

During 2024, follow-up meetings were introduced within the supply chain in different settings and at various intervals:

- Purchasing department meeting: a weekly follow-up meeting is held with the purchasing department, where the tasks, people responsible and deadlines are established. At this meeting, we follow up on critical orders and supplier incidents, review KPIs, and discuss other internal matters within the department. An additional buyers' meeting is held to identify opportunities for improvement and establish actions.

- Warehouse technical committee: a monthly meeting is held with the warehouse supervisors and the technical department, both in Spain and in other countries. KPIs are discussed on stock levels, internal consumption, and demand trends (urgent, stock and workshop). Agreements with suppliers, best practices, incidents and any other information relevant to the parties are also discussed.

- Reviver meeting: a weekly meeting is held to review KPIs and to follow up on orders and incidents.

- Follow-up meeting with suppliers: meetings are held with suppliers at different intervals depending on their importance. They follow up on projects, discussing any issues and new developments.

We are currently working on assessing the quality of suppliers in the delivery of materials, with the aim of establishing measurable indicators on the availability and reliability of suppliers. Furthermore, in 2025, we will work on introducing audits as a supplier monitoring system.

## 6.1.5. Prevention and detection of corruption and bribery (G1-3)

**Anti-Corruption Policy**

We have an Anti-Corruption Policy that outlines the specific rules of conduct to be followed in order to combat corruption in the course of our business activities. All company employees are obliged to comply with this policy. Prohibited and unacceptable behaviours are listed below:

- Offering (directly or indirectly) any kind of gift, benefit, present, advantage, remuneration, etc. to an authority or public official in order to influence them in the fulfilment of their functions, duties, obligations, or to obtain an economic advantage.
- Any conduct for the purposes of extortion, fraud or bribery.
- Prioritising personal gain over collective interests.
- Using personal connections with a public official or authority to obtain a financial benefit.
- Requesting gifts from associates, counterparties, public officials or public authorities.
- Public support for political parties.
- It is forbidden to receive/give gifts from/to a public official or authority, except in exceptional circumstances and with the prior authorisation of the Compliance Committee.
- It is forbidden to receive/give gifts from/to customers and suppliers that surpass normal business practices/courtesies/(for amounts exceeding 500 euros).

Preventive internal controls in the fight against corruption:

- Full compliance with internal regulations on methods and conditions of payment.
- Internal control of the finance department and external audits.
- Justification required for financial transactions.
- Any false entry or record in the accounting ledgers is forbidden.
- It is forbidden to issue bearer cheques or blank cheques.
- It is forbidden to hold off-the-books current accounts.

The company implements its anti-corruption and anti-bribery measures with the instruments described above.

All relevant investigations in this area are conducted by the compliance body, which is independent from the management of all other areas. The company's Compliance Model stipulates that, if any cases of corruption and bribery are under investigation, the compliance body will participate in the relevant Board Committee to report the results.

Refresher training is organised on a yearly basis on the key aspects of crime prevention and compliance with current legislation.

## 6.1.6. Incidents of corruption or bribery (G1-4)

There were no allegations of corruption or bribery during 2024.

### 6.1.7. Political influence and lobbying activities (G1-5)

During 2024, we continued to strengthen our commitment to various organisations, especially in the Asturias region, participating in and promoting initiatives that foster social well-being, inclusion, education and high-quality employment.

In Spain, the company made contributions to non-profit foundations and associations amounting to 65,700 euros and to partnership or sponsorship activities for a total of 296,093 euros, the vast majority of which were made through the provision of the company's business services at various types of sporting and cultural events. In 2023, total contributions to non-profit foundations and associations amounted to 47,000 euros and contributions to partnership or sponsorship activities stood at 227,398 euros.

On this point, it is worth noting that, in accordance with the provisions of art. 304 bis of the Spanish Criminal Code, and with our Crime Prevention Model, the company expressly forbids donations or contributions to any political party, coalition or voters' groups, either by itself or through an intermediary. To comply with this rule, no contributions were made to lobby groups, advocacy groups or similar.

