2022

Results and outlook

Viscofan

Reshaping food and wellbeing.
For many, for long.



Disclaimer

This document may include statements about intentions, expectations or forecasts of the Company additional to the mandatory financial reporting whose sole purpose is to provide information more accurately about the perspectives of future behaviours.

Such intentions, expectations or forecasts do not constitute any guaranties of compliance and involve risks, uncertainties and other relevant factors that could cause actual developments and results to differ materially from those states in such forward-looking statements.

This circumstance must be taken into account mainly for all persons or entities that may have to take decision, develop or spread opinions relative to values issued by the Company and particularly by analysts and investors that handle this document.

The financial information contained in this document in has been prepared under the International Financial Reporting Standards (IFRS).

This document is a free translation from the original in Spanish, in event of discrepancy, the Spanish-language version prevails)

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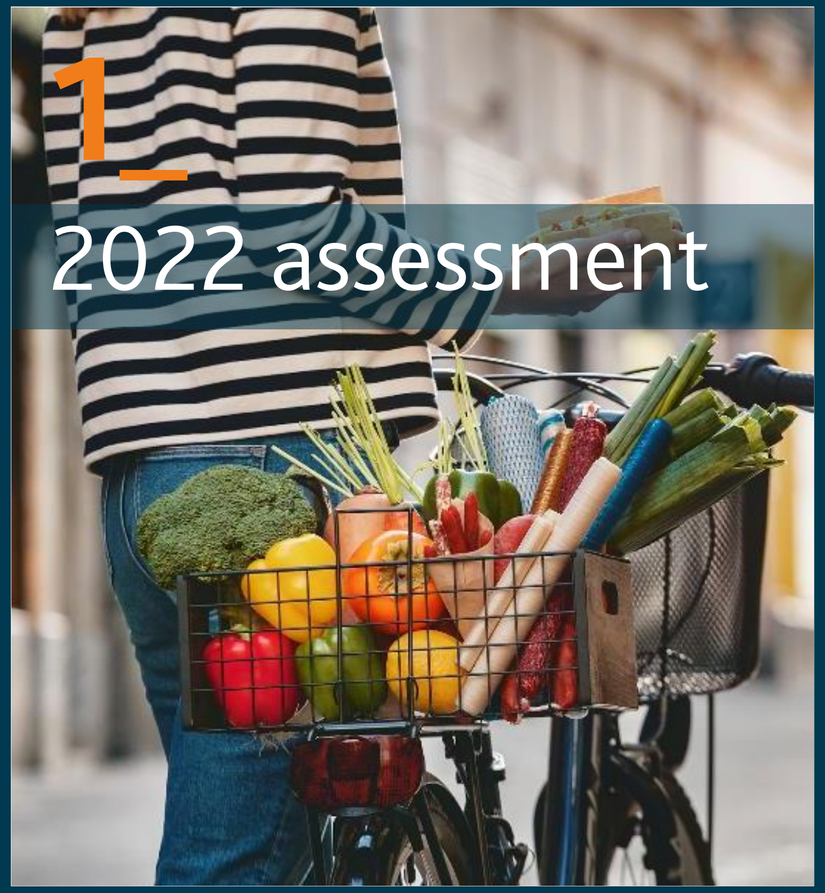
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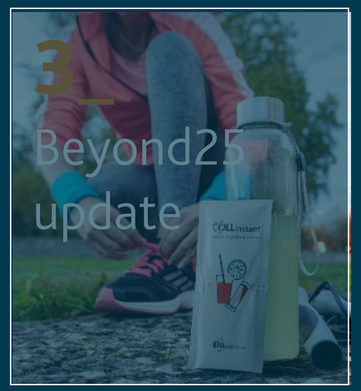
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Beyond25 update

