Viscofan

Reshaping food and wellbeing.
For many, for long.

Results
January-June 2024

30 July 2024



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

Interim Management Report

Main conclusions of the January-June 2024 results:

- Revenue of €593.1 million, -5.6% vs. 1H23, with energy revenue down -38.1% as compared with -2.2% in the Traditional Business and -10.7% in New Business.
- EBITDA[1] of €131.6 million, a growth of +1.7% versus last year and of +3.0% in like-for-like[2] terms with a +1.6 p.p. improvement in reported EBITDA margin to 22.2%.
- New all-time high in Net Profit in the first half at €68.8 million, +9.5% up on the previous year.
- Net bank debt[3] of €197.3 million in June 2024 including the payment of €33.2 million in June to shareholders who have chosen to receive the Final dividend in cash, and the cash outflow of €60.5 million from the share buybacks carried out within the flexible remuneration program.
- José Antonio Canales, Viscofan Group CEO:

  "These results confirm our business model strength and our ability to improve profitability. We have combined a more favourable cost environment with commercial discipline and greater efficiencies in our plants.

  The inventory adjustment process in the market is coming to an end with volume growth in collagen and fibrous technologies, tough volume growth is still negative in cellulose.

  With this context we are in a privileged position to capture the expected growth in the second half of the year with higher margins and operating leverage, while we reinforce our presence in Asia Pacific in the long-term with the start-up of a new converting plant in Thailand in the fourth quarter".

[1] EBITDA = Operating profit (EBIT) + depreciation of property, plant and equipment.
[2] Like-for-like: Like-for-like growth excludes the impact of exchange rate fluctuations in 2024.
[3] Net bank debt = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.

Business performance

Viscofan Group income statement ('000 €)

	Accumulated				Second Quarter			
	Jan-Jun' 24	Jan-Jun' 23	*Change*	*Like-for-like**	Apr-Jun' 24	Apr-Jun' 23	*Change*	*Like-for-like**
Revenue	**593,144**	**628,590**	**-5.6%**	**-5.4%**	**303,415**	**320,246**	**-5.3%**	**-5.7%**
EBITDA	**131,608**	**129,383**	**1.7%**	**3.0%**	**70,013**	**67,641**	**3.5%**	**2.9%**
EBITDA margin	***22.2%***	***20.6%***	**1.6 p.p.**	**1.8 p.p.**	***23.1%***	***21.1%***	**2.0 p.p.**	**1.9 p.p.**
Operating profit	**89,380**	**88,119**	**1.4%**		**49,005**	**46,977**	**4.3%**	
Net profit	**68,837**	**62,881**	**9.5%**		**37,247**	**37,080**	**0.5%**	

Revenue breakdown ('000 €)

	Jan-Jun' 24	Jan-Jun' 23	*Change*	Apr-Jun' 24	Apr-Jun' 23	*Change*
Traditional Business	495,867	506,824	-2.2%	254,885	259,667	-1.8%
New Business	71,357	79,917	-10.7%	36,080	39,451	-8.5%
Other revene from energy	25,920	41,849	-38.1%	12,450	21,128	-41.1%
Revenue	**593,144**	**628,590**	**-5.6%**	**303,415**	**320,246**	**-5.3%**

By geographical area	Jan-Jun' 24	Jan-Jun' 23	*Change*	Apr-Jun' 24	Apr-Jun' 23	*Change*
Europe, Middle East and Africa (EMEA)	252,275	273,972	-7.9%	129,038	142,415	-9.4%
Asia Pacific (APAC)	74,747	73,453	1.8%	37,522	38,349	-2.2%
North America	184,543	189,703	-2.7%	93,022	94,588	-1.7%
South America	81,579	91,462	-10.8%	43,833	44,894	-2.4%
Revenue	**593,144**	**628,590**	**-5.6%**	**303,415**	**320,246**	**-5.3%**

* Like-for-like: Like-for-like growth excludes the impact of exchange rate fluctuations in 2024.

Revenue performance in the first half of 2024 was impacted by the decline in sales of energy from co-generation due to lower electricity prices in Spain and the limitations on sales to the grid from co-generation engines in specific periods of high electricity production in the Spanish system.

