Viscofan S.A. and subsidiaries

Financial Report January-June 2025

Viscofan Reshaping food and wellbeing. For many, for long.



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

Management report

Main conclusions from the January-June 2025 results

- €311.5 million of quarterly revenue, an increase of 2.7% compared to the previous year driven by the acceleration in the growth of casing volumes and the recovery of new business against the negative impact of the depreciation of the US$ against the €, up to a total accumulated revenue to June of €618.8 million.
- Quarterly EBITDA of €76.3 million, up 9.0% year-over-year and with a 1.4 p.p. improvement in the EBITDA margin to 24.5%, bringing the year-to-date EBITDA to €145.2 million.
- Net profit of €38.4 million in the quarter, up 3.1% year-on-year, reaching a total of €69.8 million for the period.
- Net bank debt as of June 2025 stands at €228.7 million (€146.9 million as of December 2024), including the €28.8 million payment in June to shareholders who have opted to receive the Final Dividend in cash, and the €49.1 million cash outflow from the share repurchase carried out under the flexible retribution program.
- For José Antonio Canales, CEO of the Viscofan Group:

  "We have achieved solid results driven by the acceleration in casing volumes, production efficiencies, and cost savings. Operating performance is in line with the full-year guidance announced in February, with the exception of the US$ versus the €, which limits the full transfer of this improvement to net profit."

Business evolution

Viscofan Group financial results summary. (€000)

	First Half				Second Quarter			
	Jan-Jun' 25	**Jan-Jun' 24**	**Change**	**Like-for-like***	**Apr-Jun' 25**	**Apr-Jun' 24**	**Change**	**Like-for-like***
Revenue	618,759	593,144	4.3%	4.5%	311,490	303,415	2.7%	5.0%
EBITDA	145,161	131,608	10.3%	7.7%	76,339	70,013	9.0%	11.0%
EBITDA margin	*23.5%*	*22.2%*	*1.3 p.p.*	*0.7 p.p.*	*24.5%*	*23.1%*	*1.4 p.p.*	*1.3 p.p.*
Operating profit	101,811	89,380	13.9%		54,968	49,005	12.2%	
Net Profit	69,763	68,837	1.3%		38,403	37,247	3.1%	

Breakdown of revenue ('000 €)

	Jan-Jun' 25	**Jan-Jun' 24**	**Change**	**Apr-Jun' 25**	**Apr-Jun' 24**	**Change**
Traditional Business	506,643	495,867	2.2%	255,716	254,885	0.3%
New Business	81,379	71,357	14.0%	42,254	36,080	17.1%
Other revenue from energy	30,737	25,920	18.6%	13,520	12,450	8.6%
Revenue	618,759	593,144	4.3%	311,490	303,415	2.7%

By geographic area	**Jan-Jun' 25**	**Jan-Jun' 24**	**Change**	**Apr-Jun' 25**	**Apr-Jun' 24**	**Change**
Europe. Middle East and Africa (EMEA)	257,938	252,275	2.2%	129,629	129,038	0.5%
Asia Pacific (APAC)	76,792	74,747	2.7%	37,005	37,522	-1.4%
North America	194,706	184,543	5.5%	98,174	93,022	5.5%
South America	89,323	81,579	9.5%	46,682	43,833	6.5%
Revenue	618,759	593,144	4.3%	311,490	303,415	2.7%

** Like-for-like growth excludes the impact of exchange rate fluctuations in 2025 and changes in the scope of consolidation due to the incorporation of the acquired companies, Brasfibra and Master Couros in 4Q24, and Pet Mania as of March 2025.*

In the first half of the year, volumes in the casing market confirmed their recovery, maintaining the upward trend in volumes across the main technologies.

In this context, Viscofan's global geographic footprint, commercial drive, and technological diversification have translated into volume growth in the Traditional Business, with notable growth in North America and projects to replace animal casing with collagen.

In parallel, the New Business division has improved its growth thanks to the recovery in sales of plastic products, the strength of its transfer solutions, and the contribution of the acquisitions: Brasfibra and Master Couros in 4Q24, and Pet Mania starting in March 2025.

The semester was also characterized by improved operating profitability, with an EBITDA margin close to the Beyond25 target of 25%.

Technological improvements at the industrial park, highlighting the technologies installed in the U.S., both in Danville (cellulose) and New Jersey (collagen), the focus on production stability and quality, and energy diversification at Cáseda are enabling Viscofan to capture market growth with greater operational efficiency.

First-half operating results are in line with fiscal year forecasts, with EBITDA up 10.3% compared to the first half of the previous year.

Net profit grew by 1.3% year-over-year, with the negative impact of exchange rate differences caused by weaker currencies partially offset by the activation of carry forward tax losses due to the improvement in the United States.

We are entering the second half of the year with solid volume growth prospects, while progress is being made on investment projects within the Beyond25 Plan, including new collagen casing capacity, the installation of bag production machinery at the San Luis Potosí plant in Mexico, and investments in energy diversification and environmental management equipment at the Cáseda plant in Spain.

Revenue:

In the second quarter of 2025, revenue reached €311.5 million, 2.7% higher than the second quarter of the previous year.

In like-for-like terms, revenue for the quarter increased by 5.0% compared to the same period last year.

In the quarter, exchange rate fluctuations eroded the growth in consolidated revenue by -3.7 p.p., and changes in the scope of consolidation due to the incorporation of Brazilian companies contributed 1.4 p.p.

Of the reported revenue, sales in the Traditional Business grew 0.3% vs. 2Q24 to €255.7 million, with the acceleration in volumes offset by weaker currencies. In the New Business, sales increased 17.1% vs. 2Q24 to €42.3 million.

Energy sales, meanwhile, stood at €13.5 million, an 8.6% increase compared to the second quarter of the previous year, amid rising sales prices in the Spanish electricity market.

The geographical breakdown[1] of revenue in 2Q25 is as follows:

- EMEA: Reported revenue reached €129.6 million, up 0.5% compared to 2Q24 and 1.3% on a like-for-like basis.
- APAC: Reported revenue was €37.0 million, down 1.4% compared to 2Q24 due to currencies variation. On a like-for-like basis, revenue in the region grew 3.2%.
- North America: Revenue was up 5.5% to €98.2 million, and on a like-for-like basis rose 11.8%.
- South America: Revenue reached €46.7 million, a 6.5% increase compared to 2Q24, of which €4.1 million corresponds to the new Brazilian companies included to the consolidation scope. On a like-for-like basis, revenue in the region grew 2.9% compared to 2Q24.

