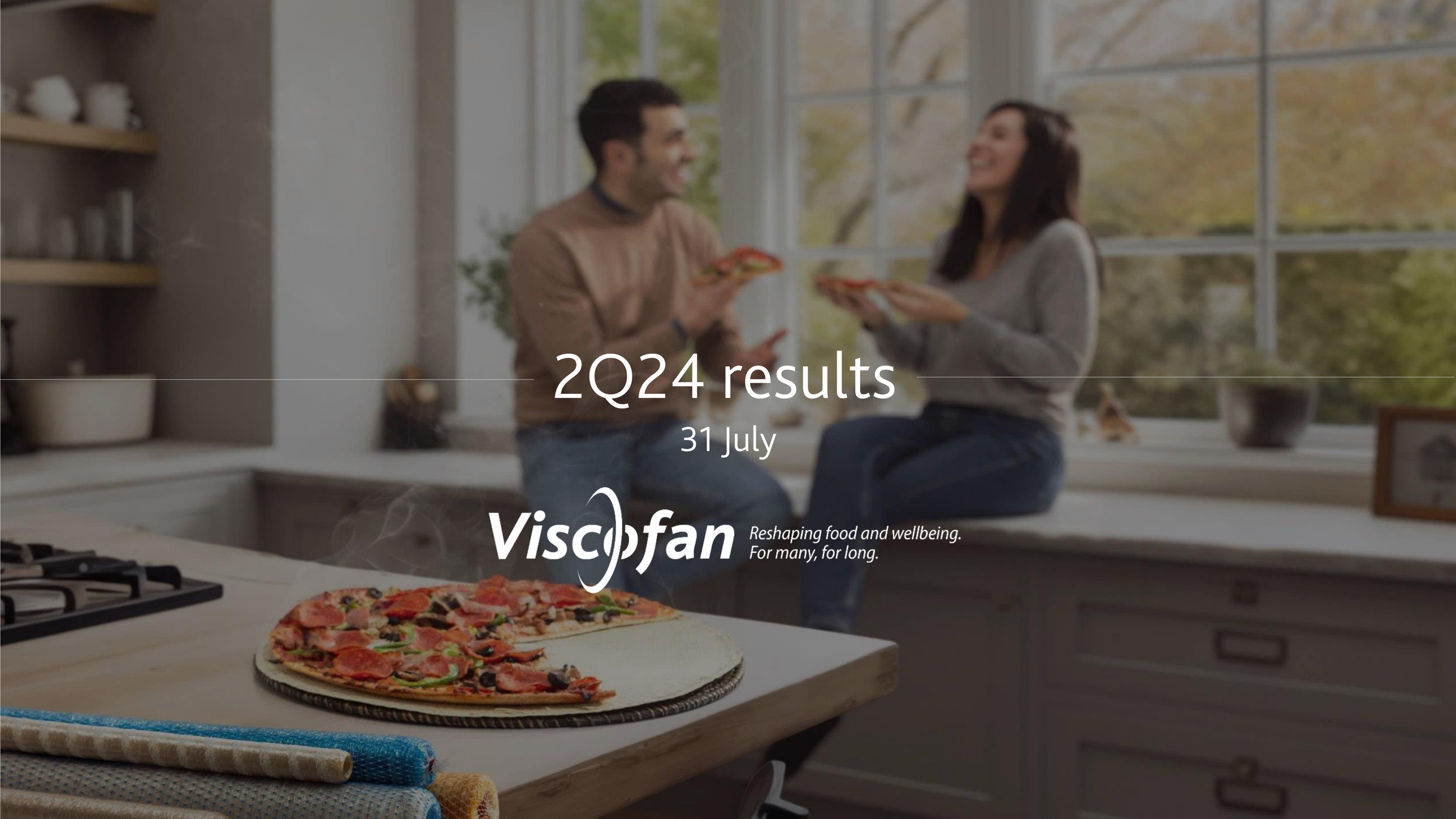


2Q24 results

31 July

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)

