Viscofan

Reshaping food and wellbeing.
For many, for long.

Results
January-December 2023

29 February 2024



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

Results statement

Main highlights of the January-December 2023 results:

- Revenue is €1,225.8 million, 2.1% higher than the previous year and 4.2% in like-for-like terms[1].
- EBITDA of €268.4 million[2], a growth of 0.5% compared to the previous year and 7.9% in like-for-like terms[1].
- €141.0 million in Net Profit, 1.1% up on the previous year.
- €138.0 million net bank debt[3] at year-end 2023, higher than the €101.3 million at the end of the previous year after payment of the interim dividend of €1.40 per share in December 2023.
- €3.00 per share of total shareholder remuneration proposed in the 2023 profit distribution, €2.00 per share in ordinary terms, and an extraordinary remuneration of €1.00 per share.
- José Domingo de Ampuero y Osma, Chairman of the Viscofan Group:

  "The 2023 financial year was marked by the first decline in the casings market in the last twenty-four years. An exceptional situation that has coexisted with an environment of high costs in our production inputs.

  In a more adverse context than expected, the strength of our business model and our ability to adapt have enabled us to reach new all-time highs with year-on-year growth in terms of revenue, EBITDA and net profit. However, the main financial figures are below the targets foreseen for 2023.

  Having implemented the major organic transformation projects envisaged in the Beyond25 plan, some of which are delivering operational results in line with or above initial estimates, we are well positioned to grow significantly in revenue, EBITDA and net profit in 2024, while we expect the market to return to historical growth rates.

  In view of the prospect of higher operating cash flows than foreseen in the Beyond25 strategic plan, the Board of Directors has resolved to submit to the General Shareholders' Meeting the approval of extraordinary shareholder remuneration. Thus, the total remuneration per share expected for the 2023 financial year is €3.0, of which €2.0 is ordinary and €1.0 is extraordinary.

[1] Like-for-like: Like-for-like growth excludes the impact of exchange rate fluctuations in 2023 and the non-recurring expense in operating profit of €1.9 miliion due to production stoppages in the US in 3Q23 as a result of power outages caused by the utility company.

[2] EBITDA = Operating profit (EBIT) + depreciation of property, plant and equipment.

[3] Net bank borrowings = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.

Business performance

Market

In 2023, the estimated volume size of the casings market has shown a decrease at about 4%. The largest decline in the last twenty-four years caused by weak consumption in an environment of slower economic growth, significantly in emerging markets, and by the process of inventory adjustments in the sector.

Development of the Beyond25 strategic plan

In a context of rising energy costs, particularly natural gas in Spain, raw materials and labour costs, the Viscofan Group has implemented a generalised increase in selling prices to partially offset this inflation.

However, after the first few months, when the market performed in line with expectations, an unprecedented adjustment process began to take place, which resulted in a decline in volumes in absolute terms for the industry as a whole.

Viscofan has adjusted quickly to this market environment and, in the face of weak demand, has refocused its priorities on cost containment, production adjustments and inventory control, which has allowed it to improve operating margins and reduce working capital in the last quarter of the year.

This temporary market situation has not prevented the successful completion of major transformation initiatives in the United States with the implementation of new cellulose casing technology in Danville and collagen in New Jersey. The production results of both projects were even higher than initially expected, although the expected synergies have not yet been achieved due to the lower sales volume as a result of both the market downturn and product adjustment problems during the transition, which have now been resolved.

Other strategic initiatives include the implementation of a new converting plant in Thailand, which is expected to be commissioned before the end of 2024, and sustainability investments, particularly in the area of decarbonisation in Cáseda (Navarre).

All in all, Viscofan closed the 2023 financial year with record highs in the main financial figures. Revenues grew by 2.1% year-on-year, EBITDA by 0.5% and net profit by 1.1%. Net bank debt stood at €138.0 million at year-end, 0.5 times EBITDA.

With the completion of the main organic transformation projects foreseen in the Beyond25 plan, the results have exceeded the achievement of the initially planned operating cash flows. Against this background, and taking into account the financial strength and the expected expansion of future cash flows, the Board of Directors has approved to submit to the General Shareholders' Meeting a total remuneration of €3.0 per share for the 2023 financial year, an increase of 53.8% in shareholder remuneration compared to the previous year, consisting of an extraordinary remuneration of €1.0 per share, and an ordinary remuneration of €2.0 per share, 2.6% higher than the ordinary remuneration of the previous year, and equivalent to a distribution of 65.6% of the net profit.

