Viscofan

Reshaping food and wellbeing.
For many, for long.

January-September 2024
Results

23 October 2024



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

Results report

Main conclusions of the July-September 2024 results:

- Revenue of €305.1 million, an increase of 2.5% compared to the previous year, driven by growth in casings volumes.
- EBITDA[1] of €74.8 million, a growth of +18.3% compared to the previous year and with an improvement of 3.2 p.p. in the EBITDA margin to 24.5%.
- Net profit of €37.5 million, a decrease of -1.2% compared to the previous year, affected by negative exchange rate differences and a higher tax rate. Thus, Net profit in 9M24 amounted to €106.3 million, a growth of 5.5% versus the same period of the last year.
- The acquisition of 60% of the companies Brasfibra y Master Couros in Brazil for a cash consideration of BRL 88 million reinforces our product portfolio in New Business with high quality collagen products.
- Reduction in net bank[2] debt at September 2024 with €147.7 million compared to €197.3 million in June 2024 thanks to the strong cash generation and the focus on working capital reduction.
- José Antonio Canales, CEO of Viscofan Group: 'The growth observed in the volumes of the main casings families reflects that the inventory adjustment process initiated in 2023 has already been completed.

  The dynamism of this recovery is slightly lower than expected, however, production improvements, cost savings, lower raw material and energy prices led us to reach quarterly margins close to 25%, even higher than initially estimated.

  The profitability achieved and the Group's operational strength allow us to set our expectations for the year at 6% to 8% growth in EBITDA and at 8% to 10% growth in Net profit despite lower-than-expected co-generation revenue and a worse currency environment.

  In addition, this quarter saw two significant milestones in our Beyond25 strategic plan. On the one hand, the construction of the factory in Thailand has been completed, which will improve our positioning in view of the growth in Southeast Asia; and, on the other hand, the acquisition of Brasfibra and Master Couros has been completed, which expands our production portfolio in the New Business.

  In short, the third quarter results place us on the growth path to achieve record results in 2024, and to continue with our strategy of profitable and sustainable growth for the future'.

[1] EBITDA = Operating profit (EBIT) + Amortization and Depreciation expense.
[2] Net bank debt = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.

Business performance

Viscofan Group income statement ('000 €)

	Accumulated				Third Quarter			
	Jan-Sep' 24	Jan-Sep' 23	Change	Like-for-like*	Jul-Sep' 24	Jul-Sep' 23	Change	Like-for-like*
Revenue	**898,252**	**926,208**	**-3.0%**	**-2.6%**	**305,109**	**297,618**	**2.5%**	**3.3%**
EBITDA	**206,405**	**192,634**	**7.1%**	**5.8%**	**74,797**	**63,253**	**18.3%**	**11.5%**
EBITDA margin	***23.0%***	***20.8%***	**2.2 p.p.**	**1.8 p.p.**	***24.5%***	***21.3%***	**3.2 p.p.**	**1.8 p.p.**
Operating profit	**143,330**	**130,491**	**9.8%**		**53,950**	**42,374**	**27.3%**	
Net profit	**106,314**	**100,795**	**5.5%**		**37,477**	**37,917**	**-1.2%**	

Revenue breakdown ('000 €)

	Jan-Sep' 24	Jan-Sep' 23	Change	Jul-Sep' 24	Jul-Sep' 23	Change
Traditional Business	748,211	746,605	0.2%	252,345	239,781	5.2%
New Business	107,930	116,483	-7.3%	36,573	36,566	0.0%
Other revene from energy	42,111	63,120	-33.3%	16,191	21,271	-23.9%
Revenue	**898,252**	**926,208**	**-3.0%**	**305,109**	**297,618**	**2.5%**

By geographical area	Jan-Sep' 24	Jan-Sep' 23	Change	Jul-Sep' 24	Jul-Sep' 23	Change
Europe, Middle East and Africa (EMEA)	380,790	398,564	-4.5%	128,516	124,592	3.1%
Asia Pacific (APAC)	115,956	113,468	2.2%	41,209	40,015	3.0%
North America	278,864	280,451	-0.6%	94,321	90,748	3.9%
South America	122,642	133,725	-8.3%	41,063	42,263	-2.8%
Revenue	**898,252**	**926,208**	**-3.0%**	**305,109**	**297,618**	**2.5%**

*Like-for-like growth excludes the impact of the variation in the different exchange rates in 2024 and the non-recurring expense in operating profit of €1.9 million due to production stoppages in the US in 3Q23 because of the power cuts caused by the supply company.