2Q24 results

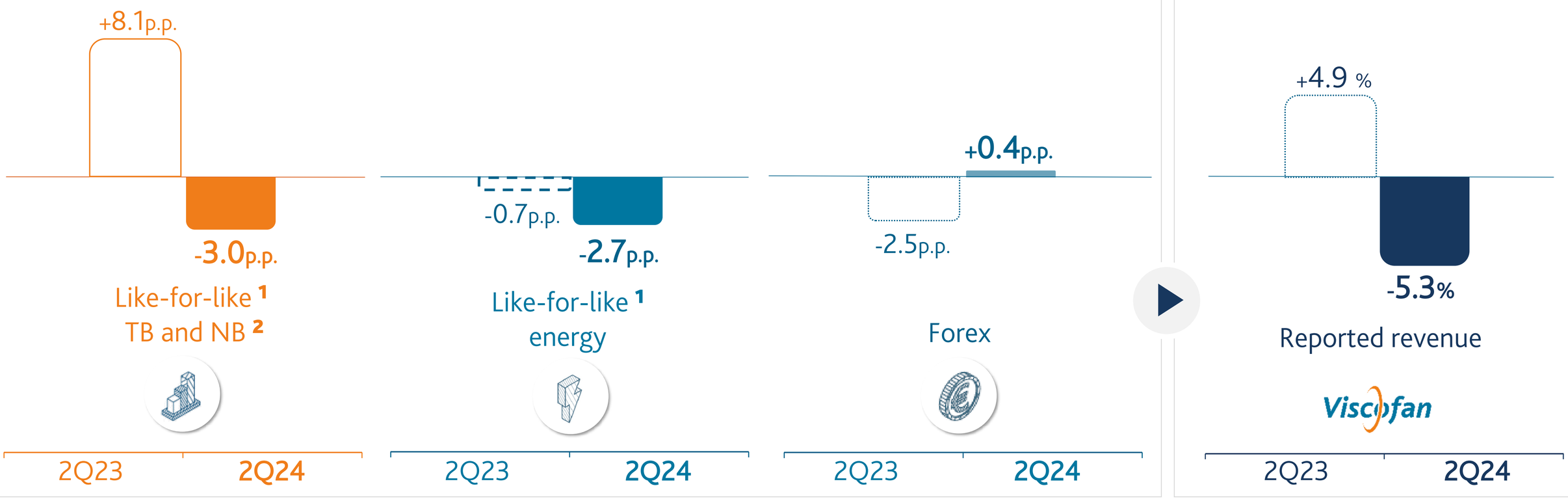
Highlights



Second quarter is still affected by the annual comparable base and lower energy sales

Second quarter revenue

Contribution to growth (p.p.)



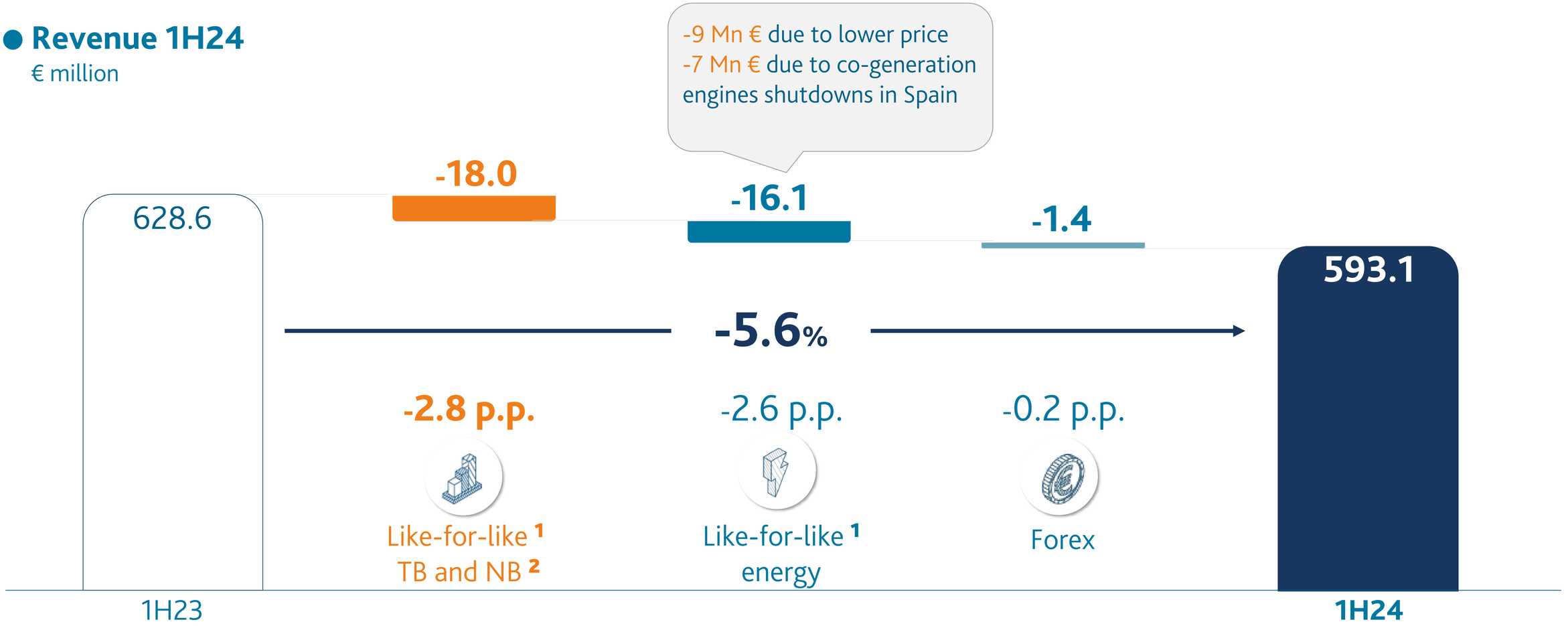
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024.

