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

V. Notes to the financial statements of the Viscofan Group in the period from January to June 2024

1. Description and main activities

Viscofan, S.A. (hereinafter the Company or the parent) was incorporated with limited liability on October 17, 1975 as Viscofan, Industria Navarra de Envolturas Celulósicas, S.A. At a meeting held on June 17, 2002 the shareholders agreed to change the name of the Company to the current one. Its central offices and registered address are located in "Polígono Industrial Berroa", Calle Berroa nr. 15, 4ª planta, 31192 - Tajonar (Navarre).

For the purposes of the provisions of Articles 73 et seq. in relation to Article 71 of Law 3/2009, of April 3, on structural modifications of companies, the Board of Directors of Viscofan, S.A. and the Board of Directors of Viscofan España, S.L.U., on February 25, 2021, proceeded to draw up and sign a joint spin-off plan by virtue of which the Company spun off a portion of its equity that constitutes an autonomous economic unit and transferred it in bloc, by universal succession, to Viscofan España S.L.U.

Until the spin-off project and contribution of the branch of activity described, the principal activity consisted in the manufacture, distribution and selling of all type of casings and films for food and bioengineering uses and the production of electric energy for sale to third parties through co-generation systems. As of the main segregation project, the following corresponds to the acquisition, tenure, use, general administration, and disposal of all kinds of transferable securities and securities.

The Company is also the parent company of a group of companies (the Viscofan Group or Group) that carry out their core business in the fabrication, distribution and selling of all types of casings and films for food applications; products based on collagen for food and bioengineering use; and the production of electric energy for sale to third parties through co-generation systems.

All the shares of Viscofan, S.A. have been listed since 1986 and are traded on the continuous market.

The Group's Consolidated Financial Statements for 2023 were prepared on February 29, 2024 and approved by the General Shareholders' Meeting held on April 18, 2024.

The interim condensed consolidated financial statements for the first half of 2024 have not been audited.

2. Basis of presentation

The individual accounts for first half of 2024 were prepared in accordance with the provisions contained in the NPGC approved by RD 1514/2007 to give a true and fair view of the equity and financial situation of Viscofan, S.A. as well as the results of its operations, cash flows and changes in equity for the period then ended.

The consolidated interim financial statements, corresponding to the six-month period ended 30 June 2024, were prepared based on the Viscofan, S.A. accounting records and on the companies included in the Group and are presented in accordance with IAS 34 on Interim Financial Reporting.

In accordance with the provisions of IAS 34, the interim financial report is prepared solely with the intention of updating the content of the Group's latest consolidated annual accounts, highlighting new activities, events and circumstances occurring during the half-year and not duplicating the information previously published in the consolidated annual accounts for financial year 2023. In this sense, to properly understand the information included in these interim consolidated financial statements, the latter must be read in conjunction with the consolidated annual accounts for the Group for the year ended 31 December 2023.

The consolidated accounts for the first half of 2024, were prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), in order to give a true and fair view of the consolidated equity and financial position of Viscofan, S.A and subsidiaries and their consolidated operation results, consolidated cash flows and the changes in the equity for the period ended 30 June 2024.

The accountable criteria have been applied consistently for the year ended December 31, 2023.

New and modified accounting standards

In the interim period, the following rules, modifications and interpretations applicable to all fiscal years beginning on January 1, 2024 have come into force:

- IAS 1 (Modification) "Classification of liabilities as current or non-current"
- IFRS 16 (Modification) "Lease liability in a sale and leaseback"
- IAS 1 (Modification) "Non-current liabilities with conditions ("covenants")"
- IAS 7 and IFRS 7 (Modification) "Supplier financing agreements"

These modifications have not had significant impacts on the Group's Consolidated Financial Statements.

Comparison of information

Comparative information in the interim financial statements refers to the six-month periods ended June 30, 2024 and 2023, except for the consolidated statement of financial position which compares information at June 30, 2024 and at December 31, 2023.

Prior-period error corrections

There were no corrections recorded for prior-period errors.