Thus, in addition to the interim dividend of €1.40 paid in December 2023, the €0.59 ordinary final dividend and the €1.0 extraordinary final dividend that are expected to be paid in June within the framework of the optional dividend system in cash or in shares "Viscofan Flexible Remuneration", which together with the €0.01 per share of General Shareholders´ Meeting premium attendance corresponds to a total expected remuneration charged to the 2023 financial year of €3.0 per share. The Board of Directors has also approved to submit to the General Shareholders' Meeting the possibility of a flexible remuneration whereby shareholders can decide whether they prefer to obtain new shares in a bonus issue or cash remuneration. Furthermore, in order to avoid dilution of shareholders who do not participate in the capital

increase, the Board plans to redeem the treasury shares necessary to keep the number of outstanding shares stable.

Viscofan Group income statement ('000 €)

	Accumulated				Fourth Quarter			
	Jan-Dec' 23	Jan-Dec' 22	Change	Like-for-like*	Oct-Dec' 23	Oct-Dec' 22	Change	Like-for-like*
Revenue	**1,225,787**	**1,201,028**	**2.1%**	**4.2%**	**299,579**	**327,669**	**-8.6%**	**-5.5%**
EBITDA	**268,400**	**267,173**	**0.5%**	**7.9%**	**75,765**	**76,555**	**-1.0%**	**5.5%**
EBITDA margin	***21.9%***	***22.2%***	**-0.3 p.p.**	**0.8 p.p.**	***25.3%***	***23.4%***	**1.9 p.p.**	**2.7 p.p.**
Operating profit	**184,686**	**189,026**	**-2.3%**		**54,194**	**56,203**	**-3.6%**	
Net profit	**140,962**	**139,430**	**1.1%**		**40,165**	**34,332**	**17.0%**	

Revenue breakdown ('000 €)

	Jan-Dec' 23	Jan-Dec' 22	Change	Oct-Dec' 23	Oct-Dec' 22	Change
Traditional Business	985,305	963,089	2.3%	238,700	260,864	-8.5%
New Business	151,521	144,465	4.9%	35,038	39,887	-12.2%
Other revene from energy	88,961	93,474	-4.8%	25,841	26,918	-4.0%
Revenue	**1,225,787**	**1,201,028**	**2.1%**	**299,579**	**327,669**	**-8.6%**

By geographical area	Jan-Dec' 23	Jan-Dec' 22	Change	Oct-Dec' 23	Oct-Dec' 22	Change
Europe, Middle East and Africa (EMEA)	531,317	507,404	4.7%	132,753	144,344	-8.0%
Asia Pacific (APAC)	158,467	168,837	-6.1%	44,999	47,429	-5.1%
North America	369,323	369,815	-0.1%	88,872	95,013	-6.5%
South America	166,680	154,972	7.6%	32,955	40,883	-19.4%
Revenue	**1,225,787**	**1,201,028**	**2.1%**	**299,579**	**327,669**	**-8.6%**

*Like-for-like: Like-for-like growth excludes the impact of exchange rate fluctuations in 2023 and the non-recurring expense in operating profit of €1.9 million due to production stoppages in the US in 3Q23 as a result of power outages caused by the utility company.

Revenue:

In the year to December 2023, revenue amounted to €1,225.8 million, an increase of 2.1% vs. 2022 and 4.2% excluding the impact of exchange rate changes.

In the Traditional Business, revenue grew by 2.3% to €985.3 million, driven by an increase in the price mix which offset the decline in volumes.

In New Businesses, revenue grew by 4.9% to €151.5 million, with functional solutions and value-added plastic packaging performing particularly well.

Conversely, energy sales, at €89.0 million, are 4.8% lower than in 2022. This decrease is due to lower electricity sales prices in the Spanish market, and limitations on the sale to the grid of electricity from co-generation engines in specific periods of high electricity production in the Spanish electricity system.

The geographical[4] breakdown of revenue in the year to December 2023 was as follows:

- EMEA (43.3% of the total): Reported revenue amounted to €531.3 million, 4.7% higher than in 2022 and 5.2% higher on a like-for-like basis.
- APAC (12.9% of the total): Reported revenue are €158.5 million, down 6.1% vs 2022 and 0.9% on a like-for-like basis, impacted by lower volumes in China and South East Asia.