[2] TB: Traditional Business. NB: New Business.

Revenue drop in the first half

Lower than expected electricity sales due to more stoppages in co-generation engines

Revenue 1H24
€ million



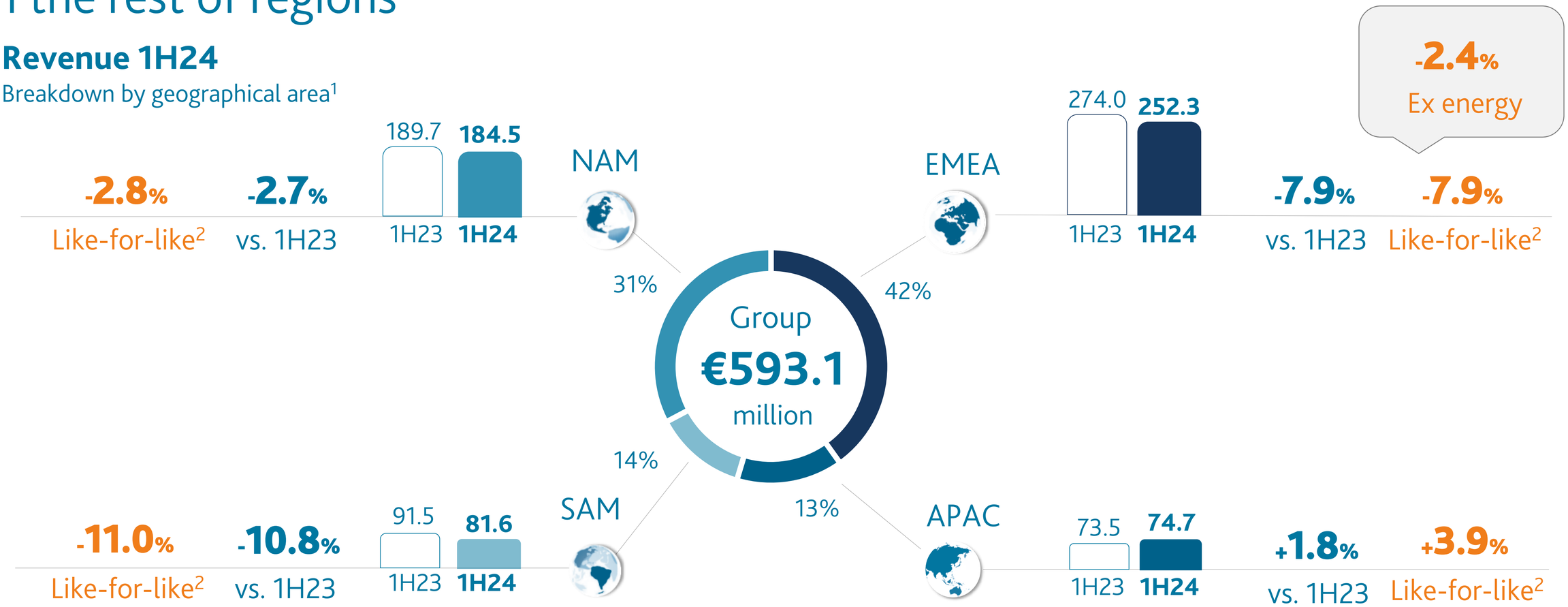
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024.
[2] TB: Traditional Business. NB: New Business.

Concluding the global market adjustment process

The sharp decline in SAM has not yet been offset by the expected recovery in the rest of regions

Revenue 1H24

Breakdown by geographical area[1]