[1] *Revenue by sales source: EMEA (Spain, Germany, Czech Republic, United Kingdom, Belgium, France and Serbia), North America (Canada, Costa Rica, Mexico and United States), APAC (Australia, China, Japan, New Zealand, Thailand), Latin America (Brazil and Uruguay)*

In the first half of the year, revenue stood at €618.8 million, 4.3% higher than the same period last year.

In like-for-like terms, that is, stripping out exchange rate fluctuations and changes in the scope of consolidation, revenue grew by 4.5% compared to the same period last year.

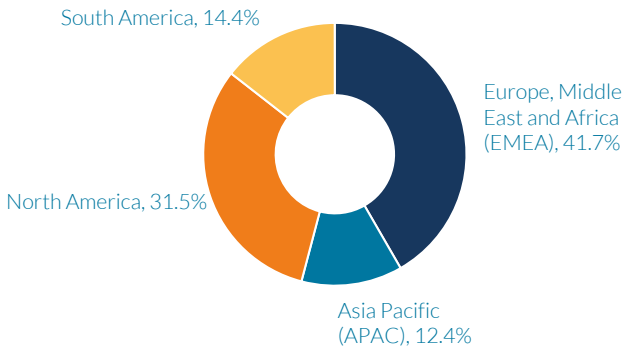
In the first half of the year, exchange rate fluctuations eroded the growth in consolidated revenue by -1.4 p.p., and changes in the scope of consolidation due to the incorporation of Brazilian companies contributed 1.2 p.p.

Of the reported revenue, Traditional Business sales contributed €506.6 million (2.2% vs. 1H24) driven by volume growth across all technologies, New Business sales contributed €81.4 million (14.0% vs. 1H24), and energy sales contributed €30.7 million (18.6% vs. 1H24).

The geographical breakdown of revenue in 1H25 is as follows:

- EMEA: Reported revenue reached €257.9 million, an increase of 2.2% compared to 1H24 and 2.4% on a like-for-like basis.
- APAC: Reported revenue was €76.8 million, up 2.7% from 1H24 and 4.5% excluding the impact of currency fluctuations.
- North America: Revenue grew 5.5% to €194.7 million, and on a like-for-like basis rose 7.7%
- South America: Revenue reached €89.3 million, an increase of 9.5% compared to 1H24, of which €7.0 million corresponds to the new Brazilian companies added to the consolidation scope. On a like-for-like basis, revenue in the region grew 3.4% compared to 1H24.

1H25. Geographical breakdown of revenue



Operating expenses

Productivity improvements achieved in new technologies, operational efficiencies, and savings from natural gas costs in Spain offset higher raw material prices, mainly collagen hides, and led to a 2.0 p.p. improvement in gross margin[2] in 1H25 compared to 1H24, reaching 69.6%, with cost of consumption[3] down 2.1% to €188.4 million. In the second quarter, gross margin improved by 2.8 p.p. to 70.4%, with cost of consumption of €92.2 million, down 6.2% year-over-year.

Personnel expenses grew 5.4% to €146.6 million in 1H25 and 7.3% to €74.1 million in 2Q25, due to a 9.3% increase in the average workforce to 5,632 people, including the incorporation of the companies acquired in Brazil and increased personnel needs to meet increased demand. Within personnel expenses, savings from production improvements in the US and currency depreciation in labour-intensive countries, primarily Brazil and Mexico, stood out.

[2] *Gross margin = (Revenue – Consumer expenses) / Revenue*
[3] *Cost of consumption = Supplies +/- Variation in finished and work-in-progress products*

Other operating expenses in 1H25 were €145.3 million, an increase of 7.3% compared to 1H24 amid increased production activity. Within other operating expenses, energy supply expenses increased by 4.8% compared to 1H24, and transportation expenses increased by 3.1%.

In 2Q25, other operating expenses were €72.2 million, a 4.5% increase compared to 2Q24. Within other operating expenses, energy supply expenses decreased by 0.6% compared to 2Q24, and transportation expenses increased by 3.5%.

Operating result

In reported terms, second-quarter EBITDA was €76.3 million, a growth of 9.0% compared to 2Q24, and the reported EBITDA margin rose to 24.5%, an improvement of 1.4 p.p.

On a like-for-like basis, EBITDA grew by 11.0%, with a 1.3 p.p. improvement in the like-for-like EBITDA margin to 24.4%.

During the period, exchange rate fluctuations eroded growth by -2.5 p.p., and changes in the scope of consolidation due to acquisitions in Brazil contributed 0.6 p.p.

In reported terms, 1H25 EBITDA was €145.2 million, up 10.3% from 1H24, and the reported margin improved by 1.3 percentage points to 23.5%.

In the first half of 2025, like-for-like EBITDA grew by 7.7% compared to 1H24, and the like-for-like EBITDA margin improved by 0.7 percentage points to 22.9%.

In the first half of the year, exchange rate fluctuations contributed 1.7 p.p. to growth, while changes in the scope of consolidation due to acquisitions in Brazil contributed 0.9 p.p.

Amortization expense in 2Q25 was €21.4 million (+1.7% vs. 2Q24) and in 1H25 it was €43.4 million (+2.7% vs. 1H24)

Thus, operating profit in the second quarter reached €55.0 million, a growth of 12.2% compared to 2Q24, resulting in operating profit in the first half of the year of €101.8 million, 13.9% higher than in 1H24.

Financial result

Net financial result for the first half of 2025 was negative at €18.1 million, with negative exchange rate differences of €14.0 million mainly due to the depreciation of the US dollar, and financial expenses amounted €5.1 million. This compares with a positive net financial result of €0.6 million in 1H24, a period in which exchange rate differences were positive at €4.7 million and financial expenses were €5.3 million.

The second-quarter net financial result was negative at €12.1 million, with negative exchange rate differences of €9.9 million and financial expenses of €2.6 million. This compares with a negative net financial result of €0.3 million in 2Q24, a period in which exchange rate differences were positive at €2.1 million and financial expenses were €2.8 million.