Beyond25

An ambitious and transformative strategic plan



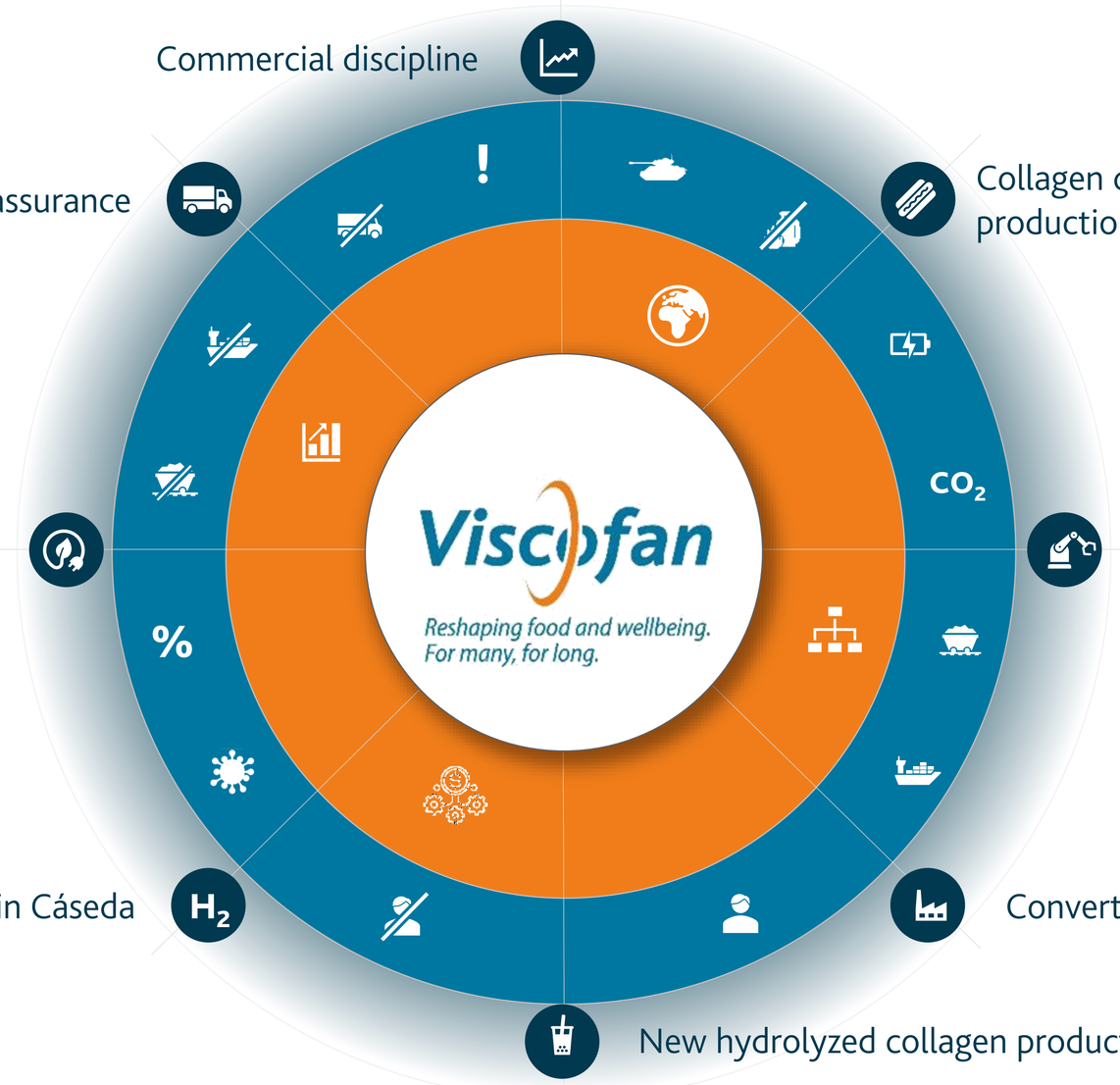
The most adverse environment in decades

Not foreseen at the beginning of the year 2022



We have strengthened our business model

With an intense investment, commercial and operational activity



Achieving the best results in our history

Reported numbers 2022FY

Million euros

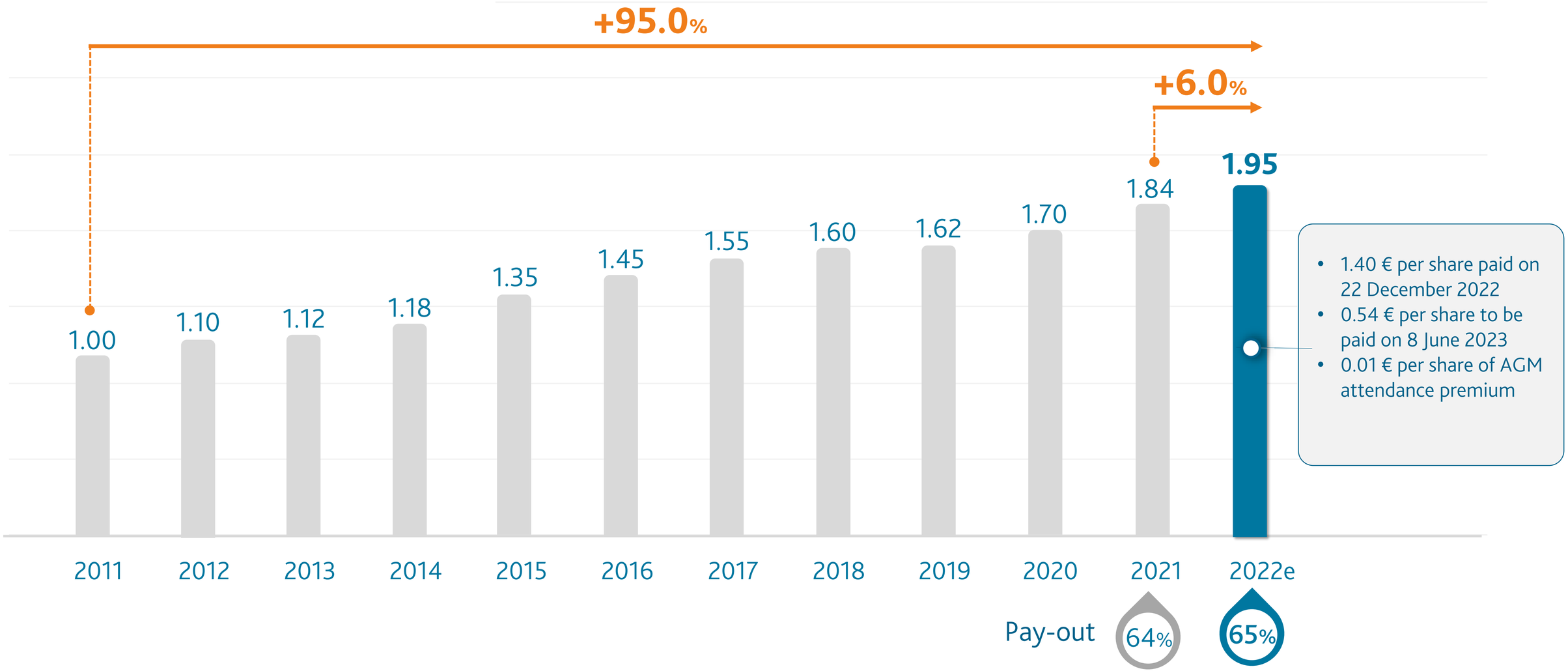


1,201.0 Revenue	+24% vs. 2021 ✓	+8%/+10% guidance
267.2 EBITDA	+8% vs. 2021 ✓	+4%/+6% guidance
139.4 Net profit	+5% vs. 2021 ✓	+5%/+8% guidance

Increasing shareholder remuneration

Ordinary remuneration per share

In euros



- 1.40 € per share paid on 22 December 2022
- 0.54 € per share to be paid on 8 June 2023
- 0.01 € per share of AGM attendance premium

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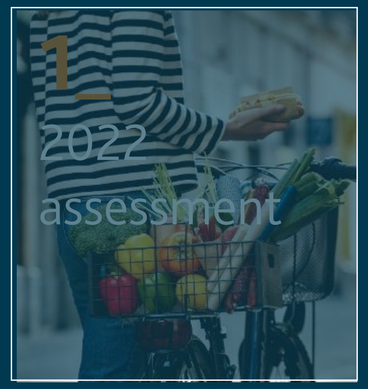
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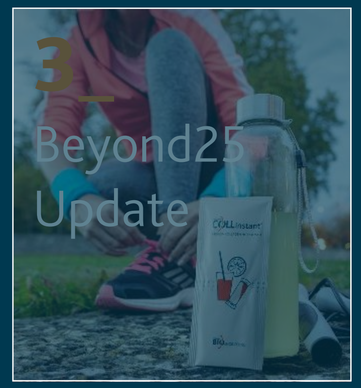
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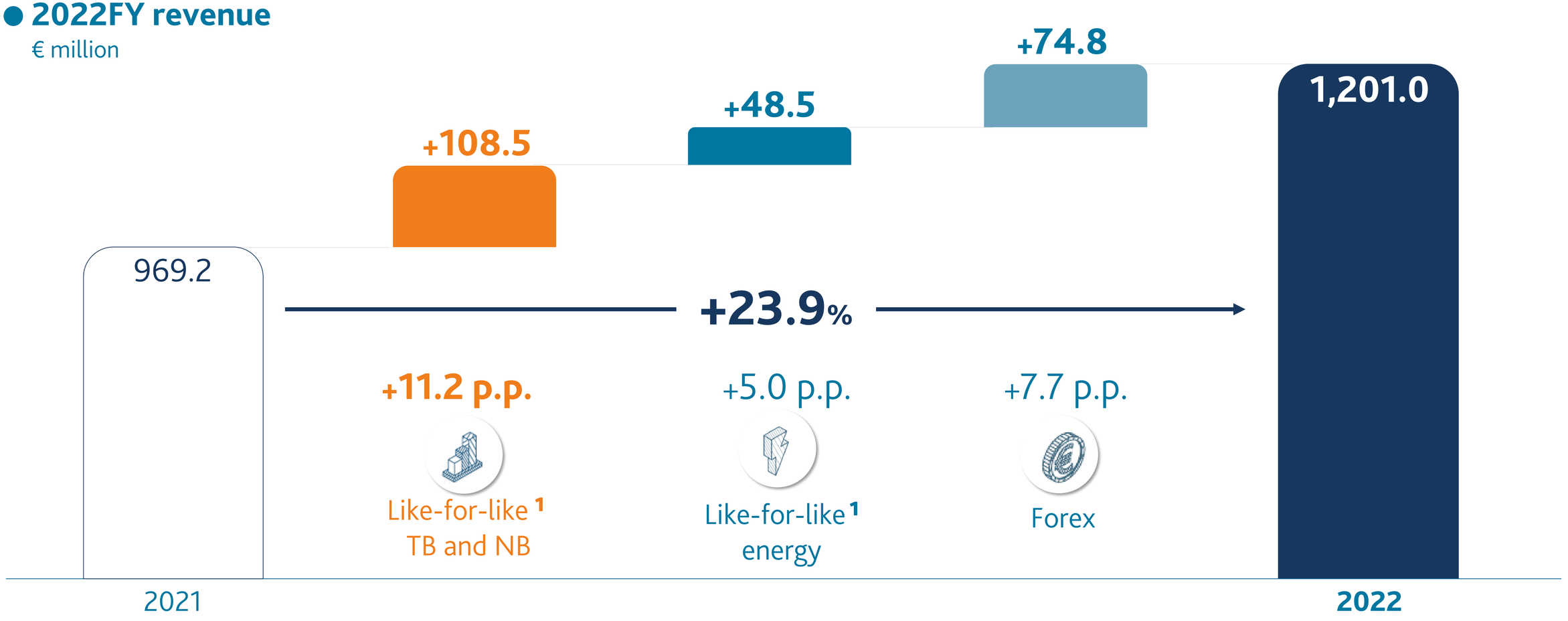
Double-digit growth in revenue



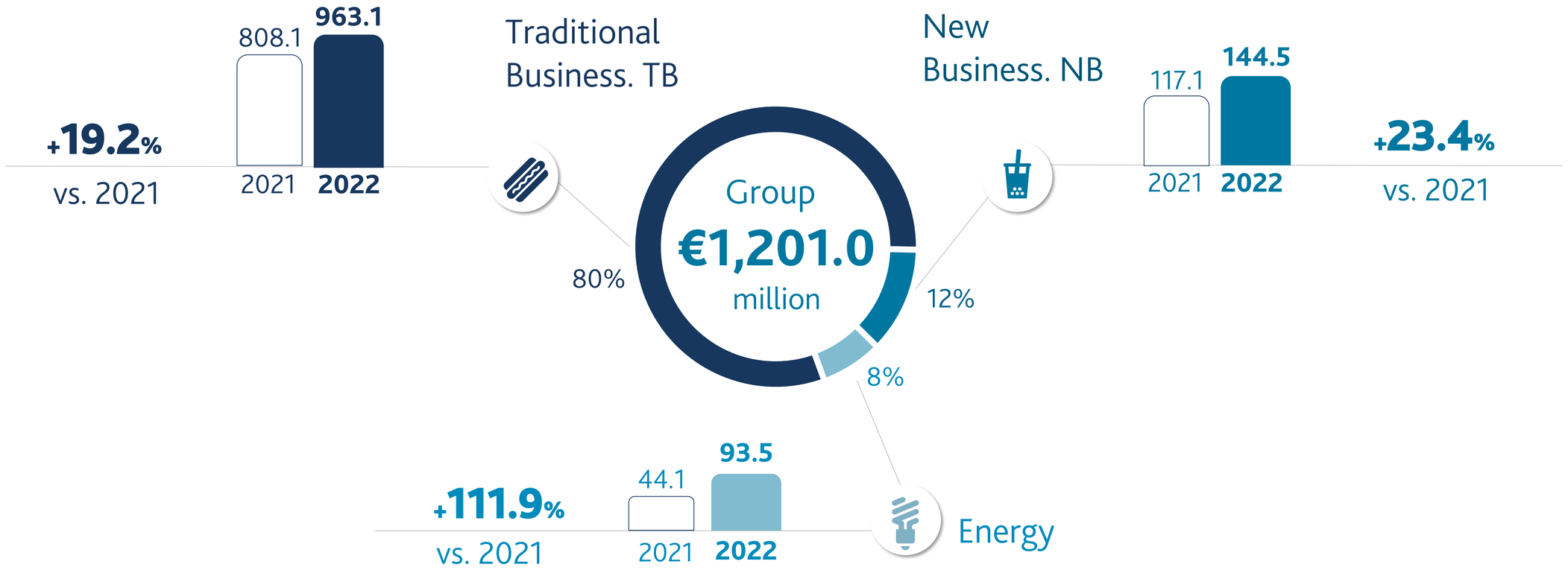
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2022.