[4] Revenue by origin of sales: EMEA (European companies), North America (Canada, Costa Rica, Mexico and the United States), APAC (Australia, China, Japan, New Zealand, Thailand), Latin America (Brazil and Uruguay).

- North America (30.2% of the total): Revenue amounted to €369.3 million, a decrease of 0.1%, while they grew by 2.8% on a like-for-like basis.

- South America (13.6% of the total): Revenue amounted to €166.7 million, a growth of 7.6% compared to 2022 and 10.1% on a like-for-like basis.

In the fourth quarter, revenue amounted to €299.6 million, 8.6% lower than in 4Q22. In addition to weak consumption in the quarter, particularly in the emerging markets of Brazil and Asia, and inventory reduction initiatives at customers, there were quality problems associated with the assurance plan during the technological migration in the US, which, although they have been resolved, caused the loss of sales in the US.

Excluding the effect of exchange rate movements, like-for-like revenue fell by 5.5% compared to the same quarter the previous year.

In reported terms, Traditional Business revenue contributed €238.7 million (-8.5% vs 4Q22), revenue from New Businesses with €35.0 million (-12.2% vs 4Q22) and energy revenue with €25.8 million (-4.0% vs 4Q22).

The geographical breakdown of revenue in 4Q23 was as follows:

- EMEA (44.3% of the total): Reported revenue amounted to €132.8 million, 8.0% lower than in 4Q22 and -7.4% on a like-for-like basis. This figure is impacted by the 12.6% decrease in co-generation electricity sales in Spain.

- APAC: (15.0% of the total): Reported revenue of €45.0 million, a decrease of -5.1% compared to 4Q22 and -0.3% on a like-for-like basis.

- North America (29.7% of the total): At €88.9 million, revenue fell by -6.5% on a reported basis and by -1.6% on a like-for-like basis.

- South America (11.0% of the total): Revenue amounted to €33.0 million, a decrease of -19.4% compared to 4Q22 and -14.2% on a like-for-like basis.

Operating expenses

The 2023 financial year was marked by high natural gas prices in Spain, high raw material prices - particularly in the first half of the year - and wage inflation. In this context, operational activity has been focused on cost control in response to lower market demand and high costs.

In the year to December, cost of consumption[5] increased by 8.1% to €421.0 million with a gross margin[6] of 65.7% (67.6% in 2022). The inflationary trend in raw materials has been reversing throughout the year, with some raw materials, such as caustic soda and polyamides, generating savings compared to the previous year. However, cost of consumption in 4Q23 fell by 5.4% to €105.2 million, leaving the gross margin at 64.9%, down from 66.1% in 4Q22.

On a cumulative basis, personnel expenses for the 2023 financial year increased by 3.0% to €270.1 million in a period in which the cumulative average headcount rose by 0.6% to 5,346. Personnel expenses in 4Q23 fell by 2.7% to €64.6 million.

Other operating expenses in the year to December were €280.9 million, a decrease of 3.5% compared to 2022. Of this, energy supply costs fell by 1.7% and transport costs by 25.6%. The better cost evolution is

[5] Cost of consumption= Net purchases +/- Changes in inventory of finished goods and work in progress.
[6] Gross margin = (Revenue – Cost of Consumption) / Revenue.

visible in the fourth quarter, where Other operating expenses decreased by 17.9% to €60.9 million, supported by lower energy supply costs (-11.8% vs 4Q22) and transportation (-42.2% vs. 4Q22), in addition to short-term cost control measures that were implemented in the quarter.

Operating profit

The reported EBITDA for 4Q23 stands at €75.8 million (-1.0% vs 4Q22) and in 2023 at €268.4 million (+0.5% vs 2022). On a like-for-like basis[1], EBITDA grew 5.5% in the quarter and 7.9% in the year to December.

In the fourth quarter, the reported EBITDA margin improved by +1.9 p.p. to 25.3% and by +2.7 p.p. to 26.1% on a like-for-like basis, reflecting the strength of Viscofan's business model, flexibility and ability to adapt to the adverse environment. In this regard, the improved sales price mix, savings from technological improvements and cost containment plans have offset high cost inflation, lower operating leverage due to lower volumes and lower revenues from co-generation energy.