However, the company does maintain relations with the sector associations and authorities within its sphere of action.

No member of GAM's administrative, management and supervisory bodies has held a comparable position in public administration (including regulators) in the two years prior to their appointment as of the current reporting period.

### 6.1.8. Payment practices (G1-6)

GAM is aware of the impact of good tax management on the economic stability of the countries and local communities in which we operate.

To comply with the applicable legislation and conduct our business in a responsible manner for our stakeholders, we have had a Tax Policy in place since 2017, which is approved by the Board.

The Group's Tax Department is the executive department responsible for overseeing compliance with this policy, reporting any material issues to the Management Committee. The associated risks are dealt with on a monthly basis by the Group's tax team, supported by external advisors for the most critical issues.

GAM is committed to creating lasting sustainable value for our stakeholders (customers, staff, shareholders, suppliers and society in general). To achieve this, our Tax Policy is based on the following principles:

- To ensure that the GAM Group's taxation is appropriate for the structure and location of its business activities, its human and material resources, and their business risks.
- To align the Tax Policy and the tax risk management and control systems with all other GAM Group policies (commercial, financial, human resources, corporate, etc.).
- To avoid using corporate or other structures for the purpose of concealing or reducing the transparency of GAM's activities in relation to the tax authorities.
- To refrain from operating in territories that could be classified as tax havens or tax-free territories, unless there are valid economic reasons for doing so.
- To value transactions between related entities at arm's length and comply with the transfer pricing documentation obligations prescribed by law in each case.

- GAM undertakes to review its transfer pricing policy regularly in order to update and adapt it to current regulations and the current circumstances of the business.
- To follow the recommendations of the good tax practice codes implemented in the countries in which GAM operates.
- To approve a specific procedural manual for tax management and control and for monitoring GAM's internal reporting and tax control systems.

Additionally, it should be noted that the company has a Good Taxpayers Registry certificate issued by SUNAT (National Superintendency of Customs and Tax Administration) for our subsidiary GAM PERU.

In line with the above, the following table shows the GAM Group's average payment period to suppliers for the years 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Average payment period to suppliers (days) | 69 | 76 |

Reflecting GAM's contribution to society, below we set out our pre-tax profit by country and corporation tax paid in each country in 2024 and 2023:

| Country | Pre-tax profit 2024 | Pre-tax profit 2023 | Corporation tax paid 2024 | Corporation tax paid 2023 |
|---|---|---|---|---|
| Spain | (4,661) | (1,647) | 8 | 170 |
| Portugal | 4,793 | 4,920 | 1,030 | 668 |
| Peru | 435 | 92 | 143 | 120 |
| Chile | (42) | 592 | 99 | 396 |
| Mexico | 292 | 2,183 | 1,192 | - |
| Colombia | (221) | (265) | - | - |
| Dominican Republic | 777 | 843 | 177 | 146 |
| Panama | 1 | (93) | - | - |
| Morocco | (337) | (26) | 135 | 97 |
| Saudi Arabia | 1,640 | 321 | - | - |
| **Total** | **2,677** | **6,920** | **2,784** | **1,597** |

Note: Consolidated figures prior to allocation of corporate expenses, in accordance with IFRS standards.

With regard to public subsidies during 2024, an individual Regional Incentives grant was awarded to the company GAM CIRCULAR PROCESS, S.L., for the Reviver plant construction project in which machinery is remanufactured. This is a non-refundable grant for the amount of 809,000 euros.

These incentives are granted subject to the fulfilment of a number of conditions, including the usual verification and control measures required in this type of procedure. They are also subject to the fulfilment of tax and social security obligations.

The Group recognises the amount of the grant by deducting it from the carrying amount of the subsidised asset. This grant will be recognised in profit and loss over the life of the asset, reducing its depreciation expense.

# 7. Annexes

**Table of contents**

## 7.1. Annex: Table of contents Act 11/2018

The table of contents of the information required under Act 11/2018 of 28 December on non-financial information and diversity, with reference to the sections of the consolidated Non-Financial Information Statement in which this information is provided, are set out below.