Relevant accounting estimates, assumptions, and judgements used when applying accounting policies

The preparation of interim financial statements in conformity with EU-IFRS requires Group directors to carry out relevant accounting estimates and making judgments and hypotheses in the process of applying accounting policies. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under current circumstances. These estimates are indicated in the notes, 3 and 4 of the Notes to the Consolidated Financial Statements for the year ended 31 December 2023. The main items are referred to:

- Taxes.
- Pension benefits.
- Provisions for litigation and contingent assets and liabilities.
- Fair value of share-based remuneration.
- Assessment of possible impairment losses on certain assets and goodwill.
- Useful life of property, plant, and equipment and intangible assets
- Measurement of derivative financial instruments

Reporting currency

Interim financial statements have been expressed, unless otherwise indicated, in thousand euros.

3. Changes in the scope of consolidation

During the interim period, the company Jupiter PTY Ltd in Australia has been deregistered from the company register, without significant impact on the Group's Consolidated Financial Statements.

4. Materiality

When determining the information to be disclosed in the notes to the interim financial statements regarding the various headings in the financial statements or other matters, the Group has considered their materiality with respect to the summarized interim consolidated financial statements, in accordance with IAS 34.

5. Seasonality or cyclicality of interim period transactions

The activity of the different companies integrated in the Viscofan Group is not subject to significant seasonality or cyclicality and therefore operating profits perform consistently in that time frame with the exception of increases in capacity that may occur in some interim period.

6. Segment reporting

As indicated in note 1, the Group is engaged in the manufacture, distribution, and marketing of all types of casings and films for food use. Additionally, at the Cáseda co-generation plant in Spain, Viscofan produces electrical energy with the objectives of: reducing the impact of energy costs, being self-sufficient, reducing CO_2 emissions into the atmosphere, and, where appropriate, selling the electrical surplus.

With the new Beyond25 strategic plan, the commercial and operational strategies have been reoriented, distinguishing sales of what has been called Traditional Business, which includes casings based on collagen, cellulose and fibrous technology, and sales of New Business, which includes plastic casings and the rest of the products and services, although the latter currently have a very small relative weight.

Therefore, the revenues obtained by the Viscofan Group can be grouped by nature into Traditional Business, New Businesses and Energy, although from a management information point of view, the activity is considered a mono-segment, being mainly casing sales.

Furthermore, Viscofan's business model is global, understood as products and services sold in a multitude of markets around the world that are generated by the assets held by the Group in different locations. In this

way, each production centre produces goods with a destination in different countries and markets. Sometimes, manufacturing sites produce semi-finished products, which are completed in other countries for subsequent sale to a third party, and this process often involves several geographic management regions.

To facilitate management and monitoring, four geographical regions have been established within the Beyond25 Plan: EMEA (comprising assets in Spain, Germany, Czech Republic, Serbia, Belgium, United Kingdom, France and Russia), North America (incorporating assets in Canada, Costa Rica, Mexico and the United States), APAC (comprising assets in Australia, China, India, Japan, New Zealand, and Thailand), and South America (comprising assets in Brazil and Uruguay).

Considering this business and management structure, sales are analysed by geographic region and, in any case, specific returns are analysed in a more concrete manner based on companies or assets analysed on a more individualised basis.

Given the Group's current organisational, production and management structure, the new Beyond25 strategic plan, and the information taken into account in decision-making by the highest decision-making body, the Group's management considers that, in accordance with IFRS 8, the segment that carries out business activities that may generate revenue and incur expenses is unique: the sale of casings and films for food use.

However, from a commercial point of view, emphasis is placed on geographic areas and sales breakdown by traditional business, new businesses and energy, as broken down below:

	Thousand euros						
30/06/2024	**Spain**	**Rest of EMEA**	**Asia Pacific**	**North America**	**South America**	**Eliminations and others**	**Consolidated**
Ordinary revenue from external customer	72,582	179,693	74,747	184,543	81,579	-	593,144
Ordinary revenue from other segments	80,512	149,609	907	58,227	20,692	-309,947	-
Total ordinary revenue	**153,094**	**329,302**	**75,654**	**242,770**	**102,271**	**-309,947**	**593,144**
Amortization expenses							**-42,228**
Financial income							**1,223**
Financial expenses							**-5,307**
Exchange differentes							**4,686**
Profit before taxes							**89,982**
Total assets	**469,715**	**453,340**	**159,923**	**448,658**	**208,059**	**-313,262**	**1,426,433**
Total liabilities	**325,852**	**163,122**	**45,925**	**250,901**	**45,066**	**-321,213**	**509,653**
Assets acquisitions	**6,778**	**4,996**	**3,994**	**6,731**	**1,487**	**-**	**23,986**