Net profit

Profit before tax for 1H25 was €83.7 million and the corporate income tax expense was €14.0 million, bringing the effective tax rate to 16.7% compared to 23.5% in 1H24, due to the activation of carry forward tax losses in the US amounting to €5.0 million as a result of the improved results of the US subsidiary.

Overall, Viscofan Group's Net profit for 1H25 was €69.8 million, up 1.3% compared to 1H24, and for 2Q25 it stood at €38.4 million, up 3.1% compared to 2Q24.

Investment

Investments in 1H25 totalled €40.5 million, in line with the €75 million target set for the year, and higher than the €24.0 million in 1H24 due to increased investment activity in the first half of this year, in line with the execution schedule for the main projects planned for the year. The main projects are the expansion of collagen casing capacity in light of the positive growth prospects in this family, the installation of production capacity for plastic bags for meat products at the San Luis Potosí plant in Mexico, and the investment in environmental management equipment at Cáseda in Spain.

Shareholder remuneration in 2025

The remuneration approved by the General Shareholders' Meeting in April 2025 represents a total remuneration of €3.135 per share for the 2024 financial year, a 4.3% increase compared to the previous year.

Thus, the interim dividend of €1.437 per share distributed in December 2024 is joined by the €0.688 ordinary final dividend and the €1.00 extraordinary final dividend paid in June under the "Viscofan Flexible Remuneration" optional cash or share dividend system approved by the General Shareholders' Meeting.

For the remuneration through the delivery of shares, Viscofan has carried out a share capital increase of 795,636 shares for a nominal value of €0.70 per share, and as a result of the above, a capital reduction has been executed through the redemption of 795,636 treasury shares and for the same nominal value in order to avoid dilution of the shareholders who did not participate in the capital increase.

The Company also distributed €0.01 per share as a bonus for attending the General Shareholders' Meeting held in April 2025.

Financial liabilities

Net bank debt[4] at the end of June 2025 was €228.7 million (€146.9 million at the end of December 2024). The increase in debt is primarily due to the increase in shareholder remuneration, which includes the payment of €28.8 million in June to shareholders who opted to receive the Final Dividend in cash, the €49.1 million share repurchase carried out under the flexible shareholder remuneration program, and the usual increase in working capital in the first half of the year. Additionally, Viscofan paid-out €9.2 million due to the acquisition of companies in Brazil.

[4] *Net bank debt = Non-current debts with credit institutions + Current debts with credit institutions – Cash and other cash equivalents*

Alternative performance measures

The Viscofan Group includes in this report several Alternative Performance Measures (APMs), as set out in the Guidelines on APMs published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es) and adopted by the CNMV.

These are a series of measures developed based on the financial information of Viscofan S.A. and its subsidiaries, and are complementary to the financial information prepared in accordance with International Financial Reporting Standards (IFRS). Under no circumstances should they be evaluated separately or considered a substitute.

These are measures used internally for decision-making and which the Board of Directors decides to report externally, considering that they provide useful additional information for analyzing and assessing the results of the Viscofan Group and its financial situation.

The MARs included in this report are the following:

- EBITDA, or Operating Profit before Depreciation and Amortization, is calculated by excluding depreciation and amortization expenses from Operating Profit. EBITDA is a commonly reported and widely used measure among analysts, investors, and other stakeholders within the casing industry. The Viscofan Group uses this measure to monitor business performance and establish operational and strategic objectives for its Group companies. However, it is not a defined indicator in IFRS and may therefore not be comparable with similar indicators used by other companies in their reporting.
- Cost fo consumption: Calculated as the net amount of supplies and the variation in finished goods and work in progress. Management monitors const of consumption as one of Viscofan's main cost components. The weight of revenue from this cost component on revenue or gross margin is also analyzed to study the evolution of the operating margin. However, it is not an indicator defined in IFRS, and cost of consumption should not be considered a substitute for the various income statement items that comprise it. Furthermore, they may not be comparable with other similar indicators used by other companies in their reports.
- Net bank debt: Calculated as non-current bank debt plus current bank debt netted against cash and cash equivalents. Management considers net bank debt to be relevant to shareholders and other stakeholders because it provides an analysis of the Group's solvency. However, net bank debt should not be considered as a substitute for gross bank debt in the consolidated balance sheet, nor for other liability and asset items that may affect the Group's solvency.
- Like-for-like revenue and EBITDA: This measure excludes the impact of exchange rate fluctuations with respect to the previous comparable period, changes in the scope of consolidation due to acquisitions, and non-recurring business results to provide a like-for-like comparison of the Viscofan Group's performance. However, like-for-like revenue and EBITDA are not indicators defined in IFRS and therefore may not be comparable with other similar indicators used by other companies in their reporting, nor should they be considered a substitute for business performance indicators.

Financial Annexes

Viscofan Group 2Q25 Financial Results (€'000)

	Apr-Jun' 25	Apr-Jun' 24	Change
Revenue	**311,490**	**303,415**	**2.7%**
Other operating income	2,890	2,928	-1.3%
Self-constructed assets	375	99	278.8%
Variation in stocks of finished products and work-in-progress	11,965	-6,354	c.s
Net purchases	-104,163	-91,965	13.3%
Personnel expenses	-74,056	-68,999	7.3%
Other operating expenses	-72,161	-69,050	4.5%
Capital grants	20	15	33.3%
Impairments	-7	-7	—%
Results coming from disposals of non-current assets	-14	-69	-79.7%
Other results	0	0	n.s.
EBITDA	**76,339**	**70,013**	**9.0%**
EBITDA margin	*24.5%*	*23.1%*	*1.4p.p.*
Amortization and depreciation	-21,371	-21,008	1.7%
Operating profit	**54,968**	**49,005**	**12.2%**
Operating profit margin	*17.6%*	*16.2%*	*1.4p.p.*
Financial income	505	522	-3.3%
Financial expenses	-2,648	-2,847	-7.0%
Change in fair value of financial instruments	0	0	n.s.
Exchange rate differences	-9,934	2,050	c.s
Impairment loss/reversal of financial instruments	0	0	n.s.
Result from disposals of financial instruments	0	0	n.s.
Financial result	**-12,077**	**-275**	**4291.6%**
Profit from associated companies	0	0	n.s.
Profit before taxes	**42,891**	**48,730**	**-12.0%**
Taxes	-4,800	-11,483	-58.2%
Profit after tax from continuing operations	**38,091**	**37,247**	**2.3%**
Net profit from discontinued operations after taxes	0	0	n.s.
Net profit attributed to non-controlling interests	-312	0	n.s.
Viscofan Group net profit	**38,403**	**37,247**	**3.1%**