### Taxonomy

| Areas | Reporting framework | Reference |
|---|---|---|
| Taxonomy | Own methodology based on compliance with Regulation (EU) 2020/852. | 170-184 |

### General areas

| Areas | | Reporting framework | Reference |
|---|---|---|---|
| Business model | Description of the **business model:**<br>Business environment<br>Organisation and structure<br>Markets in which you operate<br>Objectives and strategies<br>Main factors and trends that may affect your future development<br>Main policies implemented by the Group | ESRS 2<br>E1-2<br>E5-1<br>S1-1<br>S4-1<br>G1-1 | 129-144; 149-153; 154-158<br>191<br>198<br>207-209<br>221<br>227-228 |
| Main risks and impacts identified | Internal Risk Control and Management System | ESRS 2 GOV 5 | 154 |
| | Analysis of risks and impacts related to key issues | ESRS 2 IRO-1, SBM-3 | 158-168; 187-190; 197-198; 205-206; 220; 227 |

### Environmental issues

| Areas | | Reporting framework | Reference |
|---|---|---|---|
| Environmental management | **Current and foreseeable effects** of the company's activities | ESRS 2 GOV 5 | 154 |
| | **Environmental assessment or certification procedures** | E1-2 | 191 |
| | **Resources allocated** to environmental risk prevention | E1-3 | 191 – 194 |

| | | | |
|---|---|---|---|
| | Application of the **precautionary principle** | E1-2<br>E5-1 | 191<br>198 |
| | **Provisions and insurance** in place for environmental risks | E1-3<br>E1-2<br>E5-2 | 191-194<br>191<br>198-200 |
| Pollution | Measures to prevent, reduce or remedy emissions that have a serious impact on the environment; considering all forms of activity-specific air pollution, including noise and light pollution | Not applicable | Based on the results of the double materiality assessment performed by GAM in 2024, this matter has been identified as non-material. |
| Circular economy and waste prevention and management | Preventive **measures**, recycling, reuse, other forms of recovery and disposal of waste | E5-2 | 198-200 |
| | **Measures** to combat food waste | Not applicable | As GAM's core business is focused around machinery, this is not considered material. |
| Sustainable use of resources | Water **consumption** and water supply within local limits | Not applicable | As GAM's activity is not water-intensive, this is not considered material. |
| | **Consumption** of raw materials and measures introduced to use them more efficiently | E5-4 | 200-201 |
| | Direct and indirect energy **consumption** | E1-5 | 194-195 |
| | **Steps** taken to improve energy efficiency | E1-3 | 191-194 |
| | **Use** of renewable energies | E1-5 | 194 |
| Climate change | Important **elements** of greenhouse gas emissions generated | E1-6 | 193 |
| | **Measures** adopted to adapt to the consequences of climate change | E1-3 | 191-194 |
| | Voluntary reduction **targets** | E1-4 | 205 |
| Biodiversity protection | **Measures** taken to preserve or restore biodiversity | Not applicable | As GAM's main activity takes place in areas that do not affect the biodiversity of the site, this is not considered material |
| | **Impacts** of activities or operations on protected areas | Not applicable | As GAM's core business is focused around |

| | | | |
|---|---|---|---|
| | | | machinery, this is not considered material |

## Social and staff-related issues

| Areas | | Reporting framework | Reference |
|---|---|---|---|
| Employment | Total number and breakdown of employees by gender, age, country and professional category | S1-6 | 211-212 |
| | Total **number** and breakdown of types of employment contracts | S1-6 | 212 |
| | **Average** annual number of permanent, temporary and part-time contracts by gender, age and professional category | S1-6 | 213 |
| | **Number** of redundancies/dismissals by gender, age and professional category | S1-6 | 214 |
| | **Pay gap** | The company's reporting criteria[2] | 218 |
| | Average **pay** by gender, age and professional category | The company's reporting criteria[3] | 218 |
| | Average **pay** of board members by gender | S1-16 | 218-219 |
| | Average **pay** of directors by gender | S1-16 | 218-219 |
| | Implementation of right to disconnect **policies** | S1-1 | 207 |
| | **Employees** with disabilities | S1-12 | 216 |
| Work organisation | Work time **management** | S1-1 | 207-209 |
| | **Number** of hours of absences | S1-14 | 217 |
| | **Measures** aimed at facilitating a good work-life balance and promoting shared responsibility on the part of both parents | S1-4 | 210-211; 217-218 |
| | Health and safety **conditions** in the workplace | S1-11 | 207-208 |