	Miles de euros						
30/06/2023	**Spain**	**Resto de EMEA**	**Asia Pacífico**	**North America**	**South America**	**Eliminations and others**	**Consolidated**
Ordinary revenue from external customer	88,195	185,777	73,453	189,703	91,462	-	628,590
Ordinary revenue from other segments	99,748	189,980	1,337	56,333	26,712	-374,110	-
Total ordinary revenue	**187,943**	**375,757**	**74,790**	**246,036**	**118,174**	**-374,110**	**628,590**
Amortization expenses							**-41,264**
Financial income							**310**
Financial expenses							**-2,940**
Exchange differentes							**-8,089**
Profit before taxes							**77,400**
Total assets	**432,402**	**489,016**	**150,913**	**468,595**	**233,950**	**-356,422**	**1,418,454**
Total liabilities	**257,192**	**203,437**	**43,785**	**270,125**	**42,460**	**-358,396**	**458,603**
Assets acquisitions	**4,193**	**5,611**	**3,061**	**4,444**	**2,045**	**-**	**19,354**

Revenue breakdown by nature

	30.06.24	30.06.23
Traditional business	495,867	506,824
New business	71,357	79,917
Energy	25,920	41,849
Consolidated	**593,144**	**628,590**

7. Capital changes in group companies

In the period from January to June 2024, the Company has increased the Share Capital of Viscofan (Thailand) Co. Ltd. for an amount of 3,601 thousand euros with the aim of providing the subsidiary with the necessary capital structure to build a new cellulose and collagen converting plant in Thailand with the objective of improving the service in the Southeast Asia, one of the markets with the highest future growth prospects.

8. Property, plant and equipment and intangible assets

In the first half of 2024 investments were made in property, plant and equipment and intangible assets for a total of 23,986 thousand euros (19,354 thousand euros in the first half of 2023).

The main investment projects in the year 2024 are the construction of a cellulose and collagen converting plant in Thailand to improve service to Southeast Asia, investments within the decarbonization and energy efficiency strategy, environmental investments, and recurring plant investments.

As a result of the investment plan, at the end of June 2024, there are commitments to acquire property, plant, and equipment, and intangible assets for an amount of 23,362 thousand euros (28,936 thousand euros on 31 December 2023).

The consolidated Group has taken out insurance policies to cover the risks to which property, plant and equipment, and intangible assets are subject. The coverage of these policies is considered sufficient.

Acquisitions, disposals or other uses of property, plant, and equipment

There were no significant acquisitions, sale, or disposals through other uses of property, plant, and equipment in the interim reporting period.

Write-downs to property, plant and equipment, intangible assets, and other non-current assets

There were no significant write-downs to property, plant and equipment, intangible assets, or other non-current assets in the current period.

9. Inventories

The breakdown for "Inventories" on June 30, 2024 and December 31, 2023 is as follows:

A breakdown by currency is as follows:

	Euros	US Dollars	Czech Crown	Brazilian Real	Mexican Peso	Chinese Yuan	Other currencies	*Total carrying amount*
30/06/2024	3,502	14,046	14	13,411	4,018	9,224	7,047	***51,262***
31/12/2023	15,811	13,036	9	6,826	2,203	9,282	4,829	***51,996***

12. Equity

The composition and movement in Equity of the Viscofan Group at June 30, 2024 and 2023 has been set out in the present half-yearly financial report in part IV, Selected Financial Information.

Share capital

On June 19, 2024, the share capital reduction and increase deeds resulting from the first execution of the flexible dividend approved by the General Shareholders' Meeting on April 18, 2024 have been registered in the Navarre Mercantile Registry. Both the share capital figure and the number of shares that represent it remain unchanged.

At June 30, 2024 the parent's share capital consisted of 46,500,000 registered ordinary shares with a par value of 0.70 euros each, fully subscribed and paid in. The total value of capital amounts to 32,550 thousand euros.

All shares bear the same political and economic rights and are admitted to official listing on the Spanish Stock Exchange Interconnection System (SIBE). There are no restrictions on the free transferability of these.

Dividends paid in the January-June period 2024

Considering the financial strength and the expected expansion of future cash flows, the Board of Directors approved to submit to the General Meeting of Shareholders, and this has approved in April 2024, a total remuneration of at least €3.00 per share charged to fiscal year 2023, an increase of 53.8% in shareholder remuneration compared to the previous year.