Viscofan Group financial results 1H25 (€'000)

	Jan-Jun' 25	Jan-Jun' 24	Change
Revenue	**618,759**	**593,144**	**4.3%**
Other operating income	6,006	5,176	16.0%
Self-constructed assets	748	193	287.6%
Variation in stocks of finished products and work-in-progress	22,198	-7,394	c.s
Net purchases	-210,581	-184,942	13.9%
Personnel expenses	-146,642	-139,132	5.4%
Other operating expenses	-145,309	-135,368	7.3%
Capital grants	40	31	29.0%
Impairments	-14	-14	—%
Results coming from disposals of non-current assets	-44	-86	-48.8%
Other results	0	0	n.s.
EBITDA	**145,161**	**131,608**	**10.3%**
EBITDA margin	*23.5%*	*22.2%*	*1.3 p.p.*
Amortization and depreciation	-43,350	-42,228	2.7%
Operating profit	**101,811**	**89,380**	**13.9%**
Operating profit margin	*16.5%*	*15.1%*	*1.4 p.p.*
Financial income	910	1,223	-25.6%
Financial expenses	-5,059	-5,307	-4.7%
Change in fair value of financial instruments	0	0	n.s.
Exchange rate differences	-13,983	4,686	c.s
Impairment and results from disposals of financial instruments	0	0	n.s.
Result from disposals of financial instruments	0	0	n.s.
Financial result	**-18,132**	**602**	**c.s**
Profit from associated companies	0	0	n.s.
Profit before taxes	**83,679**	**89,982**	**-7.0%**
Taxes	-13,968	-21,145	-33.9%
Profit after taxes from continued operations	**69,711**	**68,837**	**1.3%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit attributable to minority interests	-52	0	n.s.
Viscofan Group net profit	**69,763**	**68,837**	**1.3%**

Consolidated statement of financial position ('000 €)

Assets	Jun' 25	Dec' 24	Change
Intangible fixed assets	36,568	33,139	10.3%
Goodwill	*19,104*	*15,017*	*27.2%*
Other intangible assets	*17,464*	*18,122*	*-3.6%*
Tangible fixed assets	543,074	560,757	-3.2%
Real estate investments	0	0	n.s.
Investments accounted for using the equity method	0	0	n.s.
Non-current financial assets	8,203	8,097	1.3%
a) At fair value through profit or loss	*4,974*	*4,687*	*6.1%*
Of which "Designated upon initial recognition"	*4,974*	*4,687*	*6.1%*
b) At fair value through other comprehensive income	*0*	*0*	*n.s.*
Of which "Designated upon initial recognition"	*0*	*0*	*n.s.*
c) At amortized cost	*3,229*	*3,410*	*-5.3%*
Non-current derivatives	0	0	n.s.
Cash flow hedges	*0*	*0*	*n.s.*
Others	*0*	*0*	*n.s.*
Deferred tax assets	39,558	39,190	0.9%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	**627,403**	**641,183**	**-2.1%**
Non-current assets held for sale	0	0	n.s.
Inventories	418,645	398,954	4.9%
Trade debtors and other receivables	342,497	306,512	11.7%
Trade debtors	*279,742*	*269,250*	*3.9%*
Other debtors	*60,021*	*36,393*	*64.9%*
Current tax assets	*2,734*	*869*	*214.6%*
Other current financial assets	943	945	-0.2%
a) At fair value through profit or loss	*795*	*795*	*—%*
Of which "Designated upon initial recognition"	*795*	*795*	*—%*
b) At fair value through other comprehensive income	*0*	*0*	*n.s.*
Of which "Designated upon initial recognition"	*0*	*0*	*n.s.*
c) At amortized cost	*148*	*150*	*-1.3%*
Current derivatives	1,877	111	1591.0%
Cash flow hedges	1,877	111	*1591.0%*
Rest	0	0	n.s.
Other current assets	0	0	n.s.
Cash and other cash equivalents	46,528	55,143	-15.6%
CURRENT ASSETS	**810,490**	**761,665**	**6.4%**
TOTAL ASSETS	**1,437,893**	**1,402,848**	**2.5%**

Equity	Jun' 25	Dec' 24	Change
Capital	32,550	32,550	—%
Share issue premium	12	12	—%
Reserves	934,188	881,816	5.9%
Less: Treasury shares	-28,434	-35,045	-18.9%
Profit from previous years	0	0	n.s.
Other contributions from associates	0	0	n.s.
Result of the year attributed to the controlling entity	69,763	157,019	-55.6%
Less: Interim dividend	0	-26,844	n.s.
Other equity instruments	2,812	7,018	-59.9%
SHAREHOLDER'S FUNDS	**1,010,891**	**1,016,526**	**-0.6%**
Items that are not reclassified to the result of the period	0	0	n.s.
Equity instruments with changes in other comprehensive income	0	0	n.s.
Others	0	0	n.s.
Items that can be subsequently reclassified to the result of the period	-108,805	-79,330	37.2%
Hedging operations	782	-706	c.s.
Currency translation differences	-109,587	-78,624	39.4%
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.
OTHER ACCUMULATED COMPREHENSIVE INCOME	**-108,805**	**-79,330**	**37.2%**
EQUITY ATTRIBUTED TO THE CONTROLLING ENTITY	**902,086**	**937,196**	**-3.7%**
Non-controlling interests	2,891	1,715	68.6%
EQUITY	**904,977**	**938,911**	**-3.6%**