On a cumulative basis, the reported EBITDA margin in 2023 was 21.9%, -0.3 p.p. lower than in 2022, while on a like-for-like basis, it improved by 0.8 p.p. vs the previous year to 23.0%.

Depreciation and amortisation expense in 4Q23 increased 6.0% vs 4Q22 to €21.6 million and in 2023 by 7.1% to €83.7 million. With this, Operating profit (EBIT) for 4Q23 was €54.2 million (-3.6% vs 4Q22) and for 2023 of €184.7 million (-2.3% vs. 2022).

Financial result

In the fourth quarter of 2023, financial result was negative at -€7.8 million with negative exchange rate differences of -€6.4 million mainly due to the depreciation in December of the US$ against its main peers. In addition, financial expenses for the quarter amounted to €1.8 million. This compares to a negative financial result of -€10.7 million in 4Q22, a period in which exchange rate differences were negative at -€10.6 million and financial expenses amounted to €0.4 million.

In the full year 2023, financial result was negative at -€15.8 million with negative exchange rate differences of -€9.7 million and with financial expenses increasing to €6.9 million. These figures compare with a negative financial result of -€5.2 million in 2022, a period in which exchange rate differences were negative with -€5.0 million and financial expenses €1.4 million.

Net profit

Profit before tax for the year to December 2023 is €168.9 million and the corporate income tax expense is €27.9 million, bringing the effective tax rate to 16.5%, lower than the 24.1% of the previous year because of the special tax deductions associated with the impact of COVID19 in China and the tax change in Brazil, which provides tax benefits for exporting companies.

All in all, the reported Net Profit in the fourth quarter was €40.2 million (+17.0% vs 4Q22) bringing the cumulative Net Profit to December 2023 to €141.0 million (+1.1% vs 2022).

Investment

A total of €77.5 million was invested in 2023, significantly below the €125.6 million in 2022 in response to a slower growth environment. Projects during the year included recurring maintenance investments, the progress on the construction of a new cellulose and collagen-converting plant in Thailand, and investments in the converting phase in the Czech Republic.

The breakdown by type of investment in 2023 is as follows:

- 16% of the investment was earmarked for investments in capacity and machinery.

- 3% of the investment was earmarked for process improvements and new technology.
- 26% of the investment was earmarked for improvements in sustainability, including energy equipment and the optimisation of the installations in terms of security, hygiene, and protecting the environment.
- The remaining 55% was spent on ordinary investments.

At year-end 2023, the investment commitments are €28.9 million compared to €4.2 million at year-end 2022.

Dividends and Shareholder remuneration

The Board of Directors of the Viscofan Group has resolved to propose to the General Shareholders' Meeting a profit distribution equivalent to a remuneration of €3.00 per share. Of which €2.00 per share - corresponding to the distribution of 65.6% of net profit - is of an ordinary nature, and €1.00 per share is of an extraordinary nature after completion of the first half of the Beyond25 strategic plan with higher-than-expected operating cash flows. Shareholder remuneration consists of:

- An interim dividend of €1.40 per share (paid on 20 December 2023).
- The proposed ordinary final dividend of €0.59 per share and extraordinary final dividend of €1.00 per share under the optional dividend system in cash or shares "Viscofan Flexible Remuneration" in a lump sum payment expected in June 2024.
- A bonus of €0.01 per share for attending the General Shareholders' Meeting.

The proposed total and ordinary distribution are 53.8% and 2.6% higher than the previous year's remuneration of €1.95 per share, respectively.

Equity

The Group's equity at year-end 2023 amounts to €957.8 million, 5.6% higher than at the end of the previous year, mainly due to the higher net profit for the current year and the increase in reserves due to the distribution of the net profit for the previous year.

Treasury shares

At 31 December 2023, the company had 419,095 treasury shares, representing 0.90% of the voting rights valued at €21.7 million.

During the 2023, 15,389 treasury shares were delivered to Viscofan employees within the framework of the company's variable remuneration plans. Also in 2023, the Company acquired 112,800 treasury shares under the protection of the authorisation granted by the General Shareholders' Meeting on 27 April 2023.

At 31 December 2022, Viscofan, S.A. held a total of 321,684 treasury shares, representing 0.69% of its voting rights, for a value of €16.2 million.