In this way, Viscofan paid out an interim dividend of €1.40 per share in December 2023, together with the €0.596 ordinary final dividend and €1.00 extraordinary final dividend paid within the framework of the optional dividend system in cash or in shares "Viscofan Flexible Remuneration" approved by the General Meeting of Shareholders on April 18, 2024.

Thus, Viscofan has paid €33.2 million (€1.596 per share) in June as a Final Dividend to all shareholders who have chosen to receive their remuneration in cash. For remuneration through the delivery of shares, Viscofan has carried out an increase in the Share Capital of 675,954 shares for a unit nominal value of €0.70, and because of the above, a capital reduction has been carried out through the amortization of 675,954 treasury shares and for the same nominal amount to avoid dilution of shareholders who have not attended the capital increase.

Likewise, the company distributed €0.01 per share as a bonus for attendance at the General Shareholders' Meeting held in April 2024.

Issues, buybacks and redemptions of the Company's debt securities or equity securities

In this period, the Company has acquired, using the powers granted by the General Shareholders' Meeting, a total of 1,067,838 treasury shares.

Within the framework of the flexible remuneration program approved by the General Shareholders' Meeting, the Company has received 37,138 treasury shares. Within this program, all shares have been delivered through a share capital increase of 675,954 shares, and a capital reduction has been carried out through the amortization of 675,954 treasury shares to avoid the dilution of shareholders who have not resorted to the capital increase.

Likewise, during the interim period of 2024, 12,740 treasury shares have been delivered to Viscofan personnel within the framework of the company's variable remuneration plans.

Thus, at 30 June 2024, Viscofan S.A. held 835,377 treasury shares representing 1.80% of the voting rights for a value of 43,002 thousand euros.

At 31 December 2023, Viscofan S.A. held 419,095 treasury shares representing 0.90% of the voting rights for a value of 21,671 thousand euros.

The companies in the Viscofan Group have not issued, bought back, or redeemed any debt securities.

13. Current and non-current provisions

The breakdown of these headings of the Consolidated Statement of Financial Position is as follows:

	Thousands of euros	
	30/06/2024	31/12/2023
Defined benefit	17,273	17,266
Other employee benefits	11,644	8,650
Total non-current provisions	**28,960**	**25,959**
Provisions for guarantees / returns	3,703	3,742
Provisiones for labour risks	181	163
Provisions for emission rights	27,564	21,933
Others	3,326	390
Total current provisions	**34,774**	**26,228**

The Group has several defined benefit plans. The most relevant plans are in Germany and in the United States.

The actuarial assumptions used in the interim period have not changed with respect to December 31, 2023 and are described in note 14 of the consolidated annual report. In addition, during the interim period ended June 30, 2024, there have been no significant changes in the assets allocated to the USA plans. In the case of Germany there are no plan assets.

Conversely, during the first half of 2024 no significant litigation involved the Group, see Section 18. Contingent assets and liabilities included in these Notes to the financial statements.

The provision corresponding to emission rights includes the estimated consumption of emission rights valued in accordance with the valuation standard described in Note 4.16 of the Consolidated Annual Report as of December 31, 2023.

In the current period there were not relevant provisions linked with restructuring costs.

14. Trade, other payables, and other current liabilities

The breakdown of "Trade, other payables and other current liabilities" is as follows:

	Thousands of euros	
	30/06/2024	31/12/2023
Suppliers	36,033	43,578
Amounts owed for services received	48,715	36,461
Customer advances	3,924	3,613
Remuneration pending payment	18,800	18,058
Public Administration	15,953	23,810
Final balance	**123,425**	**125,520**

The breakdown by currency is as follows:

	Euros	US Dollar	Czech Crown	Brazilian Real	Mexican Peso	Chinese Yuan	Other currencies	*Total carrying amount*
30/06/2024	63,592	25,795	4,922	8,023	5,953	3,498	11,642	***123,425***
31/12/2023	63,660	22,786	4,591	8,140	9,107	4,260	12,976	***125,520***

15. Non-current and current financial liabilities

The breakdown of non-current and current financial liabilities, taking into account discounted contractual maturities at June 30, 2024, is as follows:

	Thousands of euros					
	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	*Total carrying amount*	*Total fair value*
Bank borrowings	162,870	29,973	54,756	0	*247,599*	*247,599*
Accrued interest payable	949	11	0	0	*960*	*960*
Lease payments	677	3,312	7,125	532	*11,646*	*11,646*
Other financial liabilities	2,707	1,982	7,561	6,567	*18,817*	*18,817*
Measured at amortization cost	*2,707*	*1,982*	*7,561*	*6,567*	*18,817*	*18,817*
Total at June 30, 2024	**167,203**	**35,278**	**69,442**	**7,099**	***279,022***	***279,022***

The breakdown of non-current and current financial liabilities, taking into account discounted contractual maturities at December 31, 2023, is as follows:

	Thousands of euros					
	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	*Total carrying amount*	*Total fair value*
Bank borrowings	102,180	56,285	31,118	0	*189,583*	*189,583*
Accrued interest payable	374	1	0	0	*375*	*375*
Lease payments	442	4,245	6,418	436	*11,541*	*11,541*
Other financial liabilities	11,403	7,804	7,373	5,489	*32,069*	*32,069*
Measured at amortization cost	*11,403*	*7,804*	*7,373*	*5,489*	*32,069*	*32,069*
Total at December 31, 2023	**114,399**	**68,335**	**44,909**	**5,925**	***233,568***	***233,568***

As of June 30, 2024, the amount in "Bank borrowings" includes the loans signed to change part of its traditional financing into sustainable financing, whose interest rate are linked to the evolution of indicators with an annual period review.

The established sustainability parameters are the reduction of CO_2 emissions, the reduction of m^3 of water withdrawal and the reduction of tons of waste elimination, all of them referenced to km of casings produced.

As we see in the previous tables, the carrying amount of financial liabilities matches with the fair value as the long-term debt corresponds to financing obtained in recent years under similar conditions to those currently obtainable in the market.

The carrying amounts of the Group's Financial Liabilities are denominated in the following currencies:

	Euros	US Dollar	Czech Crown	Brazilian Real	Mexican Peso	Chinese Yuan	Other currencies	*Total fair value*
30/06/2024	244,840	10,607	1,946	285	607	503	20,234	***279,022***
31/12/2023	202,486	7,727	1,349	111	422	1,068	20,405	***233,568***

Default or other loan agreement non-compliance not yet corrected on the balance sheet

The Viscofan Group has satisfactorily paid all the amounts of its financial debt already due, so that as of June 30, 2024 there was no amount included in the composition of the financial debt balance whose contractual maturity had taken place prior to the aforementioned date. In addition, none of the companies in the Viscofan Group had failed to comply with any financial obligations as of that date.

16. Derivative financial instruments

The detail of the balances at 30 June 2024 and at 31 December 2023 comprising the valuation of the derivative financial instruments is as follows:

	Thousands of euros			
	Measured at fair value			
	With changes in P&L	With changes in OCI	*Carrying amount*	*Total fair value*
Non-current derivatives	0	0	*0*	*0*
Current derivatives	216	368	*584*	*584*
Total financial assets at June 30, 2024	**216**	**368**	***584***	***584***
Non-current derivatives	0	0	*0*	*0*
Current derivatives	-603	-222	*-825*	*-825*
Total financial liabilities at June 30, 2024	**-603**	**-222**	***-825***	***-825***

	Thousands of euros			
	Measured at fair value			
	With changes in P&L	With changes in OCI	*Carrying amount*	*Total fair value*
Non-current derivatives	0	0	*0*	*0*
Current derivatives	782	3,548	*4,330*	*4,330*
Total financial assets at December 31, 2023	**782**	**3,548**	***4,330***	***4,330***
Non-current derivatives	0	0	*0*	*0*
Current derivatives	-43	0	*-43*	*-43*
Total financial liabilites at December 31, 2023	**-43**	**0**	***-43***	***-43***

Derivatives are only used for economic hedging purposes and not as speculative investments. However, when derivatives do not meet the test to be treated as accounting hedges, they are classified as "held for trading" for accounting purposes and are carried at fair value through profit and loss. They are presented as current assets or liabilities to the extent that they are expected to be settled within 12 months after the end of the reporting period.

17. Tax situation

The effective tax rate from the consolidated income statement for the interim period stood at 23.5%, compared with 18.8% in the same period of the previous year.