Liabilities	Jun' 25	Dec' 24	Change
Grants	3,635	3,381	7.5%
Non-current provisions	20,950	19,193	9.2%
Non-current financial liabilities	71,565	71,311	0.4%
Bank debt	49,063	47,140	4.1%
Other financial liabilities	22,502	24,171	-6.9%
Deferred tax liability	19,473	23,391	-16.8%
Non-current derivatives	0	0	n.s.
Cash flow hedges	0	0	n.s.
Rest	0	0	n.s.
Other non-current liabilities	0	0	n.s.
NON-CURRENT LIABILITIES	**115,623**	**117,276**	**-1.4%**
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	30,221	21,024	43.7%
Current financial liabilities	242,768	178,543	36.0%
Bank debt	226,181	154,857	46.1%
Other financial liabilities	16,587	23,686	-30.0%
Trade and other payable accounts	144,304	143,895	0.3%
Suppliers	86,075	83,435	3.2%
Other creditors	41,400	42,729	-3.1%
Current tax liabilities	16,829	17,731	-5.1%
Current derivatives	0	3,199	n.s.
Cash flow hedges	0	3,199	n.s.
Rest	0	0	n.s.
Other current liabilities	0	0	n.s.
CURRENT LIABILITIES	**417,293**	**346,661**	**20.4%**
TOTAL EQUITY AND LIABILITIES	**1,437,893**	**1,402,848**	**2.5%**

Cash Flow Statement ('000 €)

	Jan-Jun' 25	Jan-Jun' 24	Change
Cash flows from operating activities	**62,044**	**81,940**	**-24.3%**
Profit before taxes	**83,679**	**89,982**	**-7.0%**
Adjustments in results	**73,227**	**50,099**	**46.2%**
Amortisation and depreciation	43,350	42,228	2.7 %
Other adjustments to results (net)	29,877	7,871	279.6 %
Changes in working capital	**-73,850**	**-45,734**	**61.5%**
Other cash flows from operating activities	**-21,012**	**-12,407**	**69.4%**
Interest payments	5,059	5,307	-4.7 %
Dividend payments and remuneration of other equity instruments	-3,095	0	n.s.
Dividend collections	0	0	n.s.
Interest received	-910	-1,223	-25.6 %
Proceeds/ (payments) from income tax	-21,635	-16,088	34.5 %
Proceeds/(payments) from operating activities	-431	-403	6.9 %
Cash flows from investing activities	**-53,480**	**-35,758**	**49.6%**
Payments for investments	**-54,408**	**-37,282**	**45.9%**
Group companies, associates and business units	-9,183	0	n.s.
Tangible fixed assets, intangible assets and real estate investments	-45,225	-37,282	21.3 %
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Collections for divestments	**18**	**301**	**-94.0%**
Group companies, associates and business units	0	0	n.s.
Tangible fixed assets, intangible assets and real estate investments	18	301	-94.0 %
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Other cash flows from investing activities	**910**	**1,223**	**-25.6%**
Dividend collections	0	0	n.s.
Interest charges	910	1,223	-25.6 %
Other collections/(payments) from discontinued operations	0	0	n.s.
Cash flows from financing activities	**-13,756**	**-43,730**	**-68.5%**
Collections and payments for equity instruments	**-49,056**	**-60,482**	**-18.9%**
Emission	0	0	n.s.
Amortization	0	0	n.s.
Acquisition	-49,056	-60,482	-18.9 %
Disposal	0	0	n.s.
Collections and payments for financial liability instruments	**73,282**	**58,673**	**24.9%**
Emission	228,139	217,514	4.9 %
Repayment and amortization	-154,857	-158,841	-2.5 %
Dividend payments and remuneration of other equity instruments	**-28,800**	**-33,219**	**-13.3%**
Other cash flows from financing activities	**-9,182**	**-8,702**	**5.5%**
Payment of interest	-4,905	-4,913	-0.2 %
Other collections/(payments) from financing activities	-4,277	-3,789	12.9 %
Effect of exchange rate variations	**-3,423**	**-3,186**	**7.4%**
Net increase/(decrease) in cash and equivalents	**-8,615**	**-734**	**1073.7%**
Cash and cash equivalents at the beginning of the period	**55,143**	**51,996**	**6.1%**
Cash and equivalents at the end of the period	**46,528**	**51,262**	**-9.2%**

Exchange rates

Average exchange rates (currency/€) **End period (currency/€)**

	1H25	1H24	% change	June 2025	December 2024	% change
Euro	1.000	1.000	—%	1.000	1.000	—%
US dollar	1.093	1.081	-1.1%	1.172	1.039	-11.3%
Pound sterling	0.842	0.855	1.5%	0.856	0.829	-3.2%
Canadian dollar	1.540	1.468	-4.7%	1.603	1.495	-6.7%
Brazilian real	6.293	5.498	-12.6%	6.396	6.433	0.6%
Chinese yuan renminbi	7.875	7.712	-2.1%	8.402	7.526	-10.4%
Czech crown	25.001	25.021	0.1%	24.750	25.185	1.8%
Serbian dinar	117.177	117.151	—%	117.174	117.015	-0.1%
Mexican peso	21.832	18.502	-15.3%	22.142	21.057	-4.9%
Uruguayan peso	46.243	41.957	-9.3%	46.350	45.780	-1.2%
Australian dollar	1.724	1.642	-4.8%	1.789	1.671	-6.6%
Thai Baht	36.629	39.127	6.8%	38.125	35.676	-6.4%

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Legal notice

This document may contain forward-looking statements regarding the Company's intentions, expectations, or forecasts as of the date of this document, in addition to the mandatory financial information intended to provide more detailed information regarding performance prospects.

Such intentions, expectations, or forecasts do not constitute guarantees of performance and involve risks, uncertainties, and other relevant factors that could cause actual developments and results to differ substantially from those expressed in these intentions, expectations, or forecasts.

This circumstance must be taken into account primarily by all persons or entities that may have to make decisions or prepare or disseminate opinions regarding securities issued by the Company and, in particular, by analysts and investors handling this document.

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

Notes to the financial statements

Results January-June 2025

1. Nature and Main Activities

Viscofan, S.A. (hereinafter the Company or the Parent Company) was incorporated in Spain as a public limited company for an indefinite period on 17 October 1975 under the name Viscofan, Industria Navarra de Envolturas Celulósicas, S.A. The General Shareholders' Meeting held on 17 June 2002 changed its name to the current one. The company's head office and registered office are located in the Polígono Industrial Berroa, Berroa Street number 15, 4th floor, 31192 - Tajonar (Navarra).