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

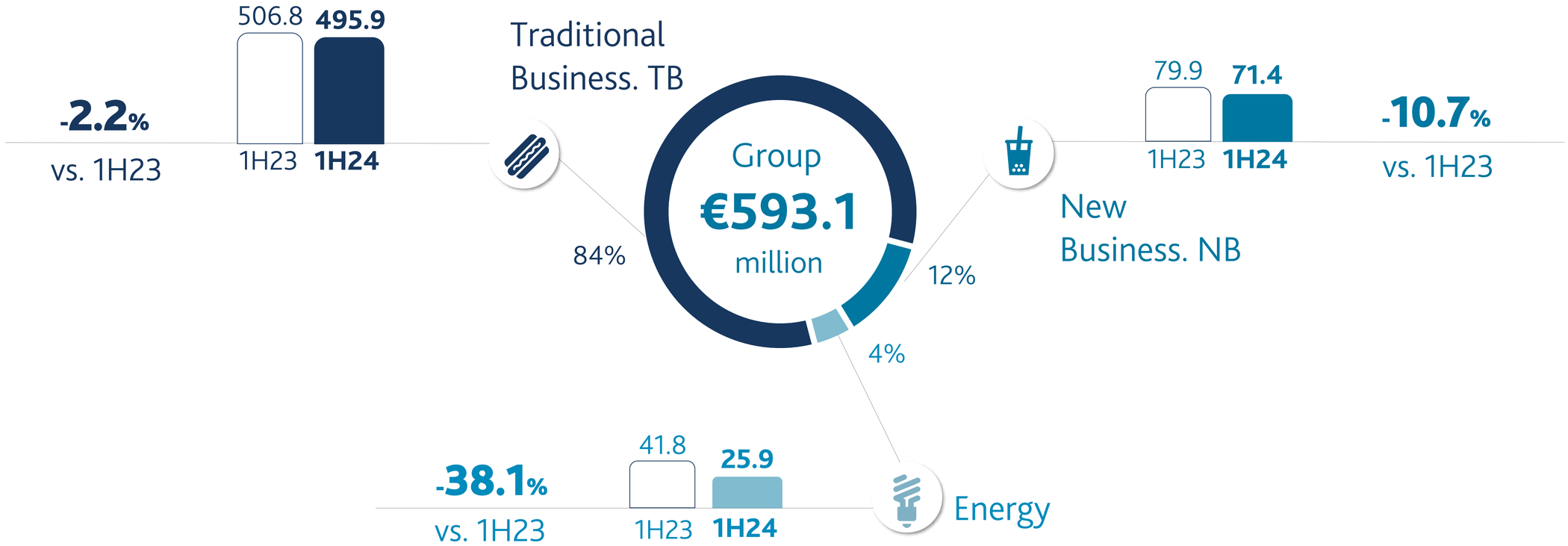
[2] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024.

Commercial discipline and market adjustment

Volume recovery in the traditional business except for cellulose together with the weakness in energy and in new business