Casings volumes in the Traditional Business, 1% down in the first half, are still affected by the adjustment process in inventories at a global level which took place mainly since the second half of the previous year. Nevertheless, this process is concluding with volume growth in collagen and fibrous technologies compared to the drop in cellulose.

The New Business division is still influenced by the evolution of plastic technology and hydrolysates, which in this launch phase will require an adjustment in prices to adapt to the competitive market environment.

In a still weak environment in market volumes, which are expected to improve in the second half of the year, Viscofan's business model led operating results and Net Profit up. Productivity improvements coming from new technologies and production efficiencies, as well as savings in raw material and energy costs, have translated into a significant increase in margins.

New all-time in EBITDA and in Net Profit in the first half despite the weakness in revenue and lower net savings in energy due to the decline in co-generation sales mentioned above.

In a year with lower investment needs, being the main project the construction of a new converting plant in Thailand, efforts have focused on operational excellence and the reduction of inventory levels, with the adaptation of production to the market situation leading to a reduction of €7.3 million in inventories in June 2024 as compared with December 2023.

Revenue:

Revenue in the first half of 2024 was €593.1 million, 5.6% below the previous year. Of this amount, Traditional Business revenue contributed €495.9 million (-2.2% vs. 1H23), New Business revenue with €71.4 million (-10.7% vs. 1H23), and energy revenue with €25.9 million (-38.1% vs. 1H23), while exchange rates changes eroded growth by -0.2 p.p.

The decline in electricity sales was due to the significant reduction in sales prices in Spain in an environment of high electricity production (an impact of -€9 million), and shutdowns in engines that have prevented the generation of electricity for sale to the grid (an impact of -€7 million).

The geographical[4] breakdown of revenue in 1H24 was as follows:

- EMEA (42.5% of the total): Reported revenue at €252.3 million was -7.9% lower than 1H23 affected by the -42.8% decline in electricity sales from co-generation in Spain. In like-for-like[5] terms, revenue in the region was down -7.9% and -2.4% if electricity sales from co-generation are excluded.

- APAC (12.6% of the total): Reported revenue of €74.7 million was +1.8% ahead of 1H23 and +3.9% in like-for-like terms underpinned by the positive volume evolution in China at the beginning of the New Year and in Southeast Asian countries such as the Philippines and Indonesia.

- North America (31.1% of the total): Revenue was €184.5 million, down -2.7% and -2.8% in like-for-like terms impacted by volume weakness in the cellulose technology, in contrast to the positive evolution in rest of the categories that were in line with historical growth trends.

- South America (13.8% of the total): Revenue of €81.6 million, a drop of -10.8% versus 1H23 and of -11.0% in like-for-like terms impacted by the weak performance of the market in Brazil in the first months of the year, which contrasts with the moderation in the decline in volumes in recent months.

Revenue in the second quarter of €303.4 million, 5.3% below the previous year. Of this amount, Traditional Business revenue contributed €254.9 million (-1.8% vs. 2Q23), New Business revenue with €36.1 million (-8.5% vs. 2Q23), and energy revenue with €12.5 million (-41.1% vs. 2Q23) still affected by lower electricity sales prices (an impact of -€5 million) and engines stoppages (an impact of -€4 million).

Exchange rates variations contributed with +0.4 p.p. to consolidated revenue growth in the quarter.

The geographical breakdown of revenue in 2Q24 was as follows:

- EMEA (42.5% of the total): Reported revenue amounted to €129.0 million, down -9.4% versus 2Q23 where co-generation electricity sales in Spain declined -44.5%. On a like-for-like basis, revenue in the region declined -9.5% and -4.3% if co-generation electricity sales are excluded.

- APAC (12.4% of the total): Reported revenue of €37.5 million, a decline of -2.2% versus 2Q23 y of -1.8% in like-for-like terms with a slowdown in China in the quarter.

- North America (30.7% of the total): Revenue at €93.0 million, down -1.7% and -2.6% on a like-for-like basis.

[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).
[5] Like-for-like: Like-for-like growth excludes the impact of exchange rate fluctuations in 2024.

- South America (14.4% of the total): Revenue of €43.8 million, a decline of -2.4% versus 2Q23 and of -3.5% on a like-for-like basis.