For the purposes of the provisions of articles 73 and following, in relation to 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 draft and sign a segregation project by virtue of which the Company segregates a part of its assets that constitutes an autonomous economic unit and transfers it as a block, by universal succession, to Viscofan España S.L.U.

Until the proposed spin-off and transfer of business lines described above, the company's main activity consisted of the manufacture, distribution, and marketing of all types of casings and films for food use; collagen-based products for food use and bioengineering; and the production of electrical energy for sale to third parties through co-generation systems. Following the proposed spin-off, the company's main activity consists of the acquisition, holding, use, general management, and disposal of all types of securities.

The Company is also the parent company of a group of companies (the Viscofan Group or the Group) whose main activities are the manufacturing, distribution, and marketing of all types of food-grade casings and films; collagen-based products for food and bioengineering; and the production of electricity for sale to third parties through co-generation systems.

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

The Group's Consolidated Annual Accounts for the year 2024 were prepared on February 27, 2025, and approved by the General Shareholders' Meeting held on April 29, 2025.

The condensed interim consolidated financial statements for the first half of 2025 have not been audited.

2. Presentation basis

The financial statements of Viscofan S.A. for the interim period January-June of the financial year 2025 have been prepared in accordance with the provisions contained in the NPGC approved by RD 1514/2007, in order to show a true and fair view of equity and financial position of Viscofan, S.A. and the results of its operations, its cash flows and the changes in equity corresponding to the period ended on that date.

The interim consolidated financial statements of the Viscofan Group, which correspond to the six-month period ended June 30, 2025, have been prepared from the accounting records of Viscofan, S.A. and the companies included in the Group and are presented in accordance with IAS 34 Interim Financial Reporting.

In accordance with IAS 34, the interim financial information is prepared solely for the purpose of updating the content of the Group's latest consolidated annual accounts, placing emphasis on new activities, events and circumstances that occurred during the six-month period and not duplicating the information previously published in the consolidated annual accounts for the year 2024. In this regard, for a proper understanding of the information included in these interim consolidated financial statements, they should be read together with the Group's consolidated annual accounts for the year ended December 31, 2024.

The consolidated financial statements for the interim period January-June 2025 have been prepared in accordance with the international financial

reporting standards adopted by the European Union (IFRS-EU), in order to present a true and fair view of the consolidated equity and consolidated financial position of Viscofan, S.A. and its subsidiaries and the consolidated results of their operations, their consolidated cash flows and the changes in consolidated equity for the period ended June 30, 2025.

The accounting policies have been applied uniformly with respect to the annual period ending December 31, 2024.

New and amended standards and interpretations

No regulations that impact the Viscofan Group's financial statements have come into force during the interim period.

Comparison of information

The comparison of the interim financial statements refers to the half-year periods ended June 30, 2025, and 2024, except for the consolidated statement of financial position, which compares that of June 30, 2025, with that of December 31, 2024.

Corrections of errors from previous years

No corrections have been recorded for errors from previous years.

Relevant accounting estimates and assumptions and judgments relevant to the application of accounting policies

The preparation of the interim consolidated financial statements, in accordance with IFRS-EU, requires significant accounting estimates and judgments and assumptions in the process of applying accounting policies by management. The assumptions adopted are based on historical experience and other factors that are reasonable under the prevailing circumstances. These estimates are disclosed in notes 3 and 4 of the notes to the consolidated financial statements for the year ended December 31, 2024, and primarily relate to:

- Taxes.
- Pension benefits.
- Provisions for litigation and contingent assets and liabilities.
- Fair value of share-based compensation.
- Assessment of potential impairment losses on certain assets and goodwill.
- Useful life of intangible and tangible assets.
- Valuation of derivatives.

Presentation currency

The interim consolidated financial statements have been expressed, unless otherwise indicated, in thousands of euros.

3. Business combinations

Completed in 2025

On February 27, 2025, the Viscofan Group acquired 51% of the Brazilian company Pet Mania Comércio Internacional Ltda for a cash consideration of €5.6 million at the exchange rate on that date and an enterprise value equivalent to €16.5 million.

Located in Jundiai, Sao Paulo State (Brazil), Pet Mania is dedicated to the production and marketing of pet treats, animal-based treats for pets.

For the period between March 1, 2025, and June 30, 2025, the acquired business contributed consolidated revenue with €4,436 thousand and a net profit with -€73 thousand to the Group, of which -€36 thousand correspond to minority shareholders.

Completed in 2024

On June 5, 2024, the legal liquidation of Jupiter PTY LTD was registered with the Australian Securities & Investments Commission.

On September 19, 2024, through the subsidiary Viscofan do Brasil, soc. com. and ind. Ltda. the purchase of 60% of the companies Brasfibra Industria e Comercio de Derivados do Couro Ltda. and Master Couros Industria e Comercio de Derivados do Couro Ltda. was formalized.

Brasfibra is dedicated to the production of high-quality bovine collagen products (collagen hydrolysates, collagen fiber, and products for pet food). Master Couros is a specialist in the treatment of bovine hides and supplies Brasfibra.

The amounts recognized at the acquisition date of the assets, liabilities, and contingent liabilities are detailed in note 2.1 of the notes to the consolidated financial statements for the year 2024. These amounts may be subject to modification as a result of the process of identifying and valuing the net assets acquired.

4. Relative importance

In determining the information to be disclosed in these explanatory notes on the different items in the financial statements or other matters, the Group has taken into account the relative importance in relation to the Consolidated Interim Financial Statements for the first half of the year, as regulated by IAS 34.

5. Seasonality or cyclical nature of interim period transactions

The activity of the various companies within the Viscofan Group is not subject to significant seasonality or cyclicality, so operating profit has evolved uniformly over this period, with the exception of capacity increases that may occur occasionally during an intermediate period.

6. Financial Information by Segment

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 electricity with the following objectives: reducing the impact of energy costs, achieving self-sufficiency, reducing CO_2 emissions into the atmosphere, and, where appropriate, selling surplus electricity.