Revenue 1H24

Breakdown by business division

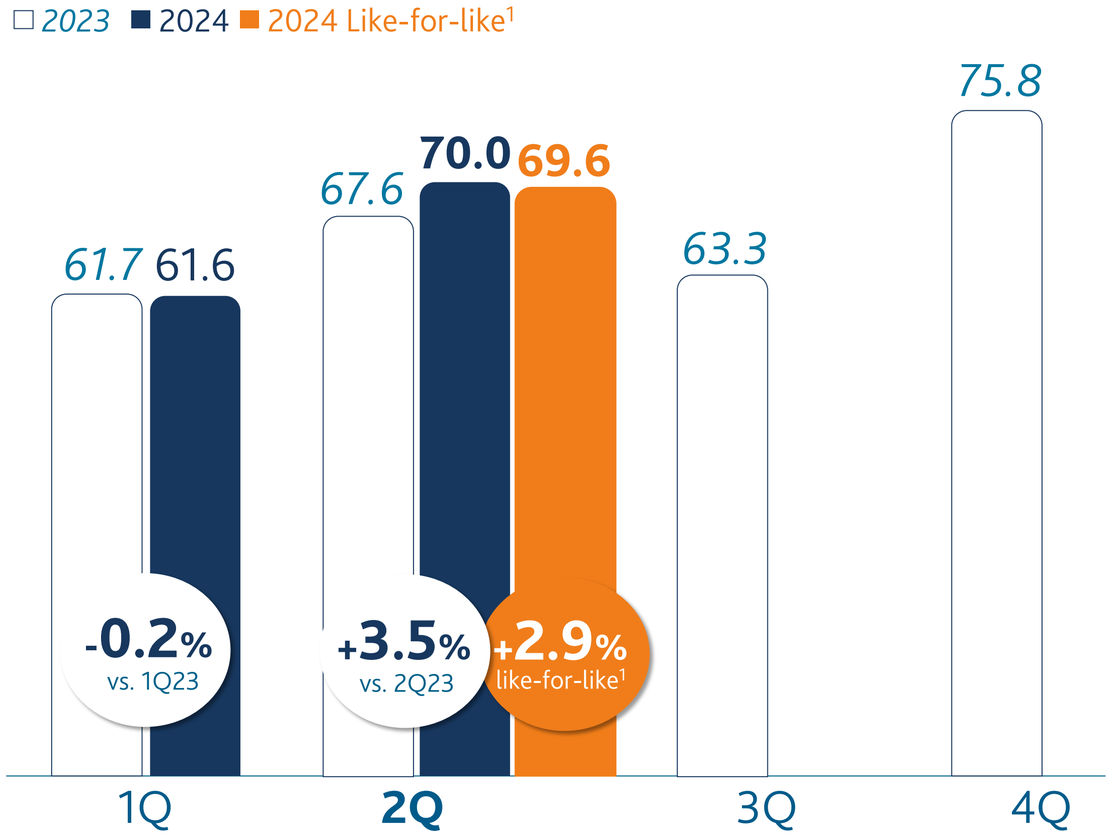


Production efficiencies and commercial discipline

Lead to EBITDA growth and higher profitability in the quarter

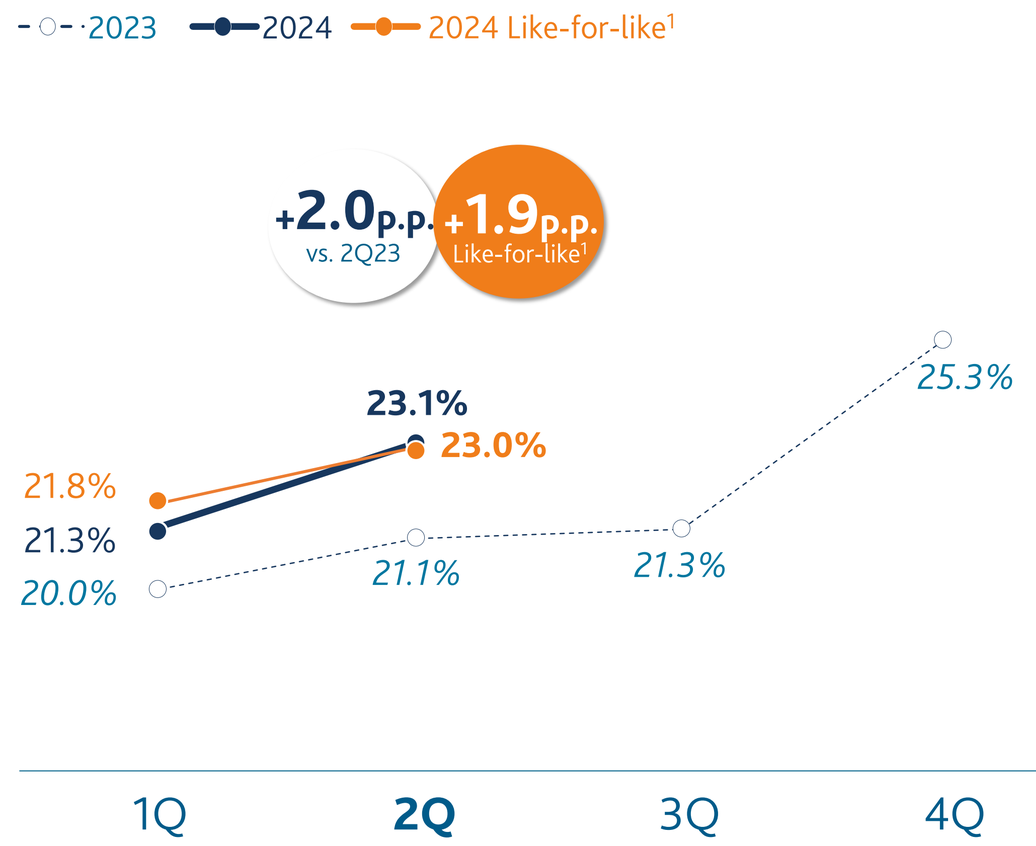
Quarterly EBITDA

€ million