Financial liabilities

The net bank debt[7] at year-end 2023 was €138.0 million, higher than the €101.3 million at year-end 2022 after payment of the interim dividend of €64.6 million in December 2023, and with a cash outflow in the year of €76.9 million for investments in tangible and intangible assets, €90.6 million for working capital and €6.3 million for treasury shares.

In addition, based on IFRS 16, which requires most non-cancellable operating leases to be recorded on the balance sheet as an asset for the right of use and a liability for the future amounts payable, the breakdown of Net Financial Debt is as follows:

[7] Net bank borrowings = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.

	`Dec 2023	`Dec 2022	*Change*
Net Bank Debt *	**137,963**	**101,264**	**36.2%**
Debts related to right-of-use assets	*11,541*	*10,490*	*10.0%*
*Other net financial liabilities***	*31,157*	*29,859*	*4.3%*
Net Financial Debt	**180,661**	**141,613**	**27.6%**

* Net bank debt = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.
** Other net financial liabilities consisting mainly of loans with an interest rate subsidised by entities like the CDTI and the Ministry of Economy, as well as debt with netted fixed asset providers for other current financial assets.

The net financial debt is the equivalent of 18.9% of the equity, with a leverage level that is sufficient to be able to attend to all Viscofan's liquidity needs.

Outlook for 2024

Viscofan expects to continue to achieve record results with growth in the main financial figures of revenues, EBITDA and net profit.

In this context, Viscofan expects to grow revenues by 3% to 5%, EBITDA by 8% to 12% and Net Profit by 10% to 15% in 2024, with an investment of around €65 million.

Corporate governance

Last December, Ms Carmen de Pablo Redondo, independent external director, resigned as a member of the Board of Directors of the Company and of its Audit Committee. To fill the vacancy left by Mrs de Pablo, and at the proposal of the Appointments, Remuneration and Sustainability Committee, the Board of Directors co-opted Verónica Pascual Boé as independent external director. Furthermore, Mr Andrés Arizkorreta García was appointed member of the Audit Committee to cover the vacancy of Ms de Pablo.

On 1 January 2024, the change from an executive to a non-executive chairmanship model and the appointment of a First Executive became effective. Consequently, Mr José Domingo de Ampuero y Osma resigned from his executive functions in the Company and in the Group, continuing his mandate as non-executive Chairman of the Board of Directors and, consequently, moving to the category of "other external directors". Mr José Antonio Canales García has also been appointed First Executive of Viscofan as at 1 January 2024.

Annex 1. Financial tables

Viscofan Group profit and loss account. 2023 ('000 €)

	Jan-Dec' 23	Jan-Dec' 22	*Change*
Revenues	**1,225,787**	**1,201,028**	**2.1%**
Other operating income	13,555	7,978	69.9%
Self-constructed assets	1,366	386	253.9%
Variation in stocks of finished products and work-in-progress	53,146	38,723	37.2%
Net purchases	-474,113	-428,030	10.8%
Personnel expenses	-270,086	-262,188	3.0%
Other operating expenses	-280,901	-290,966	-3.5%
Capital grants	131	200	-34.5%
Impairments	-308	1	c.s
Results coming from disposals of non-current assets	-177	41	c.s
Other results	0	0	n.s.
EBITDA	**268,400**	**267,173**	**0.5%**
EBITDA margin	*21.9%*	*22.2%*	*-0.3 p.p.*
Amortization and depreciation	-83,714	-78,147	7.1%
Operating profit	**184,686**	**189,026**	**-2.3%**
Operating profit margin	*15.1%*	*15.7%*	*-0.6 p.p.*
Financial incomes	846	1,194	-29.1%
Financial expenditures	-6,900	-1,370	403.6%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	-9,748	-5,044	93.3%
Impairment and results coming from disposals of financials assets	22	-17	c.s
Result from disposal of financial instruments	0	0	n.s.
Financial results	**-15,780**	**-5,237**	**201.3%**
Profit from associated companies	0	0	n.s.
Profit before taxes	**168,906**	**183,789**	**-8.1%**
Taxes	-27,944	-44,359	-37.0%
Profit after taxes from continued operations	**140,962**	**139,430**	**1.1%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	**140,962**	**139,430**	**1.1%**
a) Net profit attributable to the parent comany	140,962	139,430	1.1%
b) Net profit attributable to minority interests	0	0	n.s.