Positive contribution from all business

2022FY revenue rose by 23.9% year-on-year

2022FY revenue

Breakdown by business division

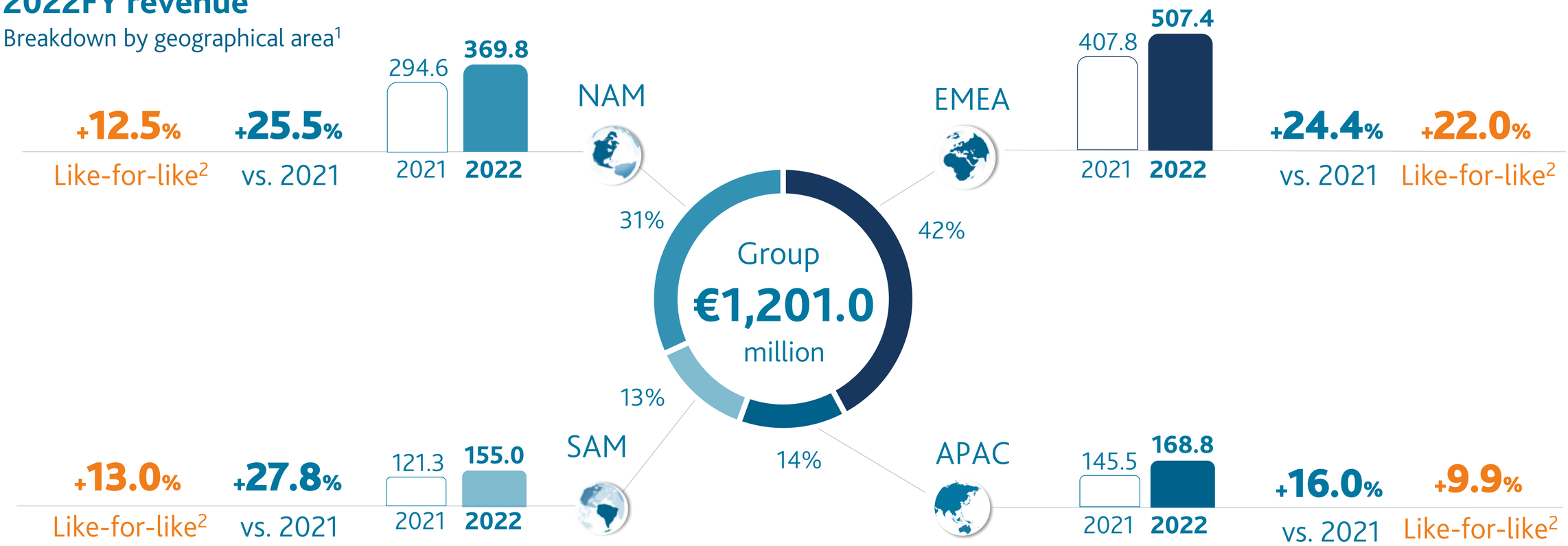


Growth in all geographical areas

Strong global growth

2022FY revenue

Breakdown by geographical area[1]



[1] Revenue per origin of sales: EMEA (European companies), North America NAM (Canada, Costa Rica, Mexico, and EE.UU), APAC (Australia, China, Japan, New Zealand, and Thailand), and South America SAM (Brazil and Uruguay).

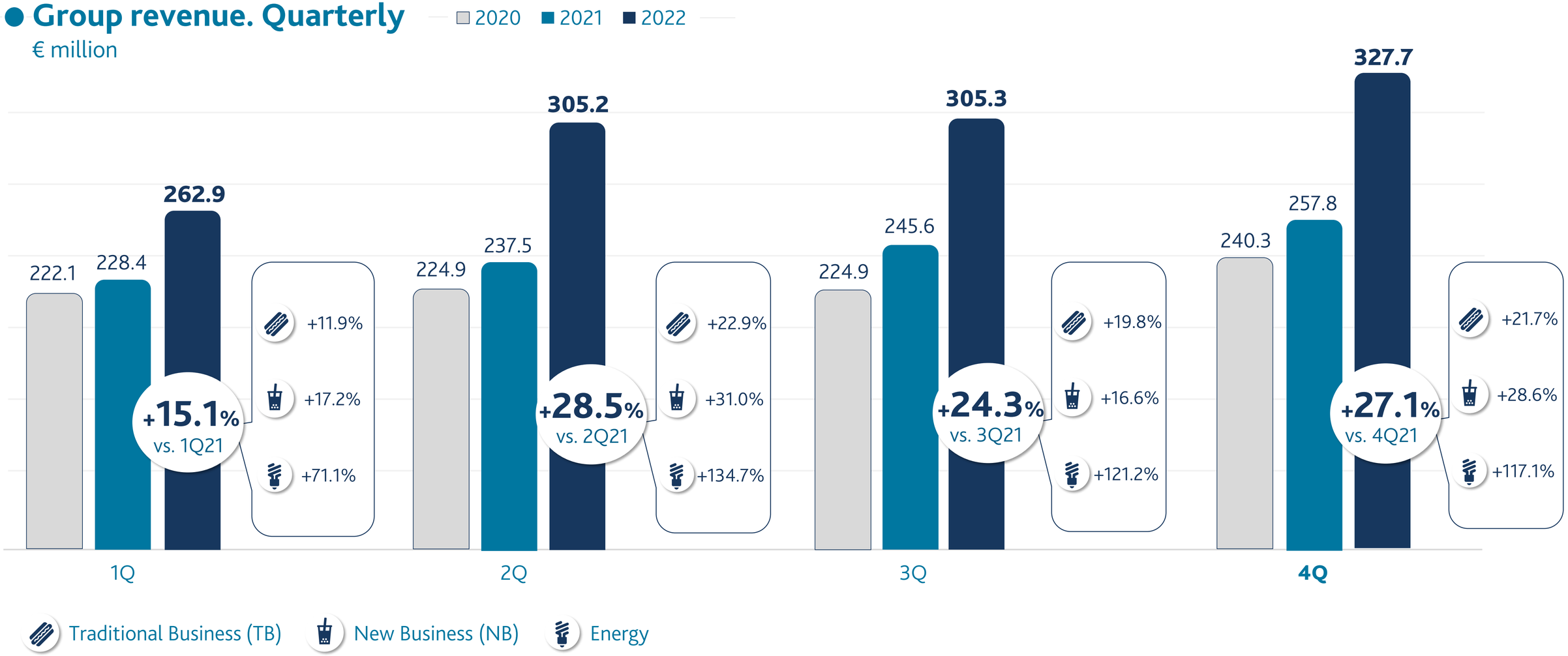
[2] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2022.