Operating expenses

Production improvements from the new technologies, operation efficiencies, savings arising from the natural gas cost in Spain and the lower purchase price in raw materials led gross margin[6] in 2Q24 up by +1.3 p.p. vs 2Q23 to 67.6% with cost of consumption[7] down -9.0% to €98.3 million. In the first half gross margin improved +0.4 p.p. vs. 1H23 to 67.6% and cost of consumption was down -6.6% versus 1H23 to €192.3 million.

Personnel expenses in 2Q24 decreased by -0.8% to €69.0 million and in 1H24 by -1.1% to €139.1 million driven by the -5.0% decline in the average accumulated workforce as of June 2024 to 5,152 people, offsetting the higher costs due to wage inflation. This higher productivity was underpinned by the lower personnel needs associated with the new technology installed in the USA and the optimization measures implemented throughout the operations of the Group and particularly in Europe.

Other operating costs in 2Q24 declined -10.4% versus 2Q23 to €69.1 million, with energy supply costs down -20.0% versus 2Q23 and transportation costs down -9.0% vs. 2Q23.

Other operating costs in 1H24 decreased by -14.1% vs. 1H23 to €135.4 million, with energy supply costs down -21.0% vs. 1H23 and transportation costs down -15.8%.

Operating profit

Reported EBITDA in the second quarter rose +3.5% to €70.0 million and EBITDA margin improved +2.0 p.p. to 23.1% driven by greater production efficiencies and the decline in production input costs that were transferred to profitability thanks to the commercial discipline efforts in a context still marked by a weak market.

On a like-for-like basis, i.e., stripping out the impact of exchange rates variation, EBITDA in 2Q24 increased +2.9% and EBITDA margin was +1.9 p.p. up to 23.0%.

Reported EBITDA in 1H24 of €131.6 million increased +1.7% versus 1H23 and EBITDA margin improved +1.6 p.p. to 22.2%.

On a like-for-like basis, EBITDA in 1H24 increased by +3.0% and EBITDA margin improved +1.8 p.p. to 22.4%.

Depreciation and amortisation expense in 2Q24 up +1.7% vs. 2Q23 to €21.0 million and in 1H24 up +2.3% to €42.2 million. Thus, Operating profit (EBIT) in the second quarter grew by +4.3% to €49.0 million, driving Operating profit (EBIT) in 1H24 to €89.4 million (+1.4%. vs. 1H23).

Financial result

In the first half of 2024, the net Financial Result was positive with +€0.6 million with positive exchange rate differences of +€4.7 million arising from the impact of forex variation in the balance sheets accounts, mainly due to the appreciation of the US$ against the Euro, and the Czech Crown. In addition, financial expenses were €5.3 million.

This compares with a negative net financial result of -€10.7 million in 1H23, a period in which exchange rate differences were negative with -€8.1 million and financial expenses were €2.9 million.

[6] Gross margin = (Revenue – Cost of Consumption) / Revenue.
[7] Consumption costs = Net purchases +/- Change in inventories of finished and unfinished products.

Net Profit

Profit before taxes in the first half of 2024 of €90.0 million and corporate income tax of €21.1 million driving effective tax rate to 23.5%, above 18.8% in 1H23, period with special tax deductions associated with the impact of COVID19 in China and the tax change in Brazil that provided tax advantages in quota for exporting companies.

All in all, Net profit in 1H24 increased 9.5% to a new all-time high of €68.8 million, and in the second quarter was €37.2 million (+0.5% vs. 2Q23).

Investment

Investment of €24.0 million in 1H24 (€19.4 million in 1H23), within the objective of investing €65 million in 2024. Of this, the main projects are the construction of a new cellulose and collagen converting plant in Thailand that is progressing within the deadlines and costs planned for its start-up throughout the last quarter of the year, the investments in energy equipment within the decarbonization and consumption efficiency strategy, and investments in recurring plant projects.

Financial liabilities

Net bank debt[8] in June 2024 of €197.3 million, as compared with €138.0 million in December 2023. The increase in the debt is primarily due to the increase in shareholder remuneration that includes the payment of €33.2 million in June to shareholders who have opted to receive the Final Dividend in cash, and to the repurchase of shares for an amount of €60.5 million carried out within the framework of the flexible shareholder remuneration program.

Shareholders remuneration in 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.

Thus, Viscofan has paid €33.2 million (€1.596 per share) in June as a Final Dividend to all shareholders who chose 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 was 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.

The gross value of the remuneration that the shareholders received from the Company was equivalent in terms of market value.