Viscofan Group profit and loss account. 4Q23 ('000 €)

	Oct-Dec' 23	Oct-Dec' 22	*Change*
Revenues	**299,579**	**327,669**	**-8.6%**
Other operating income	6,199	523	1085.3%
Self-constructed assets	1,062	106	901.9%
Variation in stocks of finished products and work-in-progress	5,294	8,162	-35.1%
Net purchases	-110,480	-119,338	-7.4%
Personnel expenses	-64,648	-66,470	-2.7%
Other operating expenses	-60,916	-74,169	-17.9%
Capital grants	33	47	-29.8%
Impairments	-287	23	c.s
Results coming from disposals of non-current assets	-71	2	c.s
Other results	0	0	n.s.
EBITDA	**75,765**	**76,555**	**-1.0%**
EBITDA margin	*25.3%*	*23.4%*	*1.9 p.p.*
Amortization and depreciation	-21,571	-20,352	6.0%
Operating profit	**54,194**	**56,203**	**-3.6%**
Operating profit margin	*18.1%*	*17.2%*	*0.9 p.p.*
Financial incomes	363	271	33.9%
Financial expenditures	-1,837	-373	392.5%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	-6,388	-10,614	-39.8%
Impairment and results coming from disposals of financials assets	22	-17	c.s
Result from disposal of financial instruments	0	0	n.s.
Financial results	**-7,840**	**-10,733**	**-27.0%**
Profit from associated companies	0	0	n.s.
Profit before taxes	**46,354**	**45,470**	**1.9%**
Taxes	-6,189	-11,138	-44.4%
Profit after taxes from continued operations	**40,165**	**34,332**	**17.0%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	**40,165**	**34,332**	**17.0%**
a) Net profit attributable to the parent comany	40,165	34,332	17.0%
b) Net profit attributable to minority interests	0	0	n.s.

Consolidated balance sheets ('000 €) - ASSETS

	Dec'23	Dec '22	*Change*
Intangible assets	20,562	20,886	-1.6%
Goodwill	3,605	3,237	11.4%
Others intangible asset	16,957	17,649	-3.9%
Tangible assets	567,718	571,824	-0.7%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	0	0	n.s.
Non-current financial assets	7,561	4,344	74.1%
a) At fair value through profit and loss	4,273	1,521	180.9%
Of which "Designated upon initial recognition"	4,273	1,521	180.9%
b) At fair value with changes in other comprehensive income	0	0	n.s.
Of which "Designated upon initial recognition"	0	0	n.s.
c) At amortized cost	3,288	2,823	16.5%
Non-current derivatives	0	342	n.s.
Cash flow hedges	0	342	n.s.
Others	0	0	n.s.
Deferred tax assets	47,645	29,519	61.4%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	**643,486**	**626,915**	**2.6%**
Non-current assets held for sale	0	0	n.s.
Inventories	442,892	381,788	16.0%
Trade and other receivables	263,894	282,439	-6.6%
Trade debtors	220,786	233,558	-5.5%
Other debtors	39,459	42,741	-7.7%
Current tax assets	3,649	6,140	-40.6%
Current financial assets	911	1,582	-42.4%
a) At fair value through profit and loss	759	736	3.1%
Of which "Designated upon initial recognition"	759	736	3.1%
b) At fair value with changes in other comprehensive income	0	0	n.s.
Of which "Designated upon initial recognition"	0	0	n.s.
c) At amortized cost	152	846	-82.0%
Current derivatives	4,330	3,476	24.6%
Cash flow hedges	4,330	3,214	34.7%
Others	0	262	n.s.
Other current assets	0	0	n.s.
Cash and cash equivalents	51,996	51,193	1.6%
CURRENT ASSETS	**764,023**	**720,478**	**6.0%**
TOTAL ASSETS	**1,407,509**	**1,347,393**	**4.5%**