Quarterly EBITDA margin

In percentage



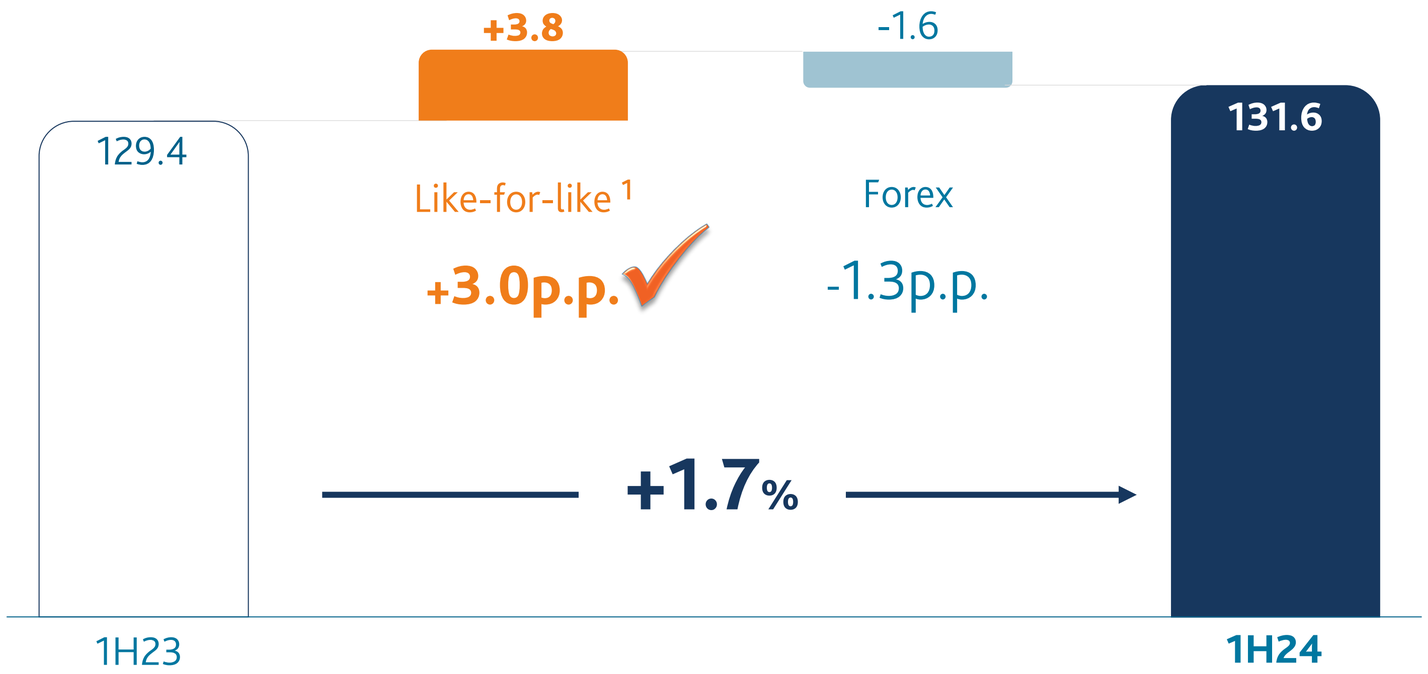
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024.

Achieving savings to drive results up

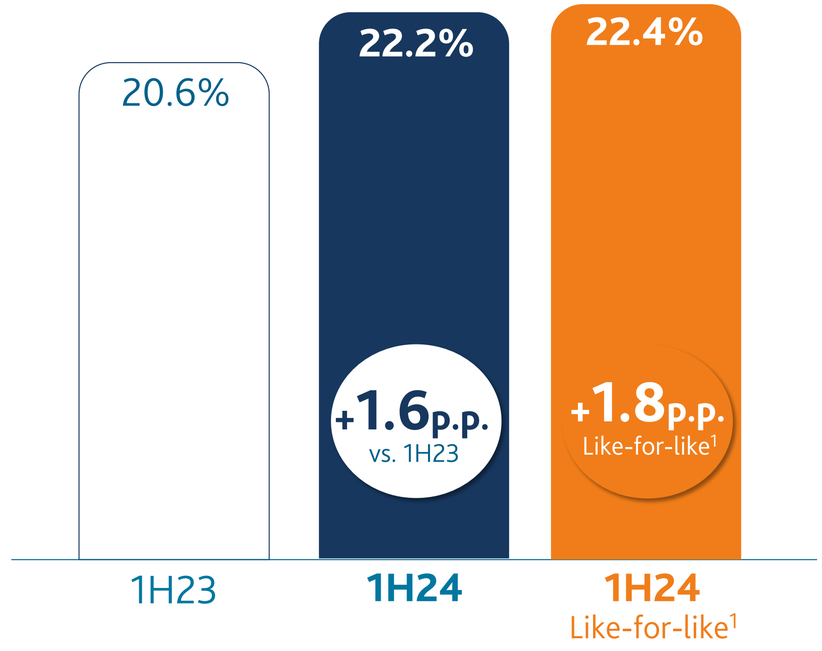
Sound operating margin improvement and efficiencies