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

[8] Net bank debt= Current and non-current bank debt - Cash and cash equivalents.

Appendix 1. Financial data

Viscofan Group profit and loss account. 1H24 ('000 €)

	Jan-Jun' 24	Jan-Jun' 23	*Change*
Revenues	**593,144**	**628,590**	**-5.6%**
Other operating income	5,176	4,738	9.2%
Self-constructed assets	193	207	-6.8%
Variation in stocks of finished products and work-in-progress	-7,394	48,404	c.s
Net purchases	-184,942	-254,325	-27.3%
Personnel expenses	-139,132	-140,696	-1.1%
Other operating expenses	-135,368	-157,527	-14.1%
Capital grants	31	66	-53.0%
Impairments	-14	-14	0.0%
Results coming from disposals of non-current assets	-86	-60	43.3%
Other results	0	0	n.s.
EBITDA	**131,608**	**129,383**	**1.7%**
EBITDA margin	*22.2%*	*20.6%*	*1.6 p.p.*
Amortization and depreciation	-42,228	-41,264	2.3%
Operating profit	**89,380**	**88,119**	**1.4%**
Operating profit margin	*15.1%*	*14.0%*	*1.1 p.p.*
Financial incomes	1,223	310	294.5%
Financial expenditures	-5,307	-2,940	80.5%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	4,686	-8,089	c.s
Impairment and results coming from disposals of financials assets	0	0	n.s.
Result from disposal of financial instruments	0	0	n.s.
Financial results	**602**	**-10,719**	**c.s**
Profit from associated companies	0	0	n.s.
Profit before taxes	**89,982**	**77,400**	**16.3%**
Taxes	-21,145	-14,519	45.6%
Profit after taxes from continued operations	**68,837**	**62,881**	**9.5%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	**68,837**	**62,881**	**9.5%**
a) Net profit attributable to the parent comany	68,837	62,881	9.5%
b) Net profit attributable to minority interests	0	0	n.s.

Viscofan Group profit and loss account. 2Q24 ('000 €)

	Apr-Jun' 24	Apr-Jun' 23	*Change*
Revenues	**303,415**	**320,246**	**-5.3%**
Other operating income	2,928	2,896	1.1%
Self-constructed assets	99	-830	c.s
Variation in stocks of finished products and work-in-progress	-6,354	16,952	c.s
Net purchases	-91,965	-124,936	-26.4%
Personnel expenses	-68,999	-69,587	-0.8%
Other operating expenses	-69,050	-77,073	-10.4%
Capital grants	15	33	-54.5%
Impairments	-7	-7	0.0%
Results coming from disposals of non-current assets	-69	-53	30.2%
Other results	0	0	n.s.
EBITDA	**70,013**	**67,641**	**3.5%**
EBITDA margin	*23.1%*	*21.1%*	*2.0 p.p.*
Amortization and depreciation	-21,008	-20,664	1.7%
Operating profit	**49,005**	**46,977**	**4.3%**
Operating profit margin	*16.2%*	*14.7%*	*1.5 p.p.*
Financial incomes	522	188	177.7%
Financial expenditures	-2,847	-1,858	53.2%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	2,050	-1,153	c.s
Impairment and results coming from disposals of financials assets	0	0	n.s.
Result from disposal of financial instruments	0	0	n.s.
Financial results	**-275**	**-2,823**	**-90.3%**
Profit from associated companies	0	0	n.s.
Profit before taxes	**48,730**	**44,154**	**10.4%**
Taxes	-11,483	-7,074	62.3%
Profit after taxes from continued operations	**37,247**	**37,080**	**0.5%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	**37,247**	**37,080**	**0.5%**
a) Net profit attributable to the parent comany	37,247	37,080	0.5%
b) Net profit attributable to minority interests	0	0	n.s.