New quarterly all-time high in revenue

Double-digit growth in Traditional Business, in New Business, and in energy

Group revenue. Quarterly

€ million

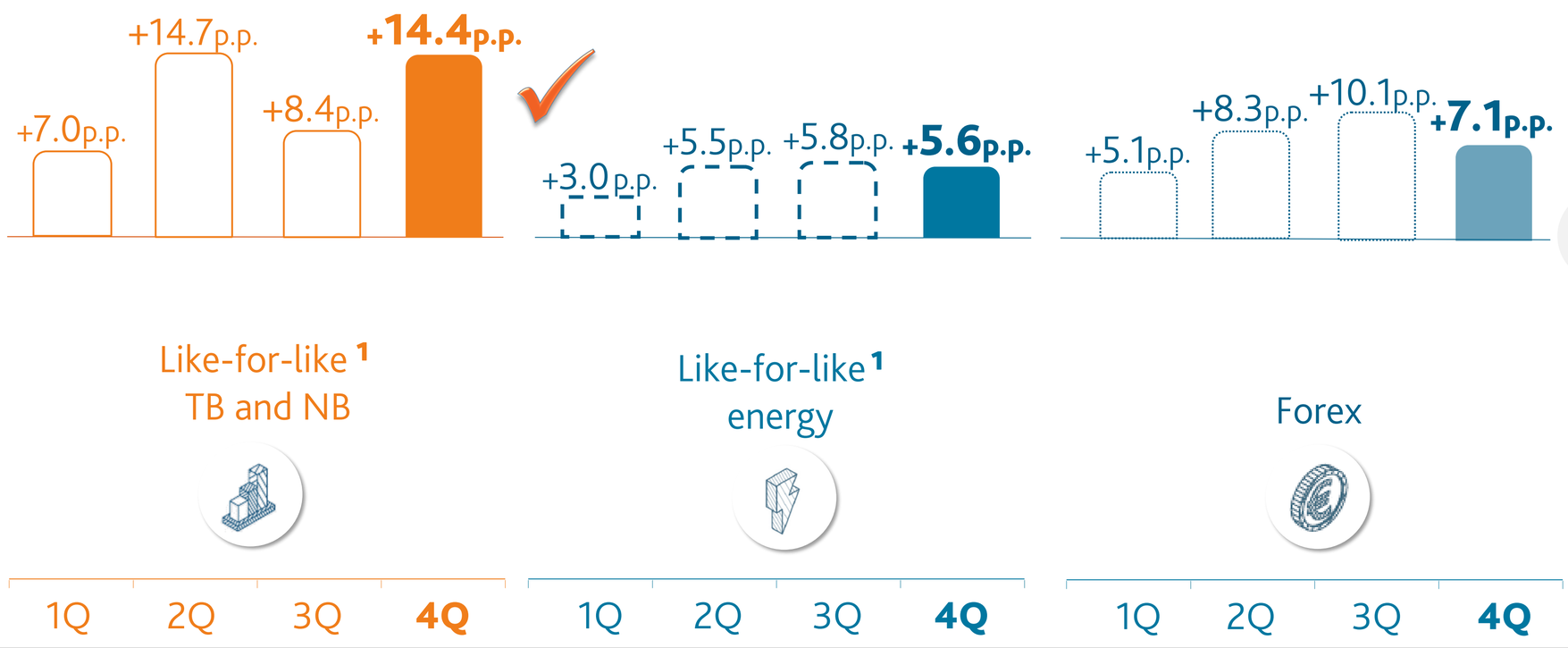


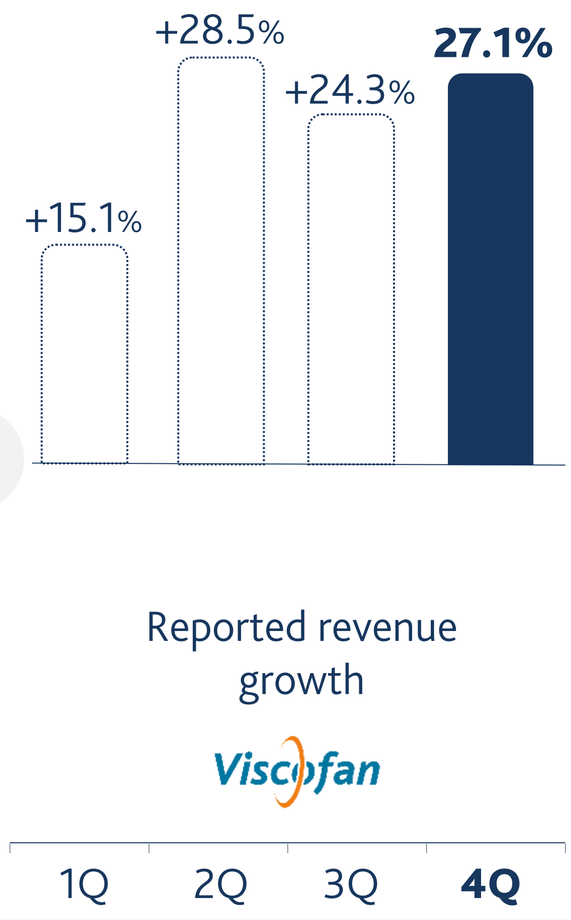
Sound growth in the fourth quarter

Driven by volume, price, energy, and forex

Quarterly revenue

Growth contribution (p.p.)





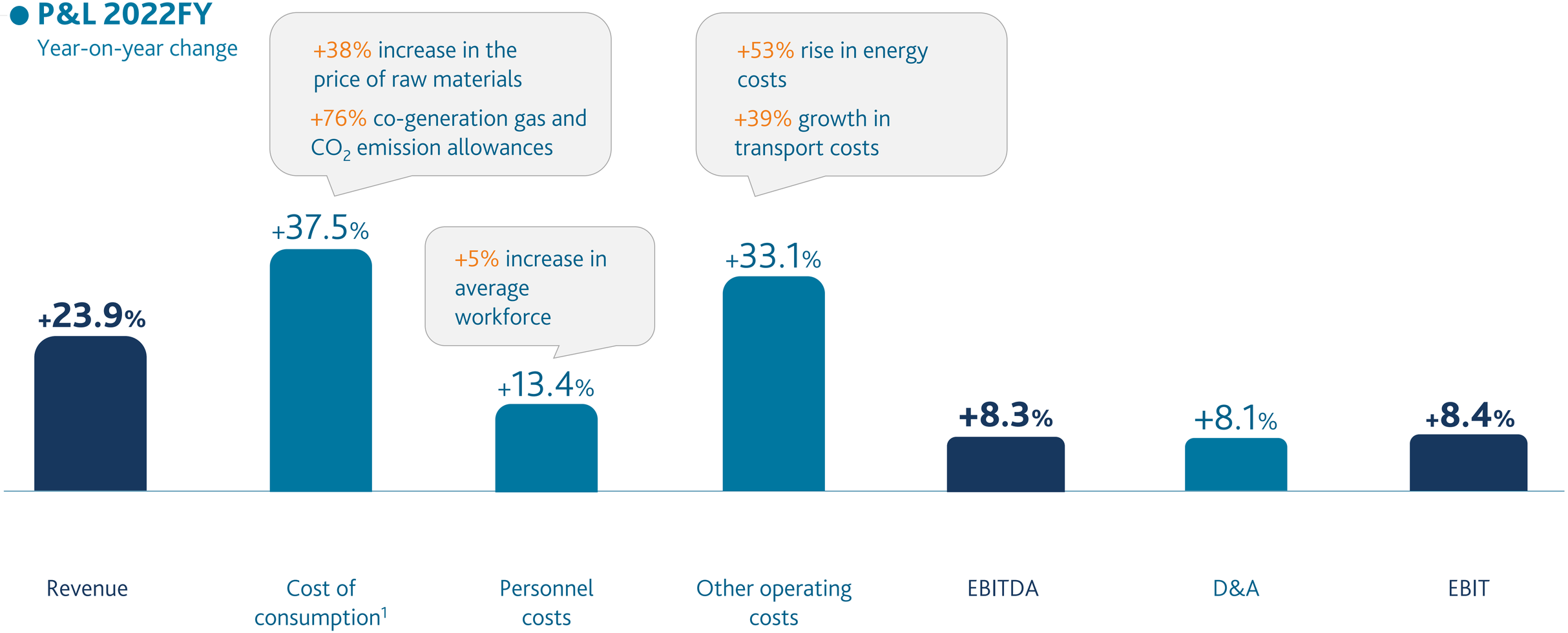
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2022.