The Beyond25 strategic plan has reoriented its commercial and operational strategies, distinguishing between 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 Business, and Energy, although from a management information perspective, the activity is considered a single segment, consisting mainly of casing sales.

Furthermore, Viscofan's business model is global, understood as products and services sold in a multitude of markets around the world, generated by the Group's assets in different locations. Thus, each production center produces goods for final destination in various countries and markets. Manufacturing centers occasionally produce semi-finished products, which are completed in other countries for subsequent sale to a third party. This process frequently involves several geographic management regions.

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

Considering this business and management framework, sales are analyzed by geographic region and, in any case, specific profitability is analyzed more specifically based on companies or assets analyzed more individually.

Given the Group's current organizational, production and management structure, the 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 income and cause expenses is unique: the sale of casings and films for food use.

From a commercial perspective, the emphasis is on geographic areas and sales by type of business: traditional, new businesses, and energy, as detailed below:

Breakdown of consolidated revenue by type ('000 €)

	Jan-Jun 25	Jan-Jun 24
Traditional Business	506,643	495,867
New Business	81,379	71,357
Other energy revenues	30,737	25,920
Revenue	**618,759**	**593,144**

Breakdown of geographic segments ('000 €)

30/06/2025	Spain	Other EMEA	Asia Pacific	North America	South America	Eliminations and others	Consolidated
Revenue from external customers	80,568	177,370	76,792	194,706	89,323	–	**618,759**
Revenue from other segments	77,761	181,312	4,810	48,522	25,393	-337,798	**–**
Total revenue	**158,329**	**358,682**	**81,602**	**243,228**	**114,716**	**-337,798**	**618,759**
Amortization and depreciation expenses							**-43,350**
Financial income							**910**
Financial expenses							**-5,059**
Exchange rate differences							**-13,983**
Segment profit before tax							**83,679**
Total assets	**440,800**	**459,444**	**181,671**	**415,208**	**221,772**	**-281,002**	**1,437,893**
Total liabilities	**337,528**	**160,915**	**69,285**	**211,627**	**67,825**	**-314,264**	**532,916**
Asset acquisitions	**10,195**	**15,445**	**1,605**	**10,556**	**2,690**	**0**	**40,491**

30/06/2024	Spain	Other EMEA	Asia Pacific	North America	South America	Eliminations and others	Consolidated
Revenue from external customers	72,582	179,693	74,747	184,543	81,579	0	**593,144**
Revenue from other segments	80,512	149,609	907	58,227	20,692	-309,947	**0**
Total revenue	**153,094**	**329,302**	**75,654**	**242,770**	**102,271**	**-309,947**	**593,144**
Amortization and depreciation expenses							**-42,228**
Financial income							**1,223**
Financial expenses							**-5,307**
Exchange rate differences							**4,686**
Segment profit before tax							**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**	**-321,212**	**509,654**
Asset acquisitions	**6,778**	**4,996**	**3,994**	**6,731**	**1,487**	**0**	**23,986**

7. Capital changes in Group companies

In the period from January to June 2025, Viscofan S.A. has subscribed to a capital increase in the subsidiary Viscofan USA Inc. for an aggregate amount of 19,544 thousand euros, and has also increased the Share Capital of Viscofan (Thailand) Co. Ltd. by an amount of 1,781 thousand euros.

8. Tangible and intangible fixed assets

During the interim period from January to June of the 2025 financial year, investments were made in tangible fixed assets and intangible assets worth 40,491 thousand euros (23,986 thousand euros in the period from January to June of the 2024 financial year).

Key investment projects for 2025 include expanding collagen casing capacity given the positive growth prospects for this product family, installing production capacity for plastic bags for meat products at the San Luis Potosí plant in Mexico, and investing in environmental management equipment at Cáseda in Spain.

As a result of the investment plan, fixed asset acquisition commitments amounting to €10,021 thousand remain in place at the end of June 2025 (€13,547 thousand as of December 2024).

The consolidated Group has insurance policies to cover the risks to which its tangible fixed assets are subject. The coverage under these policies is considered sufficient.

Acquisition, sale or disposal of tangible fixed assets carried out by other means

In the current interim period, no significant transactions associated with the acquisition, sale or disposal of tangible fixed assets have been recorded by other means.

Valuation adjustments to tangible fixed assets, intangible fixed assets and other non-current assets

No significant valuation adjustments have been made to tangible fixed assets, intangible assets and other non-current assets during this interim period.

9. Inventory

The detail of the inventory heading as of June 30, 2025 and December 31, 2024 is as follows:

Thousand euros

	30/06/25	31/12/24
Raw materials and other supplies	98,466	93,686
Semi-finished products	103,689	94,552
Finished products	176,128	177,334
Commercials	10,952	13,337
Greenhouse gas emission rights	23,756	15,289
Advances to suppliers	5,654	4,756
Total inventory	**418,645**	**398,954**

Expenses incurred during the interim period due to impairment and obsolescence of inventories amounted to €1,328 thousand (€489 thousand as of June 30, 2024).

The companies in the consolidated Group have insurance policies to cover the risks to which their inventories are exposed. The coverage of these policies is considered sufficient.

10. Trade debtors and other receivables

The details of the trade debtors and other receivables heading as of June 30, 2025, and December 31, 2024, are as follows:

Thousand euros

	30/6/2025	31/12/2024
Customers for sales and services	282,246	271,665
Other non-trade debtors	13,952	9,771
Advances to employees	117	125
Provisions for bad debts	-2,504	-2,415
Public Administrations	29,923	20,886
Deferred expenses	16,029	5,611
Total trade debtors and other receivables	**339,763**	**305,643**

Trade debtors do not accrue interest, and collection terms are generally 45 to 90 days.

The breakdown by currency of trade and other receivables as of June 30, 2025, and December 31, 2024, is as follows:

	Euro	American dollar	Czech crown	Brazilian real	Mexican peso	Chinese yuan	Other currencies	Total book value
30/6/2025	123,899	98,763	2,931	67,214	6,658	19,742	20,556	**339,763**
31/12/2024	108,729	103,465	2,505	48,448	3,948	18,784	19,764	**305,643**

11. Cash and Other Cash Equivalent

The "Cash and Other Cash Equivalents" heading as of June 30, 2025, and December 31, 2024, corresponds entirely to the Group's balances in cash and with credit institutions, with some interest-bearing accounts at market rates.