The difference between the theoretical tax rate for 2024 (28%) and the effective tax rate (23.5%) is basically due to the different taxes paid by non-resident subsidiaries in Navarre (Viscofan S.A. tax domicile) which pay tax in all of the countries in which they operate, applying the corporate (or similar) tax rate in force on profits for the period and tax allowances or tax credits associated with investments in Group companies.

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected by the tax authorities or the inspection period has elapsed, that in Spain is four years, nowadays. As of June 30, 2024, the Parent Company and the subsidiaries located in Spain have open to inspection all the main taxes that are applicable to them for the years that have not expired. The situation in the rest of the foreign subsidiaries is based on the law in force in their respective countries.

Due to the different possible interpretations of prevailing legislation, additional liabilities could be identified in the event of inspection. Nonetheless, directors of the parent company consider that any additional liabilities that might arise would not have a significant impact on these consolidated financial statements.

18. Contingent assets and liabilities

Viscofan S.A. and its Group companies are parties in various litigation cases or proceedings currently being heard in jurisdictional, administrative or arbitration bodies in the various countries where the Viscofan Group is present.

a) Contingent liabilities

As of June 30, there have been no significant changes in legal claims against Group companies (Note 14.3 of the consolidated report of the annual accounts for the year ended December 31, 2023) except for the following:

- In relation to the Brazilian subsidiary Viscofan do Brasil, there are legal claims of various kinds presented for an amount of 43,715 thousand BRL (7.3 million euros, 40,400 thousand BRL at December 31, 2023), of which only 196 thousand euros are classified as probable (175 thousand euros at December 31, 2023). There are sufficient accruals to cover this risk.

b) Contingent assets

In relation to contingent assets, at June 30 there have been no significant variations in the legal claims made by the Group companies against third parties (Note 14.3 of the consolidated report of the annual accounts for the year ended 31 December 2023) except for the following:

- In relation to the process initiated by the subsidiary Viscofan USA Inc. against the electric company Ameren Corporation, its continuity has been renounced.

19. Related-party transacions

The aggregate information on transactions with related parties has been set out in the present interim financial report in part IV, Selected Financial Information, sections 13 (Remuneration accrued by Directors and board members) and 14 (Related-party transactions).

20. Description of risks and uncertainties

Risk management is controlled by the Group in keeping with policies approved by the Board of Directors. The risk control system is described in section E. Risk management and control systems of the 2023 Annual Corporate Governance Report from the parent company, listing those risks that might affect the achievement of objectives, and response and supervision plans.

The Group's activities are exposed to various financial risks: exchange rate risk, credit risk, liquidity risk, interest rate risk in cash flows and fair value, as well as fuel price risk and emissions allowances price risk. The Group's global risk management program focuses on the uncertainty of the financial markets and tries to minimize the potential adverse effects on the Group's financial profitability. The Group uses derivatives to hedge some of the above risks.

Risk is managed by the Group in accordance with policies approved by the Board of Directors, with Audit Committee supervision, and is supported by several Committees composed by Viscofan Group employees.

Exchange rate risk

As the Group operates internationally, it is exposed to variations in exchange rates, particularly the US Dollar. The exchange rate risk arises from future commercial transactions, recognized assets and liabilities and net investments abroad.

The Group's risk management policy is to cover the net balance between collections and payments in currencies other than the functional currency that have the greatest net exposure. Therefore, forward currency contracts are formalized at the time the yearly budget is prepared; EBITDA forecasts for the following year are used as a basis, in addition to the degree of exposure, and the degree of risk the Group is willing to assume.

The following table shows the sensitivity of interim consolidated net profit to a possible change in the exchange rate of certain currencies of countries where the Group conducts business, keeping the rest of variables constant:

	Thousands of euros			
	30/06/2024		31/12/2023	
	+ 5%	- 5%	+ 5%	- 5%
US Dollar	7,838	-7,091	10,062	-10,945
Czech Crown	-830	751	-1,589	1,438
Brazilian Real	-1,287	1,164	-1,676	1,517
Chinese Yuan Renmibi	723	-654	1,476	-1,335

The following table shows the impact on consolidated equity of changes in the exchange rates of certain currencies of countries where the Group conducts business:

	Thousands of euros			
	30/06/2024		31/12/2023	
	+ 5%	- 5%	+ 5%	- 5%
US Dollar	13,471	-12,189	10,695	-8,847
Czech Crown	6,039	-5,464	3,903	-3,531
Brazilian Real	5,266	-4,764	3,367	-3,047
Chinese Yuan Renmibi	6,093	-5,513	5,274	-4,772

Credit risk

The Viscofan Group's main financial assets are cash balances, trade and other receivables, and investments, which represent the Group's maximum exposure to credit risk.