Inflation impacts all cost lines

Higher volumes, selling price, and efficiencies are transferred to EBITDA

P&L 2022FY

Year-on-year change



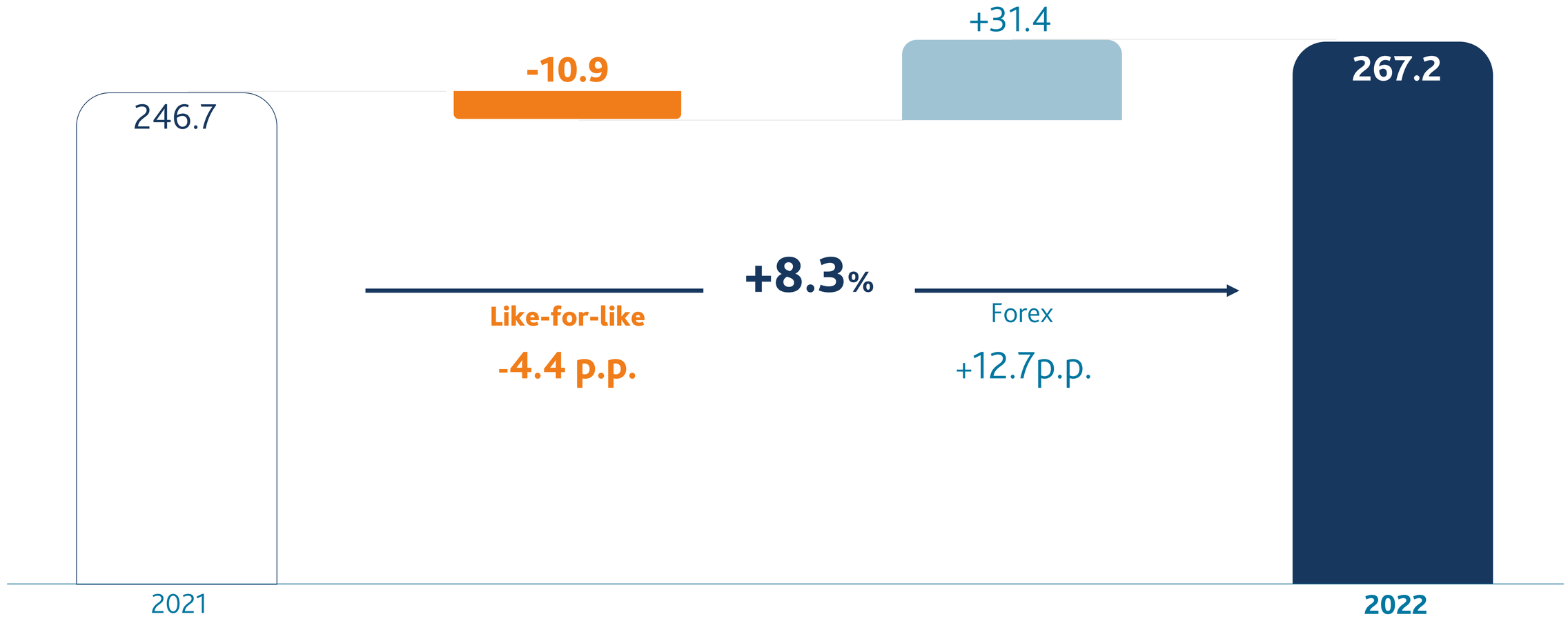
[1] Cost of consumption = Net purchases +/- Change in inventories of finished and unfinished products.

Outperforming EBITDA growth target

Despite a higher-than-expected cost inflation

EBITDA 2022

€ million

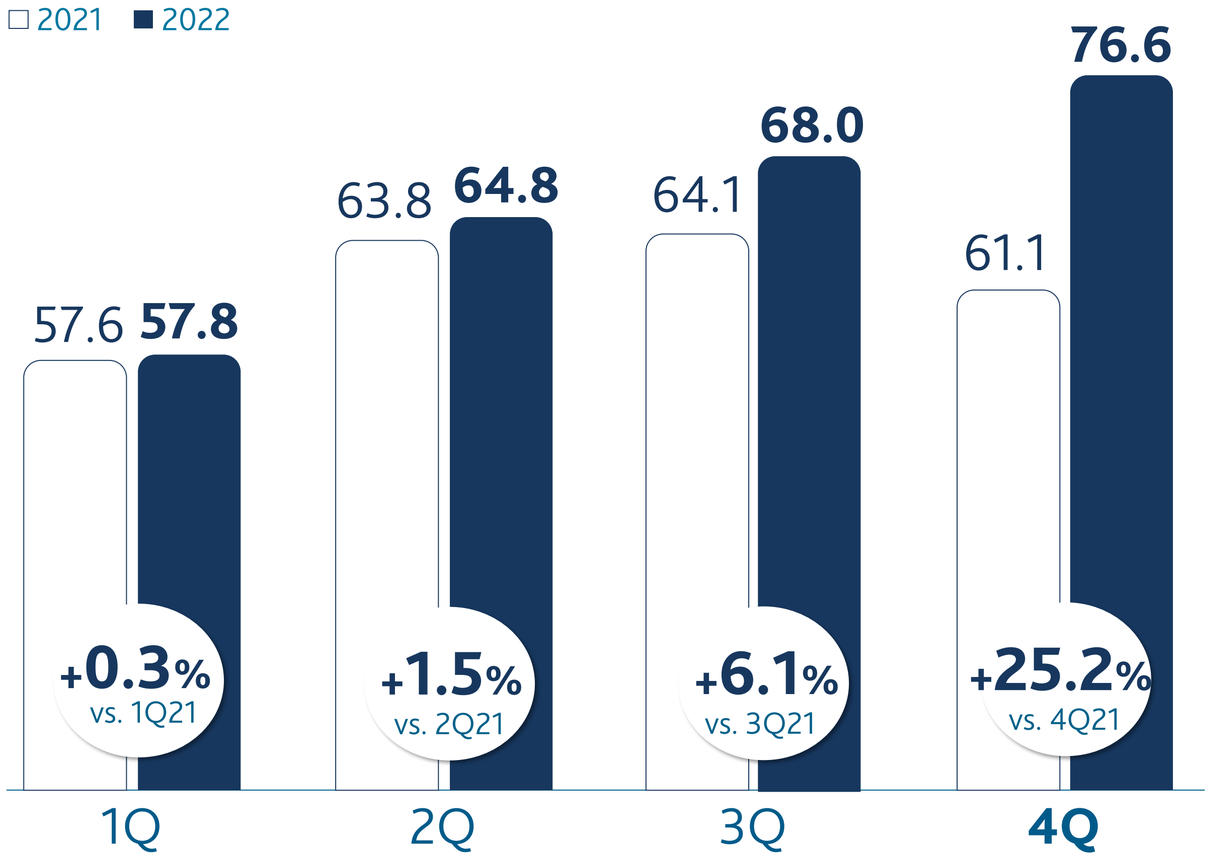


Higher EBITDA growth pace in Q4

Together with a progressive margin recovery

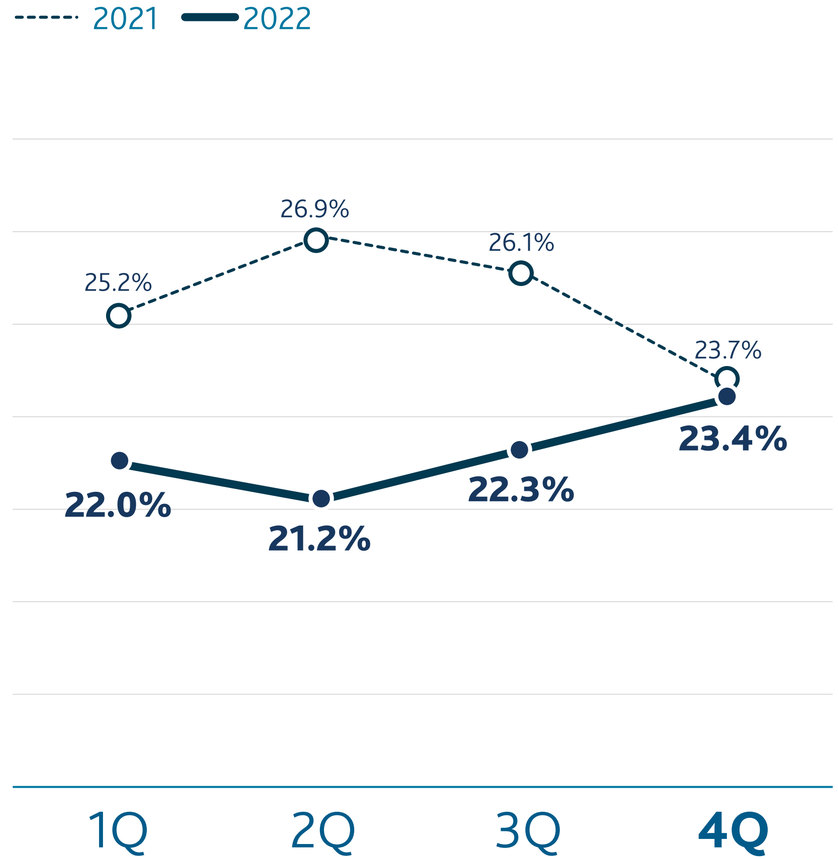
Reported quarterly EBITDA

€ million



Quarterly EBITDA margin

In percentage



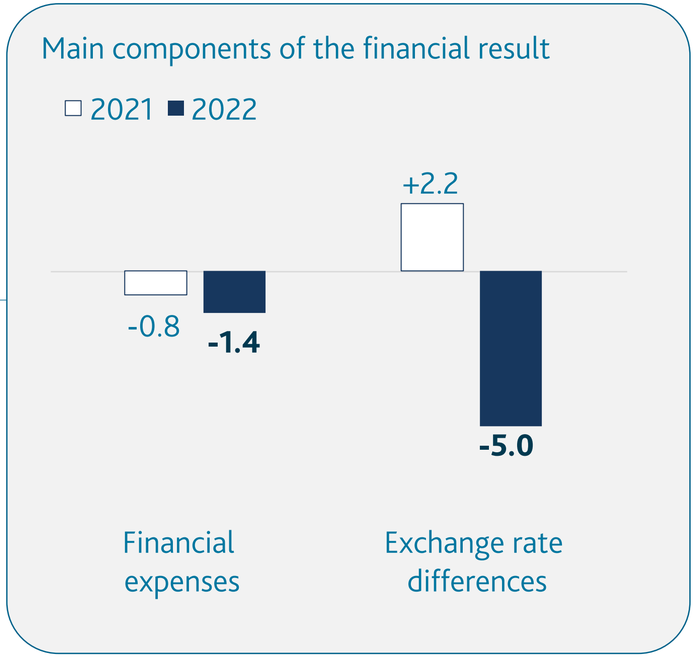
Net profit growth

Sharp increase in negative exchange rate differences and flat tax rate

FY EBIT to NET PROFIT

€ million

€ million	2022	2021	% y-o-y
EBIT	189.0	174.4	+8.4%
Financial result	-5.2	+2.0	s.c.
Tax	-44.4	-43.4	+2.2%
Net profit	139.4	133.0	+4.8%