In the third quarter of the year, volume growth recovered in all the main casings technologies, collagen, fibrous and cellulose, concluding the inventory adjustment process that began in 2023. Viscofan is taking advantage of a better market situation by combining a unique product and geographic proposition in the industry, with a focus on improving service and quality, and a strategy of commercial discipline that has resulted in an increase in consolidated revenue for the first time this year.

In the New Business division, revenue was stable compared to the previous year, weighed down by the weak performance of tubular plastics, which, however, was offset by the recovery of other products, both collagen hydrolysates and vegetable casings.

Revenue recovery in the Traditional Business and in the New Business in the quarter offset the decline in co-generation energy sales in a context of lower electricity prices and production.

Higher revenue combined with the strength of the business model resulted in double-digit growth in EBITDA and Operating Profit (EBIT). Productivity improvements from new technologies and production efficiencies, as well as savings in raw materials and energy costs led to a significant increase in the EBITDA margin in the third quarter, which at 24.5% was even higher than expected for the full year.

In 2024, operational activity is focused on the implementation of specific inventory reduction projects which has been reflected in the decrease in inventories by €31.2 million in September 2024 compared to December 2023.

Of note among the investment projects is the construction of the new cellulose and collagen casing converting plant in Thailand. Once the construction and installation of machinery has been completed on time and on cost, it is expected to start up operations in 4Q24.

In September 2024, the acquisition of Brasfibra and Master Couros in Brazil has been agreed, which will boost the New Business division with high quality bovine collagen products, reinforcing our proposition in hydrolysates, the use of collagen as a food ingredient, and the development of collagen products in pet food.

Revenue:

In the third quarter, revenue amounted to €305.1 million, a growth of 2.5% versus the third quarter of the previous year, mainly driven by higher volumes, which offset lower co-generation revenue and forex change.

In the quarter, the variation in exchange rates eroded revenue growth by -0.7 p.p.

In the Traditional Business, revenue grew by 5.2% to €252.3 million thanks to higher volumes across all technologies. New Business revenue remained stable year-on-year at €36.6 million.

Sales of co-generation electricity fell by 23.9% to €16.2 million due to lower electricity sales prices in Spain (an impact of -€2 million) and electricity production (an impact of -€3 million).

The geographical breakdown[3] of revenue in the third quarter is as follows:

- EMEA (42.1% of total): Reported revenue reached €128.5 million, +3.1% vs. 3Q23 thanks to higher volumes and increased exports to APAC and SAM regions as part of the capacity optimization process carried out in this period. This solid growth offset the 24.3% decline in co-generation sales in Spain. In like-for-like terms[4], sales in the region grew by 3.4% and 8.2% if revenue from co-generation electricity is not considered.

- APAC (13.5% of total): Revenue of €41.2 million, up 3.0% compared to 3Q23 and up 2.8% on a like-for-like basis, where strong growth in Southeast Asia contrasts the with flat performance in China.

- North America (30.9% of the total): Revenue amounted to €94.3 million, showing an increase of 3.9% and 5.4% in like-for-like terms in a context of recovery of the casing market together with a greater commercial activity and service improvement.

- South America (13.5% of total): Revenue stood at €41.1 million, down 2.8% compared to 3Q23 and 1.4% on a like-for-like basis.

In 9M24, revenue was €898.3 million, 3.0% lower than in the same period of the previous year due to the sharp decline of 33.3% in energy sales, which at €42.1 million were impacted by lower electricity sales prices (an impact of -€11 million) and lower production (an impact of -€10 million).