EBITDA 1H24

Bridge like-for-like and forex



EBITDA margin 1H24



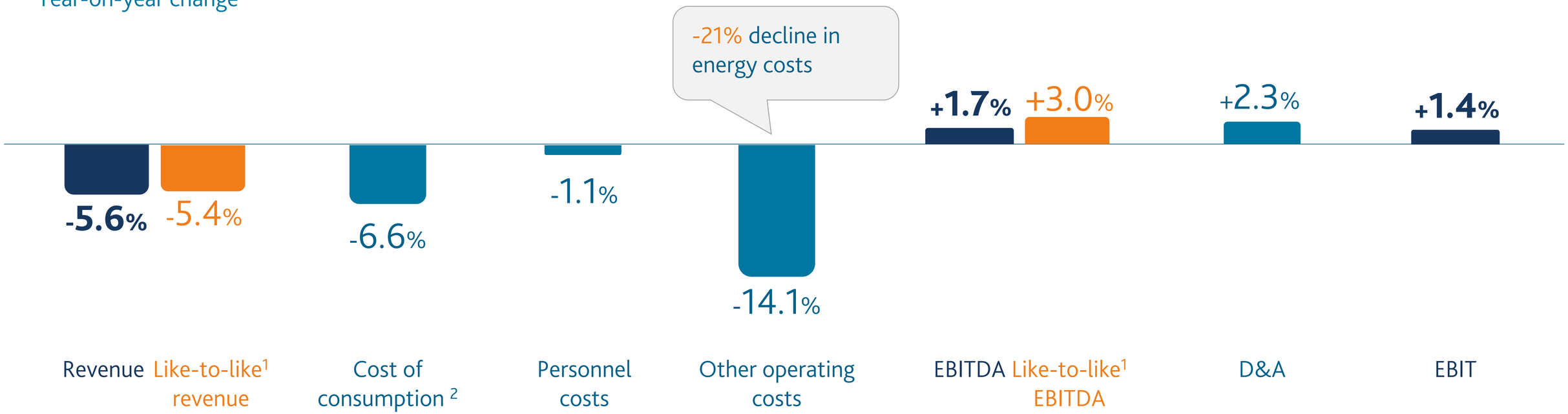
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024.

Operating profit growth even in this context

Productivity improvements from the new technologies, production efficiencies and energy savings drive operating profit up despite a weak revenue context

P&L 1H24

Year-on-year change



[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024.

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

All-time high in the half-year Net profit

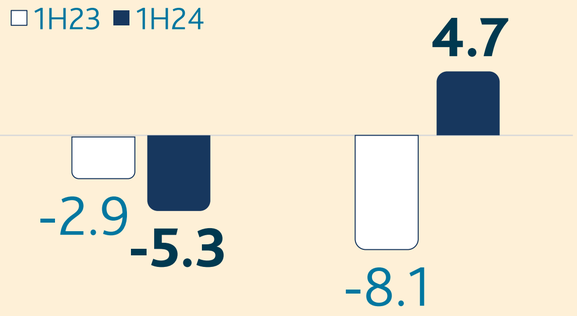
EBIT growth together with positive exchange differences and higher tax rate

FY EBIT to NET PROFIT

€ million

€ million	1H24	1H23	% y-o-y
EBIT	**89.4**	**88.1**	+1.4%
Financial result	**0.6**	**-10.7**	c.s.
Tax	**-21.1**	**-14.5**	45.6%
Net profit	**68.8**	**62.9**	9.5%

Main components of financial result

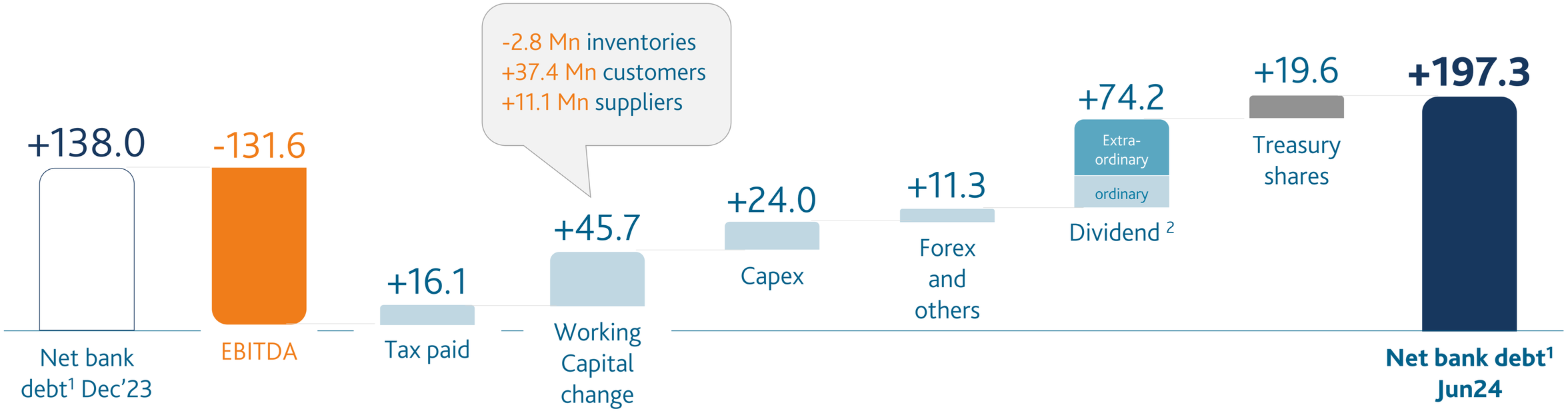


Operating cash flow strength

Mainly used for extraordinary remuneration of shareholders

Net bank debt[1] evolution

€ million



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

[2] Dividend: €0.596 per share of ordinary final dividend and €1.00 per share of extraordinary final dividend in June 2024 within the framework of the optional dividend system in cash or shares "Viscofan Flexible Remuneration".