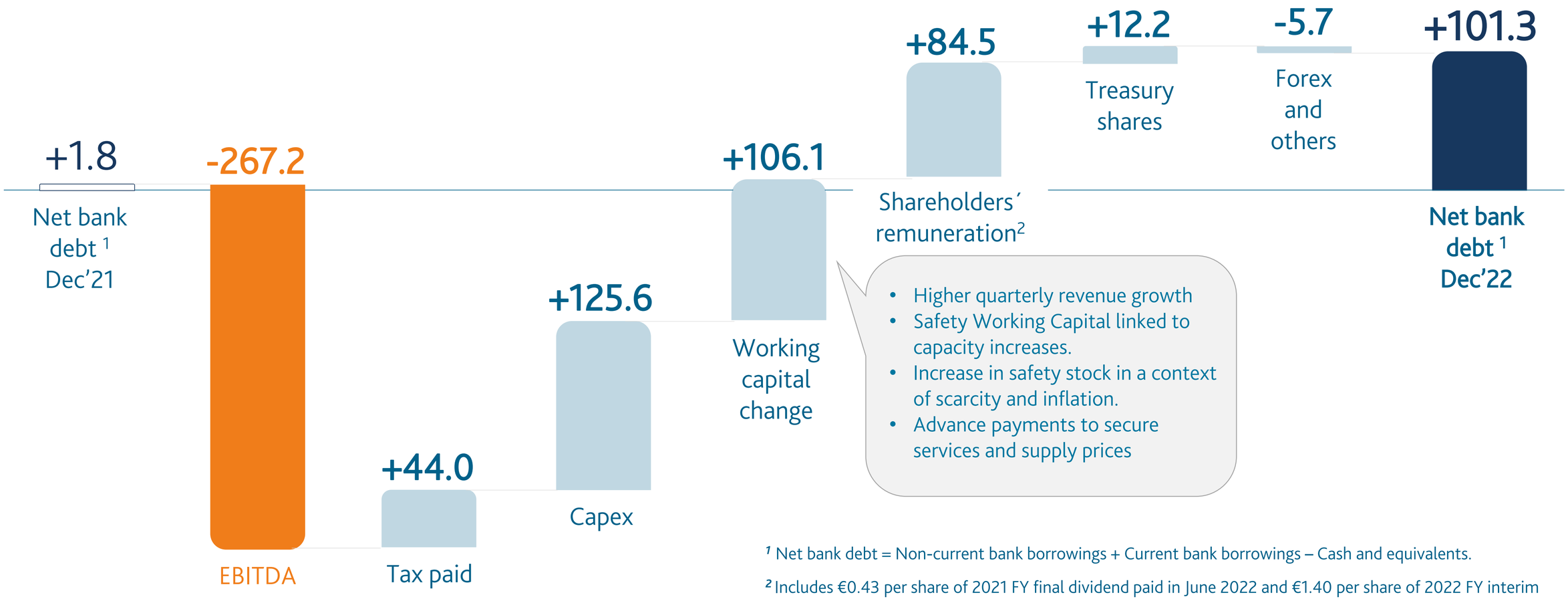


Investments in transforming projects

And increasing shareholder remuneration

Net Bank Debt [1] evolution

€ million



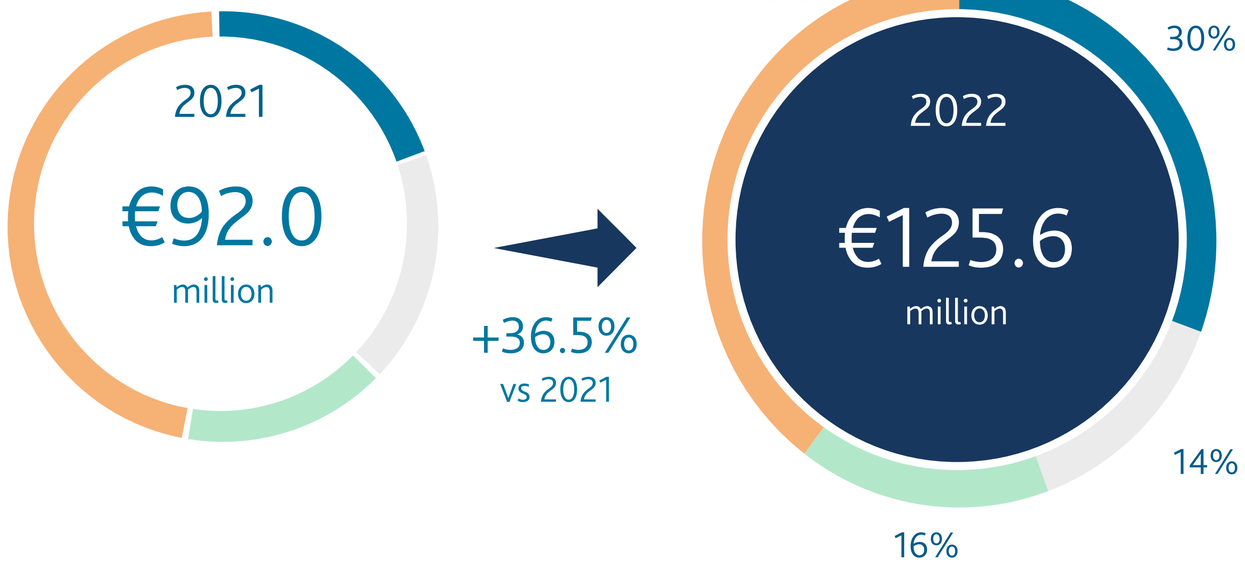
[1] Net bank debt = Non-current bank borrowings + Current bank borrowings – Cash and equivalents.

[2] Includes €0.43 per share of 2021 FY final dividend paid in June 2022 and €1.40 per share of 2022 FY interim dividend paid in December 2022.

Intense transformative activity

Accelerating investment projects given the expected growth

Capex
€ million



Collagen casings capacity increase
- Spain (2Q22) ✓
- Serbia (2Q22) ✓
- China (3Q22) ✓
- Germany (3Q22) ✓
- USA (1Q23e)

Converting capacity increase
- China (4Q22) ✓
- USA (1Q23e)