In the Traditional Business, revenue grew by 0.2% vs. 9M23 to €748.2 million, and in New Business was-7.3% down vs. 9M23 to €107.9 million.

In this period, the variation in exchange rates eroded the growth in the consolidated revenue by -0.4 p.p.

The geographical breakdown of revenue in 9M24 is as follows:

- EMEA (42.4% of total): Reported revenue reached €380.8 million, -4.5% lower than 9M23 impacted by the -36.7% decline in sales of co-generation electricity in Spain. In like-for-like

[3] Revenue by origin of sales: EMEA (Spain, Germany, Czech Republic, United Kingdom, France, Belgium, Serbia, , and United Kingdom), North America (Canada, Costa Rica, Mexico and the United States), APAC (Australia, China, Japan, New Zealand, Thailand), Latin America (Brazil and Uruguay).
[4] Like-for-like growth excludes the impact of the variation in the different exchange rates in 2024 and the non-recurring expense in operating profit of €1.9 million due to production stoppages in the US in 3Q23 because of the power cuts caused by the supply company.

terms, revenue in the region decreased by -4.4%, but excluding sales from co-generation electricity revenue grew by 0.9%.

- APAC: (12.9% of total): Revenue of €116.0 million, +2.2% higher than 9M23, and +3.5% excluding the impact of currency changes.

- North America (31.0% of total): Revenue amounted to €278.9 million, a decrease of -0.6%, and in like-for-like terms revenue was broadly stable (-0.1% vs. 9M23).

- South America (13.7% of the total): Revenue stood at €122.6 million, a decrease of -8.3% compared to 9M23 and of -8.0% in like-for-like terms.

Operating expenses

Consumption costs[5] in the third quarter fell by -7.5% to €101.6 million thanks to savings from production improvements in new technologies, operational efficiencies, the decrease in the cost of natural gas in Spain and the lower purchase price of raw materials, driving up the gross margin[6] by +3.6 p.p. in 3Q24 vs 3Q23 to 66.7%. In the year to date, gross margin improved by +1.4 p.p. vs. 9M23 to 67.3% and consumption costs decreased by -6.9% compared to 9M23 to €293.9 million.

Personnel expenses as of 9M24 grew by 0.9% to €207.2 million. The higher costs due to wage inflation were offset by the -4.6% decline in the average workforce to 5,154 people. This decrease in the workforce was driven by the lower personnel needs compared to the same period of the previous year associated with the new technology installed in the U.S., the adjustment of production, particularly in Europe, and the measures to optimize operations and production implemented throughout the Group. In the third quarter, higher hiring needs to respond to the recovery in casing demand are reflected in a growth in personnel costs of 5.1% to €68.1 million.

Other operating costs in 3Q24 were €62.9 million, a growth of 0.7% versus 3Q23. Of this amount, energy supply costs in the quarter fell -13.9% as compared with 3Q23 and transportation costs increased slightly by 0.2% vs. 3Q23.

Other operating costs in 9M24 decreased -9.9% vs. 9M23 to €198.2 million. Of the same, energy supply costs fell by -18.9% vs. 9M23 and transportation costs by -11.1%.

Operating profit

Reported EBITDA in the third quarter grew +18.3% to €74.8 million and EBITDA margin rose +3.2 p.p. to 24.5%. This profitability improvement was driven by the recovery in casing volumes combined with the effort in commercial discipline, the increase in production efficiencies and the decrease in energy and raw material costs.

On a like-for-like basis, EBITDA in 3Q24 increased +11.5% and EBITDA margin was +1.8 p.p. up to 23.7%.

Thus, reported EBITDA in 9M24 was up +7.1% versus 9M23 to €206.4 million and EBITDA margin improved +2.2 p.p. to 23.0%.

On a like-for-like basis, EBITDA in 9M24 increased by +5.8% and EBITDA margin improved +1.8 p.p. to 22.8%.