On deadline in our transformation projects

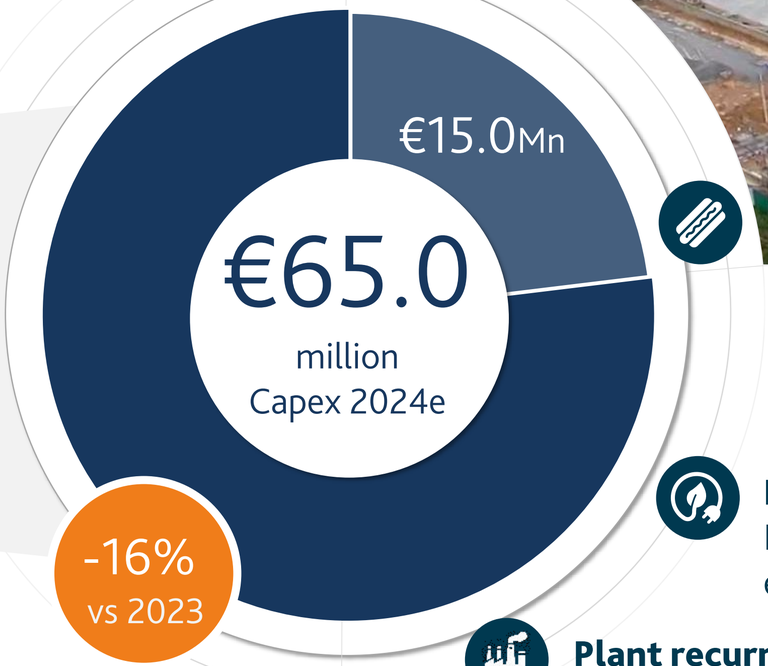
Operational excellence allows investment efforts to be focused on the construction of the new converting plant in Thailand



Capex 1H24 and 2024e
€million

€24.0
million
Capex 1H24

+24%
vs 1H23



New converting plant in Thailand
Work in line for production start-up at the end of 2024

Energy equipmnent
Investments in the decarbonization and consumption efficiency strategy

Plant recurring investments
Efficiency, digitalization, maintenance, environment

To wrap-up

- **All-time high in operating profit and in net profit** against a context where the comparable base is still impacted by the inventory adjustment process started from 2H23.
- **Final stage of the market adjustment process** where the positive volume evolution in collagen and in fibrous stands out compared to the delay in cellulose.
- **Lower revenue than expected in electricity** due to the decrease in pool prices and forced stops in the co-generation engines that reduce the expected net savings in energy for the year.
- The Group is in an excellent operational position to take advantage of the expected increase in volumes **with operating margin improvement in 2H24.**
- On deadline to start-up production **in 4Q24 in the new converting plant Thailand.**
- **Sound improvement in Cash Flow** mainly used to the flexible remuneration to shareholders.

Appendix. P&L 2Q24

€ million	2Q24	2Q23	% y-o-y	Like-for-like[1] % y-o-y
Revenue	**303.4**	320.2	**-5.3%**	**-5.7%**
EBITDA	**70.0**	67.6	**+3.5%**	**+2.9%**
EBITDA margin	**23.1%**	21.1%	**+2.0p.p.**	**+1.9p.p.**
Operating margin	**49.0**	47.0	**+4.3%**	
Profit before taxes	**48.7**	42.2	**+10.4%**	
Taxes	**-11.5**	-7.1	**+62.3%**	
Net profit	**37.2**	37.1	**+0.5%**	

[1] Like-for: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024.

Appendix. P&L 1H24

€ million	1H24	1H23	% y-o-y	like-for-like[1] % y-o-y
Revenue	**593.1**	628.6	**-5.6%**	**-5.4%**
EBITDA	**131.6**	129.4	**+1.7%**	**+3.0%**
EBITDA margin	**22.2%**	20.6%	**+1.6p.p.**	**+1.8p.p.**
Operating margin	**89.4**	88.1	**+1.4%**	
Profit before taxes	**90.0**	77.4	**+16.3%**	
Taxes	**-21.1**	-14.5	**+45.6%**	
Net profit	**68.8**	62.9	**+9.5%**	

[1] Like-for: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024.

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 analysed 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.