Technology update in Danville
- USA (4Q22) ✓

Collagen hydrolysates
- Germany (4Q22) ✓

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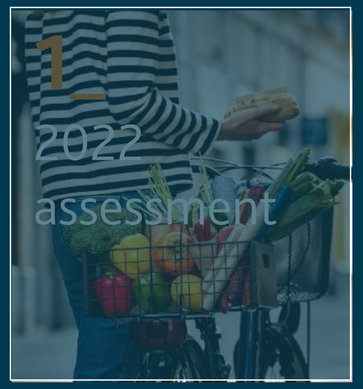
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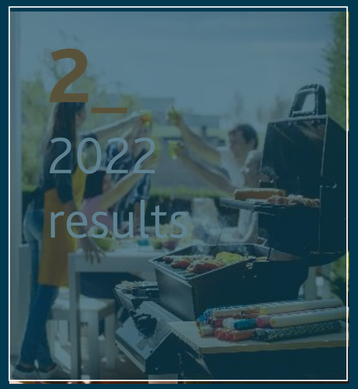
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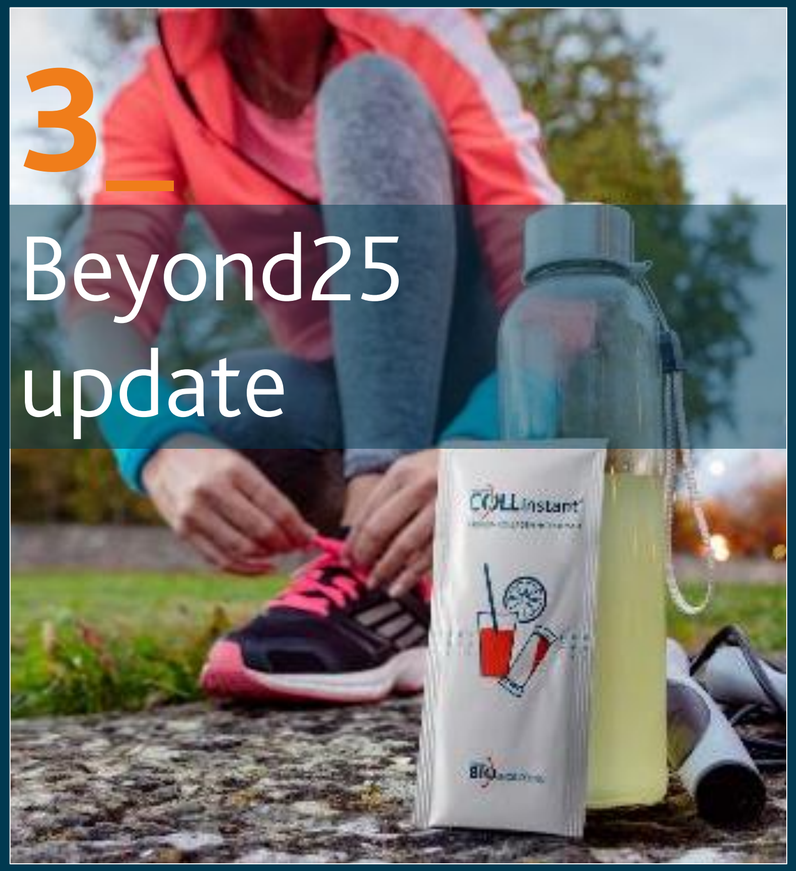
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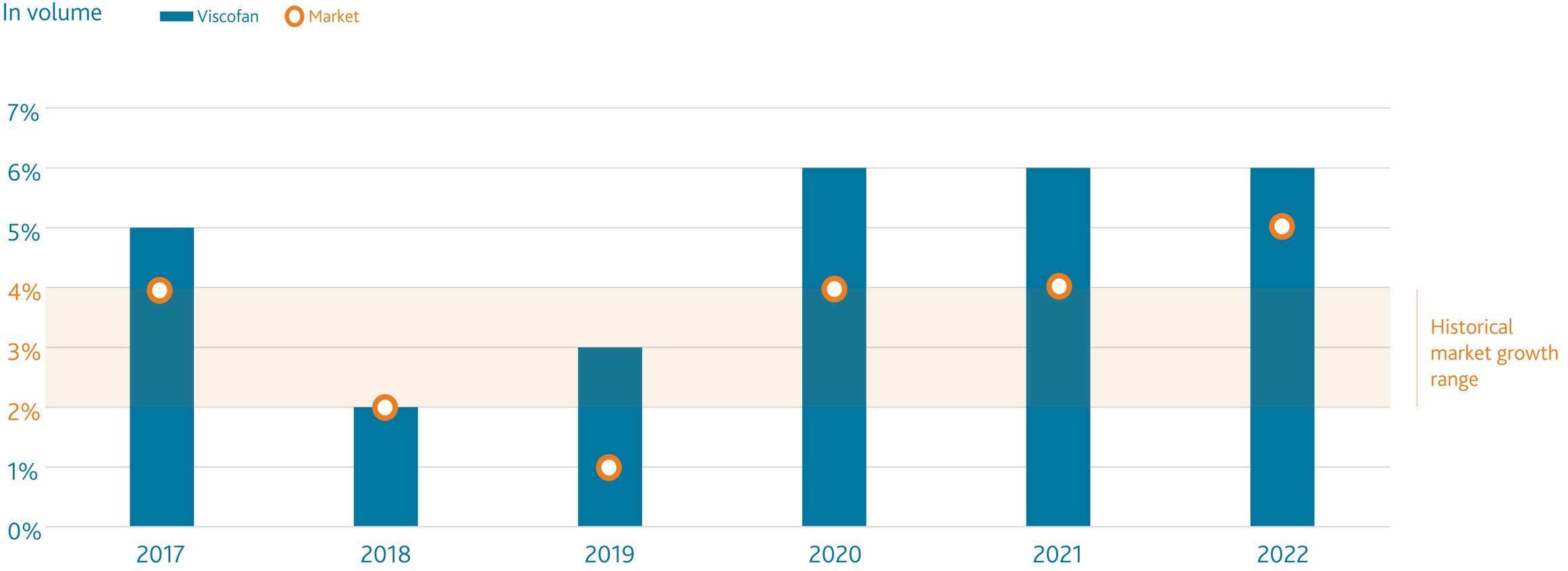
A market with solid growth fundamentals

Viscofan reinforcing its leadership

Growth in the customized casings market and Viscofan

In volume

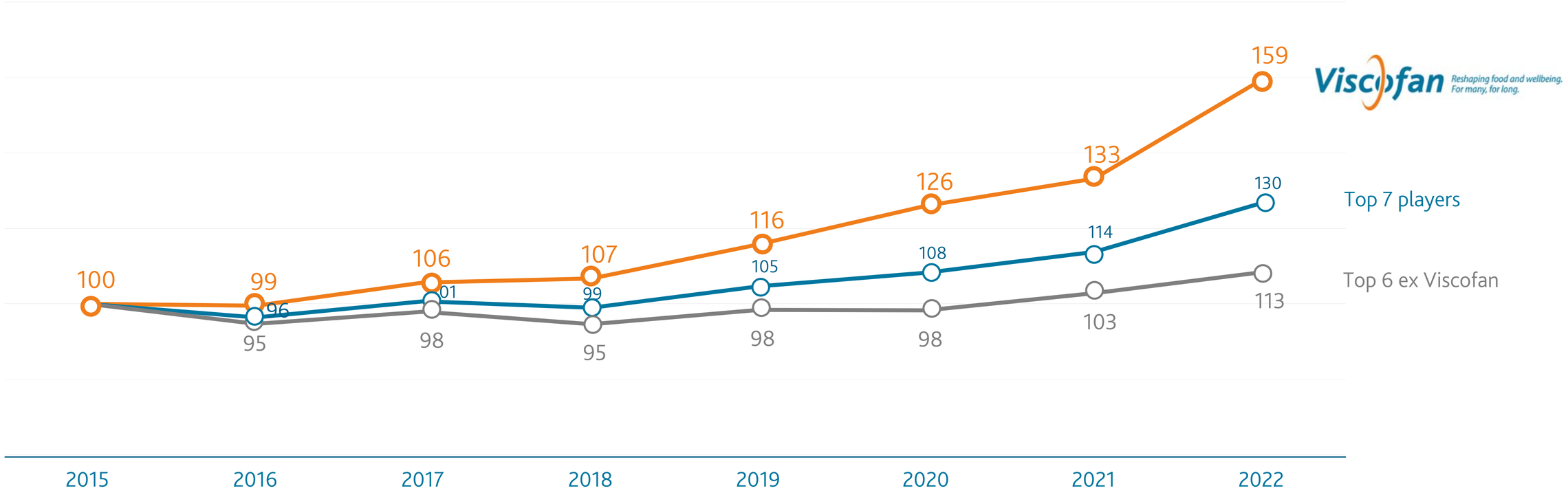


A market with solid growth fundamentals

Viscofan reinforcing its leadership

- **Revenue in € of the main market players*. Casings**

  Base 100 year 2015



* Contains Viscofan, Viskase, Devro, Kalle, Visko Teepak, Shenguan, and Nippi

Source: Published Annual Accounts, market consensus and internal estimates.

Market share

46%
Animal gut



54%
Casings

Viscofan 41%

Market by technology

	Cellulose	Fibrous	Collagen	Plastic
Viscofan	■	■	■	■
Player 2	■	■		■
Player 3			■	
Player 4		■		■
Player 5	■	■		■
Player 6			■	

Beyond25

Transformative projects

Traditional Business: APAC

Traditional Business: EMEA



Energy

Traditional Business:
North America and South America

New Business

Transformative projects

Traditional Business: Asia Pacific



New converting plant in Thailand

Closer to Southeast Asia

New comercial office in Philippines

Improve the service in a country with a population of more than 115 million

China

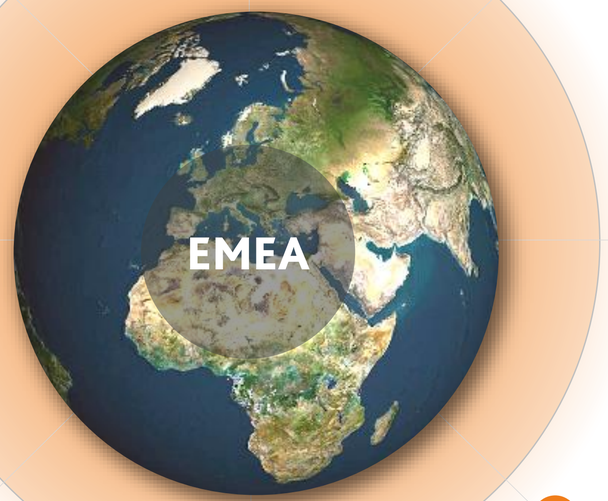
Commercial promotion to replace animal gut and market recovery

India and Japan

Intensifying commercial activity

Transformative projects

Traditional Business: EMEA



Opening of a commercial office in Italy

Closer to a high value-added market

New converting lines in the Czech Republic

Gain productive flexibility

Consolidation of the new capacity of collagen casings

Capacity to help our customers in their quest for profitability and automation

Transformative projects

Traditional Business: NAM and SAM



Technology Transfer Danville

- Installation and commissioning of the second productive module
- Learning curve

Converting capacity consolidation in Montgomery

Installation and commissioning of the investment

Capacity expansion in collagen casings in the US

Consolidation and synergies with new technology at the New Jersey plant

Animal gut replacement opportunity in SAM

Capacity to help our customers in their quest for profitability and automation

Transformative projects

New Business



Collagen hydrolyzates

Responding to the expected growth of the market thanks to the new productive capacity, x5

Plastic casings capacity increase

Responding to the expected growth of the market
Czech Republic and Mexico

Drive to industrialize New Business in Cáseda

Use of facilities for new products

Launch of a new product based on collagen. Satiating

Commercial promotion for a new product with interesting growth prospects.