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

Depreciation and amortisation expense in 3Q24 was down -0.2% vs. 3Q23 to €20.8 million and in 9M24 was up +1.5% to €63.1 million. Thus, Operating profit (EBIT) in the third quarter grew by +27.3% to €54.0 million, driving Operating profit (EBIT) in 9M24 to €143.3 million, up +9.8% versus 9M23.

Financial result

In the third quarter, net financial result was negative at -€4.3 million, with negative exchange differences of -€2.0 million due to the impact of exchange rate changes on balance sheet accounts, mainly due to the depreciation of the US$ against the Euro. Financial expenses amounted to €2.9 million. This compares with a positive net financial result of +€2.8 million in 3Q23, a period in which exchange differences were positive at +€4.7 million and financial expenses stood at €2.1 million.

All in all, in cumulative terms, the net financial result was negative at -€3.7 million with positive exchange differences of +€2.7 million and financial expenses of €8.2 million. This compares with a negative net financial result in 9M23 of -€7.9 million, a period in which exchange differences were negative at -€3.4 million and financial expenses stood at €5.1 million.

Net Profit

Profit before taxes in 9M24 of €139.6 million and corporate income tax of €33.3 million driving effective tax rate to 23.9%, above 17.8% in 9M23, 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 9M24 increased 5.5% to €106.3 million, and in the third quarter was €37.5 million (-1.2% vs. 3Q23).

Investment

Investment of €46.2 million in 9M24 (€34.8 million in 9M23), where the construction of a new converting plant of cellulose and collagen casings in Thailand stands out, which is progressing within the deadlines and costs planned. In the third quarter, the construction work was completed, the machinery was installed, and test productions are currently being carried out to ensure optimal commissioning in the fourth quarter of 2024. During the year, Viscofan is also making investments in energy equipment as part of the decarbonization and consumption efficiency strategy, and in recurring plant projects.

Brasfibra and Master Couros acquisition

On September 19, 2024, the Viscofan Group has agreed to acquire 60% of the companies Brasfibra Industria e Comercio de Derivados do Couro Ltda. and Master Couros Industria e Comercio de Derivados do Couro Ltda. in Brazil for a cash value of BRL 88 million.

Financial liabilities

Substantial reduction in net bank debt in the quarter driven by the higher cash flow generation from the growth in operating results, lower investment needs in equipment and in working capital. Thus, net bank debt at September 2024 was €147.7 million, as compared with €197.3 million at June 2024 and €138.0 million at December 2023, in a year where the extraordinary dividend has been paid.

Shareholder remuneration. Approval of the second plan "Viscofan retribución flexible"

The Board of Directors has approved the distribution of an interim dividend which will be carried out within the framework of the second edition of the optional dividend system "Viscofan retribución flexible".

The Board of Directors estimates that the gross amount of the interim dividend will be, at least, €1.40 per share, and to this end it has approved a share buyback programme that allows the cancellation of the

number of shares equivalent to the capital increase that, where appropriate, arises from the exercise of the plan.

The payment of the interim dividend to those who have chosen to receive cash through this flexible remuneration option is scheduled for 19 December 2024, and the implementation of the plan and the estimated execution schedule, as well as the buy-back programme have been communicated as "Other relevant information" to the National Securities Market Commission and are available to the public on the company's website (www.viscofan.com) and on the National Securities Market Commission website (www.cnmv.es).

2024 full year results outlook

After the market adjustment process initiated in 2023, the main casing technologies show a positive year-on-year performance, confirming the expectations of market normalization in terms of inventory correction.

However, co-generation revenues are significantly lower than expected in the year, limiting revenue growth in the year.

Nevertheless, the savings achieved are higher than initially expected, improving our margins expectation for the full year. Thus, expected EBITDA for 2024 is in the range of €285 million to €290 million (+6%/+8% vs. 2023) with expected Net profit in the range of €153 million to €156 million (+8%/+10% vs. 2023), setting a new all-time high in the main financial figures.