Consolidated balance sheets ('000 €) - ASSETS

	Jun'24	Dec '23	*Change*
Intangible assets	19,125	20,562	-7.0%
Goodwill	3,355	3,605	-6.9%
Others intangible asset	15,770	16,957	-7.0%
Tangible assets	552,866	567,718	-2.6%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	0	0	n.s.
Non-current financial assets	8,342	7,561	10.3%
a) At fair value through profit and loss	4,765	4,273	11.5%
Of which "Designated upon initial recognition"	4,765	4,273	11.5%
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	3,577	3,288	8.8%
Non-current derivatives	0	0	n.s.
Cash flow hedges	0	0	n.s.
Others	0	0	n.s.
Deferred tax assets	45,814	47,645	-3.8%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	**626,147**	**643,486**	**-2.7%**
Non-current assets held for sale	0	0	n.s.
Inventories	435,571	442,892	-1.7%
Trade and other receivables	311,954	263,894	18.2%
Trade debtors	261,856	220,786	18.6%
Other debtors	48,114	39,459	21.9%
Current tax assets	1,984	3,649	-45.6%
Current financial assets	915	911	0.4%
a) At fair value through profit and loss	759	759	0.0%
Of which "Designated upon initial recognition"	759	759	0.0%
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	156	152	2.6%
Current derivatives	584	4,330	-86.5%
Cash flow hedges	584	4,330	-86.5%
Others	0	0	n.s.
Other current assets	0	0	n.s.
Cash and cash equivalents	51,262	51,996	-1.4%
CURRENT ASSETS	**800,286**	**764,023**	**4.7%**
TOTAL ASSETS	**1,426,433**	**1,407,509**	**1.3%**

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

	Jun'24	Dec '23	*Change*
Share capital	32,550	32,550	0.0%
Share issue premium	12	12	0.0%
Reserves	920,150	915,655	0.5%
Treasury shares	-43,002	-21,671	98.4%
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	68,837	140,962	-51.2%
Less: Interim dividend	0	-64,563	n.s.
Other equity instruments	4,691	3,905	20.1%
SHAREHOLDER´S FUNDS	**983,238**	**1,006,850**	**-2.3%**
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	-66,458	-49,078	35.4%
Hedge transactions	-223	2,026	c.s.
Currency translation differences	-66,235	-51,104	29.6%
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	**-66,458**	**-49,078**	35.4%
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	**916,780**	**957,772**	**-4.3%**
Non-controlling interests	0	0	n.s.
EQUITY	**916,780**	**957,772**	**-4.3%**
Grants	3,420	806	324.3%
Non-current provision	28,960	25,959	11.6%
Non-current financial liabilities	76,541	50,833	50.6%
Bank debt	54,756	31,118	76.0%
Other financial liabilities	21,785	19,715	10.5%
Deferred tax liabilities	28,767	32,830	-12.4%
Non-current derivatives	0	0	n.s.
Cash flow hedges	0	0	n.s.
Others	0	0	n.s.
Other non-current liabilities	0	0	n.s.
NON-CURRENT LIABILITIES	**137,688**	**110,428**	**24.7%**
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	34,774	26,228	32.6%
Current financial liabilities	202,481	182,735	10.8%
Bank debt	193,803	158,841	22.0%
Other financial liabilities	8,678	23,894	-63.7%
Trade and other payable accounts	133,885	130,303	2.7%
Trade creditors	88,522	83,630	5.8%
Other creditors	34,903	41,890	-16.7%
Current tax liabilities	10,460	4,783	118.7%
Current derivatives	825	43	1818.6%
Cash flow hedges	825	43	1818.6%
Others	0	0	n.s.
Other current liabilities	0	0	n.s.
CURRENT LIABILITIES	**371,965**	**339,309**	**9.6%**
TOTAL EQUITY AND LIABILITIES	**1,426,433**	**1,407,509**	**1.3%**

Cash flow statement ('000 €)