Consolidated balance sheets ('000 €) - EQUITY AND LIABILITIES

	Dec'23	Dec '22	*Change*
Share capital	32,550	32,550	0.0%
Share issue premium	12	12	0.0%
Reserves	915,655	865,485	5.8%
Treasury shares	-21,671	-16,181	33.9%
Profit for previous years	0	0	n.s.
Received from associates	0	0	n.s.
Net profit of the period attributable to the parent company	140,962	139,430	1.1%
Less: Interim dividend	-64,563	-64,644	-0.1%
Other equity instruments	3,905	1,388	181.3%
SHAREHOLDER'S FUNDS	**1,006,850**	**958,040**	**5.1%**
Items that are not reclassified to profit or loss for the period	0	0	n.s.
Equity instruments through other comprehensive income	0	0	n.s.
Others	0	0	n.s.
Items that may subsequently be reclassified to profit or loss for the period	-49,078	-51,170	-4.1%
Hedge transactions	2,026	2,558	-20.8%
Currency translation differences	-51,104	-53,728	-4.9%
Share in other comprehensive income for investments in joint ventures and others	0	0	n.s.
Debt instruments at fair value through other comprehensive income	0	0	n.s.
Others	0	0	n.s.
ACCUMULATED OTHER COMPREHENSIVE INCOME	**-49,078**	**-51,170**	-4.1%
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	**957,772**	**906,870**	**5.6%**
Non-controlling interests	0	0	n.s.
EQUITY	**957,772**	**906,870**	**5.6%**
Grants	806	800	0.8%
Non-current provision	25,959	22,308	16.4%
Non-current financial liabilities	50,833	54,492	-6.7%
Bank debt	31,118	34,500	-9.8%
Other financial liabilities	19,715	19,992	-1.4%
Deferred tax liabilities	32,830	19,879	65.1%
Non-current derivatives	0	3	n.s.
Cash flow hedges	0	0	n.s.
Others	0	3	n.s.
Other non-current liabilities	0	17,302	n.s.
NON-CURRENT LIABILITIES	**110,428**	**114,784**	**-3.8%**
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	26,228	26,201	0.1%
Current financial liabilities	182,735	139,897	30.6%
Bank debt	158,841	117,957	34.7%
Other financial liabilities	23,894	21,940	8.9%
Trade and other payable accounts	130,303	159,191	-18.1%
Trade creditors	83,630	99,698	-16.1%
Other creditors	41,890	43,283	-3.2%
Current tax liabilities	4,783	16,210	-70.5%
Current derivatives	43	450	-90.4%
Cash flow hedges	43	450	-90.4%
Others	0	0	n.s.
Other current liabilities	0	0	n.s.
CURRENT LIABILITIES	**339,309**	**325,739**	**4.2%**
TOTAL EQUITY AND LIABILITIES	**1,407,509**	**1,347,393**	**4.5%**

Cash flow statement ('000 €)

	Jan-Dec' 23	Jan-Dec' 22	*Change*
Cash flows from operating activities	**145,710**	**120,729**	**20.7%**
Profit for the year before tax	**168,906**	**183,789**	**-8.1%**
Adjustments in results	**100,903**	**89,159**	**13.2%**
Amortisation and depreciation	83,714	78,148	7.1%
Others adjustments in results(net)	17,189	11,011	56.1%
Changes in working capital	**-90,646**	**-106,103**	**-14.6%**
Other cash flows from operating activities	**-33,453**	**-46,116**	**-27.5%**
Interest paid	6,900	0	n.s.
Dividend paid and other payments from others equity instruments	2,346	0	n.s.
Dividends received	0	0	n.s.
Interests received	-846	0	n.s.
Proceeds/ (payments) from income tax	-41,223	-44,012	-6.3%
Proceeds/(payments) from operating activities	-630	-2,104	-70.1%
Cash flows from investing activities	**-75,122**	**-113,949**	**-34.1%**
Investment payments	**-77,126**	**-115,566**	**-33.3%**
Group companies, associated & business units	0	0	n.s.
Acquisition of property, plant and equipment and intangible assets	-77,126	-115,566	-33.3%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Cash from disposals	**1,158**	**423**	**173.8%**
Group companies, associated & business units	0	0	n.s.
Disposal of property, plant and equipment and intangible assets	1,158	423	173.8%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Other cash flows from investing activities	**846**	**1,194**	**-29.1%**
Dividends received	0	0	n.s.
Interest received	846	1,194	-29.1%
Proceeds/(Payments) from interrupted operations	0	0	n.s.
Cash flows from financing activities	**-70,716**	**-48,455**	**45.9%**
Proceeds and payments from equity instruments	**-6,264**	**-12,231**	**-48.8%**
Proceeds from issue of stock	0	0	n.s.
Cancellation and payments	0	0	n.s.
Acquisition	-6,264	-12,231	-48.8%
Disposal	0	0	n.s.
Proceeds and payments from financial liabilities instruments	**38,408**	**58,902**	**-34.8%**
Proceeds from issue of financial liabilities instruments	156,365	108,636	43.9%
Refund, cancellation and payments	-117,957	-49,734	137.2%
Dividends paid and others payments from others equities instruments	**-89,508**	**-84,517**	**5.9%**
Others cash flows from financing activities	**-13,352**	**-10,609**	**25.9%**
Interest paid	-6,275	-1,569	299.9%
Others proceeds /(payments) from financing activities	-7,077	-9,040	-21.7%
Effect of foreign exchange rate changes on collections and payments	**931**	**1,516**	**-38.6%**
Net increase (decrease) in cash and cash equivalents	**803**	**-40,159**	**c.s.**
Cash and cash equivalents at the begining of the period	**51,193**	**91,352**	**-44.0%**
Cash and cash equivalent at the end of the period	**51,996**	**51,193**	**1.6%**