Appendix 1. Financial data

Viscofan Group profit and loss account. 3Q24 ('000 €)

	Jul-Sep' 24	Jul-Sep' 23	*Change*
Revenues	**305,109**	**297,618**	**2.5%**
Other operating income	1,683	2,618	-35.7%
Self-constructed assets	553	97	470.1%
Variation in stocks of finished products and work-in-progress	-13,740	-553	2384.6%
Net purchases	-87,829	-109,305	-19.6%
Personnel expenses	-68,069	-64,743	5.1%
Other operating expenses	-62,865	-62,458	0.7%
Capital grants	15	32	-53.1%
Impairments	-7	-7	0.0%
Results coming from disposals of non-current assets	-53	-46	15.2%
Other results	0	0	n.s.
EBITDA	**74,797**	**63,253**	**18.3%**
EBITDA margin	*24.5%*	*21.3%*	*3.2 p.p.*
Amortization and depreciation	-20,847	-20,879	-0.2%
Operating profit	**53,950**	**42,374**	**27.3%**
Operating profit margin	*17.7%*	*14.2%*	*3.5 p.p.*
Financial incomes	602	173	248.0%
Financial expenditures	-2,925	-2,124	37.7%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	-1,973	4,730	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	**-4,296**	**2,779**	**c.s**
Profit from associated companies	0	0	n.s.
Profit before taxes	**49,654**	**45,153**	**10.0%**
Taxes	-12,177	-7,236	68.3%
Profit after taxes from continued operations	**37,477**	**37,917**	**-1.2%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	**37,477**	**37,917**	**-1.2%**
a) Net profit attributable to the parent comany	37,477	37,917	-1.2%
b) Net profit attributable to minority interests	0	0	n.s.

Viscofan Group profit and loss account. 9M24 ('000 €)

	Jan-Sep' 24	Jan-Sep' 23	*Change*
Revenues	**898,252**	**926,208**	**-3.0%**
Other operating income	6,859	7,356	-6.8%
Self-constructed assets	746	304	145.4%
Variation in stocks of finished products and work-in-progress	-21,134	47,851	c.s
Net purchases	-272,769	-363,631	-25.0%
Personnel expenses	-207,201	-205,439	0.9%
Other operating expenses	-198,233	-219,985	-9.9%
Capital grants	46	98	-53.1%
Impairments	-22	-22	0.0%
Results coming from disposals of non-current assets	-139	-106	31.1%
Other results	0	0	n.s.
EBITDA	**206,405**	**192,634**	**7.1%**
EBITDA margin	*23.0%*	*20.8%*	*2.2 p.p.*
Amortization and depreciation	-63,075	-62,143	1.5%
Operating profit	**143,330**	**130,491**	**9.8%**
Operating profit margin	*16.0%*	*14.1%*	*1.9 p.p.*
Financial incomes	1,825	483	277.8%
Financial expenditures	-8,232	-5,064	62.6%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	2,713	-3,360	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	**-3,694**	**-7,941**	**-53.5%**
Profit from associated companies	0	0	n.s.
Profit before taxes	**139,636**	**122,550**	**13.9%**
Taxes	-33,322	-21,755	53.2%
Profit after taxes from continued operations	**106,314**	**100,795**	**5.5%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	**106,314**	**100,795**	**5.5%**
a) Net profit attributable to the parent comany	106,314	100,795	5.5%
b) Net profit attributable to minority interests	0	0	n.s.

Consolidated balance sheets ('000 €) - ASSETS

	Sep'24	Dec '23	*Change*
Intangible assets	19,241	20,562	-6.4%
Goodwill	3,455	3,605	-4.2%
Others intangible asset	15,786	16,957	-6.9%
Tangible assets	543,188	567,718	-4.3%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	0	0	n.s.
Non-current financial assets	7,925	7,561	4.8%
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	3,160	3,288	-3.9%
Non-current derivatives	0	0	n.s.
Cash flow hedges	0	0	n.s.
Others	0	0	n.s.
Deferred tax assets	44,632	47,645	-6.3%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	**614,986**	**643,486**	**-4.4%**
Non-current assets held for sale	0	0	n.s.
Inventories	411,709	442,892	-7.0%
Trade and other receivables	315,663	263,894	19.6%
Trade debtors	271,654	220,786	23.0%
Other debtors	41,396	39,459	4.9%
Current tax assets	2,613	3,649	-28.4%
Current financial assets	701	911	-23.1%
a) At fair value through profit and loss	518	759	-31.8%
Of which "Designated upon initial recognition"	518	759	-31.8%
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	183	152	20.4%
Current derivatives	1,010	4,330	-76.7%
Cash flow hedges	1,010	4,330	-76.7%
Others	0	0	n.s.
Other current assets	0	0	n.s.
Cash and cash equivalents	63,971	51,996	23.0%
CURRENT ASSETS	**793,054**	**764,023**	**3.8%**
TOTAL ASSETS	**1,408,040**	**1,407,509**	**0.0%**