	Jan-Jun' 24	Jan-Jun' 23	*Change*
Cash flows from operating activities	**81,940**	**14,904**	**449.8%**
Profit for the year before tax	**89,982**	**77,400**	**16.3%**
Adjustments in results	**50,099**	**47,705**	**5.0%**
Amortisation and depreciation	42,228	41,264	2.3%
Others adjustments in results(net)	7,871	6,441	22.2%
Changes in working capital	**-45,734**	**-92,352**	**-50.5%**
Other cash flows from operating activities	**-12,407**	**-17,849**	**-30.5%**
Interest paid	5,307	2,940	80.5%
Dividend paid and other payments from others equity instruments	0	0	n.s.
Dividends received	0	0	n.s.
Interests received	-1,223	-310	294.5%
Proceeds/ (payments) from income tax	-16,088	-20,398	-21.1%
Proceeds/(payments) from operating activities	-403	-81	397.5%
Cash flows from investing activities	**-35,758**	**-30,963**	**15.5%**
Investment payments	**-37,282**	**-31,622**	**17.9%**
Group companies, associated & business units	0	0	n.s.
Acquisition of property, plant and equipment and intangible assets	-37,282	-31,622	17.9%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Cash from disposals	**301**	**349**	**-13.8%**
Group companies, associated & business units	0	0	n.s.
Disposal of property, plant and equipment and intangible assets	301	349	-13.8%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Other cash flows from investing activities	**1,223**	**310**	**294.5%**
Dividends received	0	0	n.s.
Interest received	1,223	310	294.5%
Proceeds/(Payments) from interrupted operations	0	0	n.s.
Cash flows from financing activities	**-43,730**	**21,607**	**c.s.**
Proceeds and payments from equity instruments	**-60,482**	**0**	**n.s.**
Proceeds from issue of stock	0	0	n.s.
Cancellation and payments	0	0	n.s.
Acquisition	-60,482	0	n.s.
Disposal	0	0	n.s.
Proceeds and payments from financial liabilities instruments	**58,673**	**52,221**	**12.4%**
Proceeds from issue of financial liabilities instruments	217,514	148,392	46.6%
Refund, cancellation and payments	-158,841	-96,171	65.2%
Dividends paid and others payments from others equities instruments	**-33,219**	**-24,945**	**33.2%**
Others cash flows from financing activities	**-8,702**	**-5,669**	**53.5%**
Interest paid	-4,913	-2,275	116.0%
Others proceeds /(payments) from financing activities	-3,789	-3,394	11.6%
Effect of foreign exchange rate changes on collections and payments	**-3,186**	**4,085**	**c.s.**
Net increase (decrease) in cash and cash equivalents	**-734**	**9,633**	**c.s.**
Cash and cash equivalents at the begining of the period	**51,996**	**51,193**	**1.6%**
Cash and cash equivalent at the end of the period	**51,262**	**60,826**	**-15.7%**

Reporting exchange rates (Currency/€)

Average exchange rates (Currency/€)

	1H24	1H23	% Change
Euro	1.000	1.000	0.0%
US Dollar	1.081	1.081	0.0%
Canadian Dollar	1.468	1.457	-0.8%
Mexican Peso	18.502	19.661	6.3%
Brazilian real	5.498	5.485	-0.2%
Czech crown	25.021	23.679	-5.4%
British Pound	0.855	0.877	2.6%
Serbian Dinar	117.151	117.299	0.1%
Chinese yuan remminbi	7.712	7.483	-3.0%
Uruguayan Peso	41.957	42.040	0.2%
Australian Dollar	1.642	1.598	-2.6%
New Zealand Dollar	1.775	1.730	-2.5%
Thai baht	39.127	36.963	-5.5%

End period (Currency/€)

	Jun 2024	Dec 2023	% Change
Euro	1.000	1.000	0.0%
US Dollar	1.071	1.105	3.2%
Canadian Dollar	1.467	1.464	-0.2%
Mexican Peso	19.506	18.667	-4.3%
Brazilian real	5.951	5.350	-10.1%
Czech crown	25.030	24.725	-1.2%
British Pound	0.846	0.869	2.7%
Serbian Dinar	117.049	117.174	0.1%
Chinese yuan remminbi	7.662	7.859	2.6%
Uruguayan Peso	42.808	43.119	0.7%
Australian Dollar	1.616	1.616	0.0%
New Zealand Dollar	1.761	1.743	-1.0%
Thai baht	39.319	37.973	-3.4%

Appendix 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 as it considers 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 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 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.

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Disclaimer

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

This document may contain additional non-compulsory forward-looking statements on intentions or expectations of the Company as of the date of its publication whose only purpose is to provide further information on perspectives on future performance.

Such forward-looking statements do not constitute any guarantee of future performance and involve risks and uncertainties as well as other important factors that could cause actual developments or results to differ essentially from those expressed in our forward-looking statements.

Analysts and investors in particular as well as any other persons or entities who must take decisions or give advise on investments in the Company should not place undue reliance on those forward-looking statements.

The financial information contained in this document has been prepared under International Financial Reporting Standards (IFRS). This financial information is unaudited and, therefore, subject to potential future modifications.