[2] The pay gap was calculated as the difference between men's and women's average annual pay and men's average annual pay.

[3] The average pay was calculated based on the total annual pay received by employees at the end of the financial year.

| **Areas** | | **Reporting framework** | **Reference** |
|---|---|---|---|
| Health and safety | **Number** of work-related accidents and occupational diseases by gender, frequency and severity rate by gender | The company's reporting criteria[4] | 217 |
| Employee relations | **Organising** dialogue with staff, including procedures for informing, consulting and negotiating with them | S1-2 | 209 |
| | **Percentage** of employees covered by collective bargaining agreements by country | S1-8 | 215 |
| | **Overview** of collective bargaining agreements, particularly in relation to occupational health and safety | S1-1 | 207-209 |
| | **Mechanisms and procedures** that the company has in place to promote the workers' involvement in company management, i.e. information, consultation and participation. | S1-2 | 209 |
| Training | Training **policies** implemented | S1-2 | 207-209 |
| | Total **number** of training hours per professional category. | S1-13 | 216-217 |
| Universal accessibility for disabled people | | S1-4<br>S1-12 | 207<br>216 |
| Equality | **Measures** adopted to promote equal treatment and opportunities between women and men | S1-4<br>S1-9 | 210-211<br>215 |
| | **Equality plans**, measures introduced to promote employment, protocols against sexual harassment and gender-based harassment | S1-1<br>S1-4<br>S1-9 | 207-209<br>210-211<br>215 |
| | **Integration and universal accessibility** for persons with disabilities | S1-4<br>S1-12 | 210-211<br>216 |

[4] The accident rate indicators do not include accidents on the way to and from work and medical care that does not require sick leave.

| Areas | | Reporting framework | Reference |
|---|---|---|---|
| | Anti-discrimination and, where appropriate, diversity management **policy** | S1-1 | 207-209 |

## Information on respect for human rights

| Areas | Reporting framework | Reference |
|---|---|---|
| **Implementation** of human rights due diligence procedures | ESRS 2 GOV 4 | 153-154 |
| Prevention of risks of human rights abuses and, where appropriate, **measures** to mitigate, manage and remedy any abuse committed | S1-4<br>S4-4 | 210-211<br>222 |
| **Reporting** cases of human rights violations | S1-17 | 219 |
| **Promotion and enforcement of the provisions of the ILO fundamental conventions** concerning respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour | S1-1 | 207-209 |

## Information on the fight against corruption and bribery

| Areas | Reporting framework | Reference |
|---|---|---|
| **Measures** introduced to prevent corruption and bribery | G1-3 | 231 |
| **Measures** to combat money laundering | G1-3 | 231 |
| **Contributions** to foundations and non-profit organisations | G1-5 AR10 | 231-232 |

## Information about the company

| Areas | | Reporting framework | Reference |
|---|---|---|---|
| **Management approach** | | | |
| The company's commitment to sustainable development | **Impact** of the company's activity on employment and local development | ESRS 2 SBM 3 | 169 |
| | **Impact** of the company's activity on local communities and the region | ESRS 2 SBM 3 | 169 |
| | **Relations** with local community actors and forms of dialogue with them | SBM-2 | 156-158; 205; 220-221 |
| | Partnership or sponsorship **activities** | G1-5 | 231-232 |
| Subcontracting and suppliers | **Inclusion** of social, gender equality and environmental issues in procurement policy | G1-2 | 229-230 |
| | In dealings with suppliers and subcontractors, **taking account of** their social and environmental responsibility | G1-2 | 229-230 |
| | Monitoring and auditing **systems** and results thereof | G1-2 | 230 |
| Consumers | Consumer health and safety **measures** | S4-1<br>S4-4 | 221<br>222 |
| | Complaint **systems** | S4-3 | 221-222 |
| | **Complaints** received and resolution thereof | S4-3 | 221 |
| Tax information | Country-by-country **profits**<br>Corporation **tax** paid<br>Public **grants** received | GRI 207-1, 207-2, 207-4 | 233-234 |