Transformative projects

Energy



Green H2

Promotion and projects to support decarbonization

Cost and supply assurance

Purchase agreements at a fixed price

Additional energy cost in 2023 estimated at 95 million €

Long term PPA from renewable source

Energy sources diversification

Alliance Project and PPA to achieve more electrification

Gasoil as back-up

Biomass investment in Cáseda

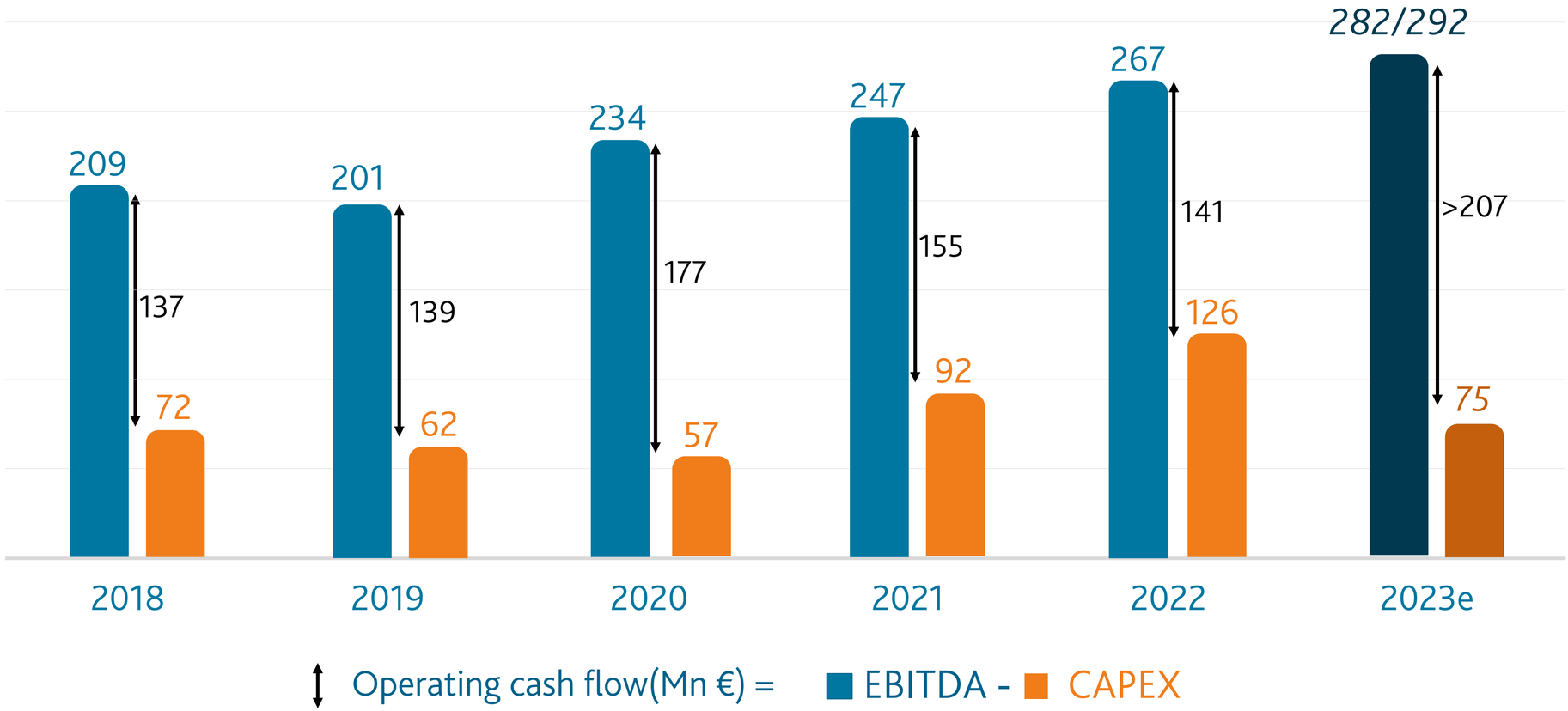
Improvement in circular efficiency and decarbonization

Lower investment requirements

Operating cash flow expansion

Operating cash flow

€ million



Guidance 2023

US$/€: 1.07

€ million	Figure	% y-o-y
Revenue	1,315-1,345	+9% / +12%
EBITDA	282-292	6% / +9%
Net profit	153-160	+10% / +15%
Capex	≈75	

Beyond25 ambition

Raising our vision in absolute terms

€ million	Current vision	Prior vision
Revenue 2025e	**1,450**	1,300
EBITDA 2025e	**362**	340
EBITDA margin 2025e	***25%***	*26%*
Capex 2022-2025e	**425**	425

To wrap-up

1. Viscofan has achieved its financial targets in 2022FY despite a more adverse context than expected

2. High investment activity in the first year of the Beyond25 strategic plan to accelerate the transformation and optimize growth opportunities

3. Viscofan expects to growth in the main financial figures in 2023FY despite an even more adverse context in energy

4. Our Beyond25 targets include higher growth pace in revenue and EBITDA while maintaning expected investments in the period

Appendix. 4Q22 P&L

€ million	4Q22	4Q21	% y-o-y	Like-for-like[1] % y-o-y
Revenue	**327.7**	257.8	**+27.1%**	**+20.0%**
EBITDA	**76.6**	61.1	**+25.2%**	**+11.5%**
EBITDA margin	**23.4%**	23.7%	**-0.3p.p.**	**-1.7p.p.**
Operating profit	**56.2**	43.1	**+30.3%**	
Profit before taxes	**45.5**	45.1	**+0.7%**	
Taxes	**-11.1**	-11.9	**-6.4%**	
Net profit	**34.3**	33.2	**+3.3%**	

[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2022.

Appendix. 2022FY P&L

€ million	2022	2021	% y-o-y	Like-for-like[1] % y-o-y
Revenue	**1,201.0**	969.2	**+23.9%**	**+16.2%**
EBITDA	**267.2**	246.7	**+8.3%**	**-4.4%**
EBITDA margin	**22.2%**	25.4%	**-3.2p.p.**	**-4.5p.p.**
Operating profit	**189.0**	174.4	**+8.4%**	
Profit before taxes	**183.8**	176.4	**+4.2%**	
Taxes	**-44.4**	-43.4	**+2.2%**	
Net profit	**139.4**	133.0	**+4.8%**	

[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2022.

Appendix. Alternative Performance Measures

The Alternative Performance Measures included in this report are as follows:

- The EBITDA, or operating profit before depreciation and amortization, is calculated excluding depreciation and amortization costs from the operating profit. The EBITDA is a measure that is commonly reported and widespread among analysts, investors and other stakeholders in the casing industry. The Viscofan Group uses this measure to monitor the business' development and to establish operational and strategic objectives in Group companies. However, it is not a defined indicator in IFRS and, therefore, it may not be compared with other similar indicators employed by other companies in their reports.

- Cost of consumption: This is calculated as the net amount of supplies plus the change in finished and unfinished products. Management monitors cost of consumption as one of the main cost components for Viscofan. The weight of net revenue for this cost component on revenue or gross margin is also analyzed to study the operating margin's development. However, it is not a defined indicator in IFRS and cost of consumption must not be considered a substitute for the different items in the profit and loss account that comprise them. Furthermore, it may not be compared with other similar indicators employed by other companies in their reports.

- Net bank debt: This is calculated as non-current borrowings plus current borrowings netted from cash and cash equivalents. Management considers net bank debt to be relevant to shareholders and other stakeholders as it provides an analysis of the Group's solvency. However, net bank debt should not be considered a substitute for gross bank debt in the consolidated balance sheet, nor other liability or asset items that may affect the Group's solvency.

- Like-for-like revenue and EBITDA: This measure excludes the impact of exchange rate variations on the comparable previous period and the non-recurring impacts of the business in order to present a homogeneous comparison of the Viscofan Group's development. However, like-for-like revenue and EBITDA are not defined indicators in IFRS and, therefore, they may not be compared with other similar indicators employed by other companies in their reports, nor may they be considered a substitute for the business development indicators defined in IFRS.