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

	Sep'24	Dec '23	*Change*
Share capital	32,550	32,550	0.0%
Share issue premium	12	12	0.0%
Reserves	920,280	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	106,314	140,962	-24.6%
Less: Interim dividend	0	-64,563	n.s.
Other equity instruments	5,084	3,905	30.2%
SHAREHOLDER´S FUNDS	**1,021,238**	**1,006,850**	**1.4%**
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	-88,747	-49,078	80.8%
Hedge transactions	-212	2,026	c.s.
Currency translation differences	-88,535	-51,104	73.2%
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	**-88,747**	**-49,078**	80.8%
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	**932,491**	**957,772**	**-2.6%**
Non-controlling interests	0	0	n.s.
EQUITY	**932,491**	**957,772**	**-2.6%**
Grants	3,412	806	323.3%
Non-current provision	30,032	25,959	15.7%
Non-current financial liabilities	77,332	50,833	52.1%
Bank debt	54,383	31,118	74.8%
Other financial liabilities	22,949	19,715	16.4%
Deferred tax liabilities	27,931	32,830	-14.9%
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	**138,707**	**110,428**	**25.6%**
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	36,151	26,228	37.8%
Current financial liabilities	165,776	182,735	-9.3%
Bank debt	157,329	158,841	-1.0%
Other financial liabilities	8,447	23,894	-64.6%
Trade and other payable accounts	133,367	130,303	2.4%
Trade creditors	87,788	83,630	5.0%
Other creditors	31,108	41,890	-25.7%
Current tax liabilities	14,471	4,783	202.6%
Current derivatives	1,548	43	3500.0%
Cash flow hedges	1,548	43	3500.0%
Others	0	0	n.s.
Other current liabilities	0	0	n.s.
CURRENT LIABILITIES	**336,842**	**339,309**	**-0.7%**
TOTAL EQUITY AND LIABILITIES	**1,408,040**	**1,407,509**	**0.0%**

Reporting exchange rates (Currency/€)

Average exchange rates (Currency/€)

End period (Currency/€)

	9M24	9M23	% Change	Sep 2024	Dec 2023	% Change
Euro	1.000	1.000	0.0%	1.000	1.000	0.0%
US Dollar	1.087	1.085	-0.1%	1.120	1.105	-1.3%
Canadian Dollar	1.478	1.459	-1.3%	1.513	1.464	-3.2%
Mexican Peso	19.268	19.400	0.7%	21.977	18.667	-15.1%
Brazilian real	5.695	5.446	-4.4%	6.100	5.350	-12.3%
Czech crown	25.078	23.759	-5.3%	25.180	24.725	-1.8%
British Pound	0.851	0.872	2.4%	0.835	0.869	4.0%
Serbian Dinar	117.115	117.279	0.1%	117.084	117.174	0.1%
Chinese yuan remminbi	7.750	7.592	-2.0%	7.827	7.859	0.4%
Uruguayan Peso	42.819	41.929	-2.1%	46.620	43.119	-7.5%
Australian Dollar	1.641	1.614	-1.7%	1.615	1.616	0.0%
New Zealand Dollar	1.783	1.747	-2.0%	1.760	1.743	-1.0%
Thai baht	38.818	37.277	-4.0%	36.107	37.973	5.2%

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

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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.

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