The Group's credit risk relates mainly to trade receivables. Amounts are reflected on the consolidated balance sheet net of insolvency provisions, estimated based on experiences gleaned from prior years, age, and valuation in the current economic environment. This would be the maximum amount of exposure to this type of risk.

There is no significant concentration of credit risk within the Group; its exposure is spread among different countries, many counterparties, and customers. No customers or associated group companies represented sales and receivable balances higher than 10% of total risk.

The Group has a credit policy, with exposure risk managed as part of its normal course of business. Credit evaluation of customers is performed in all cases where amounts exceed a set limit. It is habitual practice by Group companies to partially cover non-payment risk through contracting loan guarantee and sureties covering approximately 90% of each customer's balances. For countries at risk, coverage is reduced to 80%. In countries without insurance coverage, guarantees such as advances and deposits on account are mandatory.

Credit risk arising from liquid funds and derivative financial instruments is limited because counterparties are banking institutions with high credit ratings assigned by international agencies.

The Directors consider that at 30 June 2024 there were no significant assets that could be impaired with respect to their net carrying amount.

Liquidity risk:

The Group manages liquidity risk prudently, based on the maintenance of sufficient cash and marketable securities, the availability of financing through enough committed credit facilities and sufficient capacity to liquidate market positions. Given the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in financing through the availability of contracted credit lines.

In this regard, an adequate monthly monitoring of expected collections and payments to be made in the coming months is carried out, and any deviations from the cash flows expected in the month are analyzed to identify possible deviations that could affect liquidity.

For certain long-term loans, the Group must comply with a series of ratios calculated based on the consolidated financial statements. The failure to comply with these ratios would result in an increase in the financial cost and, as the case may be, in the event of early maturity of the contract. As of June 30, 2024, all the main ratios have been satisfactorily met and neither Viscofan, S.A. nor any of its significant subsidiaries is in default of its financial obligations or any type of obligation that could give rise to a situation of early maturity of its financial commitments.

During the interim period 2024 and fiscal year 2023, there have been no defaults or other non-payments of principal, interest or amortization related to debt with credit institutions. Likewise, no defaults are expected for the remainder of the 2024 financial year.

Interest rate risks in cash flows and fair value

The Group manages interest rate risk by maintaining a balanced portfolio of fixed and floating rate loans and credits.

The Group does not have significant remunerated assets.

The Company's exposure to interest rate risk change is mainly due to the loans and credit facilities received from financial entities at variable interest rates. In any case, the Viscofan Group's leverage is low.

In the period January-June 2024 the floating interest rates on loans are mainly linked to Euribor.

The Group is likewise exposed to changes in the interest rates used to calculate the pension plan obligations (Note 14 of the Notes to the Consolidated Financial Statements for the year 2023).

The following table shows the sensitivity of the profit before taxes to a possible 1% variation in discount and/or interest rates:

	Thousands of euros			
	Pension plans		Financial debt Euribor	
	30.06.24	31.12.23	30.06.24	31.12.23
+ 1%	-194	-399	-982	-1,902
- 1%	194	391	981	1,728

Fuel Price risk (gas and other oil derivatives)

The Viscofan Group is exposed to variations in the price of gas and other fuels used in producing its casings.

The Group policy is to set the prices for main fuels, through the arrangement of one-year-long contracts with suppliers, or by using hedging policies (Note 17.1 of the Notes to the Consolidated Financial Statements for the year 2023). It thus attempts to mitigate the impact on the Consolidated Income Statement of the variations in the price of the main fuels.

The following table reflects the sensitivity to a possible price fluctuation on 10% of operating result:

	Thousands of euros	
	30.06.24	31.12.23
+ 10%	-1,812	-8,461
- 10%	1,810	8,461

Emission rights price risk

The sensitivity to a possible variation in the average price of consumption of emission allowances by 10% in the operating profit would be:

	Thousands of euros	
	30.06.24	31.12.23
+ 10%	-844	-2,260
- 10%	844	2,260

21. Events after the interim balance sheet date

There are no significant events since the end of the interim period up to the date of approval of this report.