Reporting exchange rates (Currency/€)

Average exchange rates (Currency/€)

	2023	2022	% Change
Euro	1.000	1.000	0.0%
US Dollar	1.082	1.054	-2.6%
Canadian Dollar	1.460	1.370	-6.1%
Mexican Peso	19.195	21.203	10.5%
Brazilian real	5.403	5.439	0.7%
Czech crown	24.002	24.560	2.3%
British Pound	0.870	0.853	-2.0%
Serbian Dinar	117.249	117.464	0.2%
Chinesse yuan remminbi	7.634	7.071	-7.4%
Uruguayan Peso	41.902	43.444	3.7%
Australian Dollar	1.628	1.517	-6.8%
New Zealand Dollar	1.761	1.659	-5.8%
Thai baht	37.630	36.862	-2.0%

End year (Currency/€)

Dec 23	Dec 22	% Change
1.000	1.000	0.0%
1.105	1.067	-3.5%
1.464	1.444	-1.4%
18.667	20.856	11.7%
5.350	5.565	4.0%
24.725	24.115	-2.5%
0.869	0.887	2.0%
117.174	117.322	0.1%
7.859	7.423	-5.6%
43.119	42.740	-0.9%
1.616	1.574	-2.6%
1.743	1.684	-3.4%
37.973	36.835	-3.0%

Annex 2. Alternative Performance Measures

The Viscofan Group has included in this report various Alternative Performance Measures (hereinafter APMs), as established in APM Guidelines published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es) and adopted by the National Securities Market Commission (the CNMV).

This involves a series of measures designed using the financial information of Viscofan, S.A. and its subsidiary companies, and they are complementary to the financial information drawn up in agreement with International Financial Reporting Standards (IFRS). Under no circumstance should they be assessed separately or considered a substitute.

They are measures used internally in decision-making processes and which the Board of Directors decides to report externally if it believes they provide additional information that is useful in the analysis and assessment of the Viscofan Group's results and its financial situation.

The APMs included in this report are as follows:

- The EBITDA, or operating income before depreciation and amortisation, is calculated excluding depreciation and amortisation 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.

- Consumption costs: This is calculated as the net amount of supplies plus the change in finished and unfinished products. Management monitors consumption costs as one of the main cost components for Viscofan. The weight of net income for this cost component on income or gross margin is also analysed to study the operating margin's development. However, it is not a defined indicator in IFRS and consumption costs 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 income and EBITDA: This measure excludes the impact of exchange rate movements compared to the previous comparable period and non-recurring business results in order to present a like-for-like comparison of the Viscofan Group's performance. However, like-for-like income 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.

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You can consult all the information on the results on the Viscofan Group website.

Legal warning

This document may contain forward-looking statements regarding the Company's intentions, expectations or forecasts as of the date hereof that are additional to the mandatory financial information and are intended solely to provide more detailed information about the prospects for future performance.

Such intentions, expectations or projections are not guarantees of performance and involve risks, uncertainties and other important factors that could cause actual developments and results to differ materially from those set forth in such intentions, expectations or projections.

This should be borne in mind primarily by all persons or entities that may have to make decisions or prepare or disseminate opinions regarding securities issued by the Company and, in particular, by analysts and investors dealing with this document.

The financial information contained in this document has been prepared under International Financial Reporting Standards (IFRS). This financial information has not been audited and is, therefore, subject to potential future changes.