## 7.2. Annex: Verification report

# General de Alquiler de Maquinaria, S.A. and Subsidiaries

Independent Assurance Report on the Consolidated Non-Financial Information Statement (NFIS)

31 December 2024

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

KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

# Independent Assurance Report on the Consolidated Non-Financial Information Statement of General de Alquiler de Maquinaria, S.A. and subsidiaries for 2024

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

To the Shareholders of General de Alquiler de Maquinaria, S.A.

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of General de Alquiler de Maquinaria, S.A. (hereinafter the Parent) and its subsidiaries (hereinafter the Group) for the year ended 31 December 2024, which forms part of the accompanying consolidated Directors' Report of the Group for 2024 .

The NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information and by the European Sustainability Reporting Standards (ESRS), which has not been the subject of our assurance work. Our work was limited exclusively to providing assurance on the information identified in the "*7.1. Annex: Table of contents Act 11/2018*" table included in the consolidated Directors' Report attached hereto.

## Directors' Responsibility

The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in the Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and the ESRS and based on each subject area in the "*7.1. Annex: Table of contents Act 11/2018*" table of the aforementioned consolidated Directors' Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

## Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

Our firm applies International Standard on Quality Management 1 (ISQM 1), which requires us to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

## Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management and of the different units and areas of the Group that participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2024 based on the materiality analysis performed by the Group and described in section "2.3. Double materiality assessment", considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2024.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2024.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2024 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.

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

## Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of General de Alquiler de Maquinaria, S.A. and subsidiaries for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected European Sustainability Reporting Standards (ESRS) and based on the content indicated for each subject area in the "7.1. Annex: Table of contents Act 11/2018" table included in the aforementioned NFIS.

## Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and the delegated acts promulgated in accordance with this Regulation, stipulate the obligation to disclose information on how and to what extent the undertaking's activities are associated with aligned economic activities relating to the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems (the other environmental objectives), and relating to certain activities included in the objectives of climate change mitigation and adaptation, in addition to the information on eligibility required in 2023 for the aforementioned activities. This obligation applies for the first time for the 2024 fiscal year. Therefore, no comparative information on alignment has been included in the attached NFIS for the other environmental objectives listed above or for the new activities included in the climate change mitigation and adaptation objectives. In addition, the directors of General de Alquiler de Maquinaria, S.A. have included information on the criteria which, in their opinion, allow them to comply better with these obligations and which are defined in Note "3. EU taxonomy" of the accompanying NFIS. Our conclusion is not modified in respect of this matter.

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

## Use and Distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Auditores, S.L.

This report corresponds to stamp number 01/25/00555 issued by the Spanish Institute of Registered Auditors (ICJCE)

The Board of Directors of General Alquiler de Maquinaria, S.A., on February 25, 2025, and in compliance with the requirements established in Article 253 of the Capital Companies Act and Article 37 of the Commercial Code, proceeds to formulate the consolidated annual accounts and the consolidated management report for the fiscal year ended December 31, 2024, and the Annual Corporate Governance Report, which are constituted by the attached documents preceding this writing and have been signed by all the Directors.

| | |
|---|---|
| **Mr Pedro Luis Fernández**<br>Chief Executive Officer (President) | **Mr Francisco Lopez Peña**<br>Director |
| **Patricia Riberas López**<br>Director | **Ms Verónica María Pascual Boé**<br>Director |
| **Mr Jacobo Cosmen Menéndez**<br>Director | **Ignacio Moreno Martínez**<br>Director |