The Group has no bank overdrafts as of the aforementioned dates, and all balances are freely available.

The breakdown by currency is as follows:

	Euro	American dollar	Czech crown	Brazilian real	Mexican peso	Chinese yuan	Other currencies	Total book value
30/6/2025	5,274	14,497	19	3,108	1,293	10,821	11,516	**46,528**
31/12/2024	4,976	17,922	6	5,006	4,271	11,582	11,380	**55,143**

12. Equity

The composition and movements of the Viscofan Group's Net Equity as of June 30, 2025 and 2024 have been developed in this Half-Yearly Financial Report in Chapter IV Selected Financial Information.

Subscribed capital

On June 6, 2025, the deed of capital reduction and increase related to the execution of the first edition of the optional dividend program "Viscofan Flexible Remuneration," approved by the General Shareholders' Meeting on April 29, 2025, was registered in the Commercial Registry of Navarra.

In accordance with the resolutions adopted by the aforementioned General Shareholders' Meeting and the resolutions adopted by the Board of Directors at its meeting held on April 29, 2025, the capital reduction and increase have been carried out for the same nominal value and, consequently, the Company's share capital and the number of shares it represents remain unchanged.

As of June 30, 2025, the Parent Company's share capital consisted of 46,500,000 shares with a par value of €0.70 each. The shares were fully subscribed and paid up. The total capital value amounts to €32,550,000.

All shares enjoy the same voting and economic rights and are officially listed on the Spanish Stock Exchange Interconnection System (SIBE). There are no restrictions on their free transferability.

Dividends distributed in the period January-June 2025

Given the company's financial strength and the forecast growth in future cash flows, the Board of Directors approved submitting to the General Shareholders' Meeting, which approved it in April 2025, a total remuneration of €3.135 per share for the 2024 financial year, a 4.3% increase in shareholder remuneration compared to the previous year.

Thus, the interim dividend of €1.437 per share paid in December 2024 is joined by the €0.688 ordinary final dividend and the €1.00 extraordinary final dividend paid in June 2025 within the framework of the optional cash or share dividend system "Viscofan Flexible Remuneration" approved by the General Shareholders' Meeting on April 29, 2025.

The company also distributed €0.01 per share as a bonus for attending the General Shareholders' Meeting held in April 2025.

Issues, repurchases and repayments of securities representing the entity's debt or capital

During this period, the Company has acquired, using the powers granted by the General Shareholders' Meeting, a total of 776,161 treasury shares.

Under the flexible compensation program approved by the General Shareholders' Meeting, the Company received 33,432 treasury shares. Under this program, all shares were delivered through a capital increase of 795,636 shares, and a capital reduction was carried out through the redemption of 795,636 treasury shares to avoid dilution of the capital of shareholders who did not participate in the capital increase.

Furthermore, during the interim period of 2025, 132,394 treasury shares were awarded to Viscofan employees as part of the company's variable remuneration plans.

Thus, as of June 30, 2025, the company has 572,358 treasury shares, representing 1.23% of the voting rights.

As of December 31, 2024, Viscofan, S.A. held a total of 690,795 treasury shares representing 1.49% of the voting rights.

On the other hand, the companies comprising the Viscofan Group have not issued, repurchased, or repaid debt securities.

13. Current and non-current provisions

The breakdown of this heading of the Consolidated Statement of Financial Position is as follows:

Thousand euros

	30/6/2025	31/12/2024
Defined benefit	16,470	16,498
Other staff remuneration	4,432	2,647
Provisions for other litigation	0	0
Others	48	48
Total non-current provisions	**20,950**	**19,193**
Provisions for warranties / returns	3,533	3,301
Provisions for occupational risks	233	660
Provisions for emission rights	24,887	17,045
Others	1,568	18
Total current provisions	**30,221**	**21,024**

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

The actuarial assumptions used in the interim period have not changed since December 31, 2024, and are detailed in note 13 Notes to the Consolidated Financial Statements. Furthermore, during the interim period ending June 30,

2025, there were no significant changes in the assets allocated to pension plans in the USA. There are no allocated assets in Germany.

On the other hand, during the first half of 2025, no litigation that is considered significant has been initiated against the Group, see section 18. Contingent assets and liabilities included in these Explanatory Notes.

The provision for emission rights includes the estimated consumption of emission rights valued in accordance with the valuation standard described in Note 4.16 of the Notes to the Consolidated Financial Statements as of December 31, 2024.

No significant provisions associated with restructuring costs have been recorded in the current interim period.

14. Trade creditors, other accounts payable and other current liabilities

The detail of Trade creditors, other accounts payable and other current liabilities is as follows:

Thousand euros

	30/6/2025	31/12/2024
Suppliers	43,415	44,844
Creditors for services rendered	45,124	37,642
Customer advances	1,317	1,430
Outstanding remuneration payments	18,822	29,175
Public Administrations	18,797	13,073
Final balance	**127,475**	**126,164**

The breakdown by currency is as follows:

	Euros	American dollar	Czech crown	Brazilian real	Mexican peso	Chinese yuan	Other currencies	Total book value
30/6/2025	64,914	24,881	4,969	11,325	6,562	3,938	10,886	**127,475**
31/12/2024	62,544	24,633	5,684	4,918	6,689	5,532	16,164	**126,164**

15. Non-current and current financial liabilities

The details of non-current and current financial liabilities taking into account the discounted contractual maturities as of June 30, 2025 and December 31, 2024 are as follows:

Thousand euros

	Less than a year	1 to 5 years	More than 5 years	**Total carrying amount**	Total fair value
Bank borrowings	225,569	49,063	0	**274,632**	*274,632*
Accrued interest pending payment	612	0	0	**612**	*612*
Lease Creditors	4,285	8,269	323	**12,877**	*12,877*
Other financial liabilities	12,302	8,453	5,457	**26,212**	*26,212*
Valued at amortized cost	*12,302*	*8,468*	*5,457*	**26,212**	*26,212*
Total as of June 30, 2025	**242,768**	**65,785**	**5,780**	**314,333**	*314,333*

	Less than a year	1 to 5 years	More than 5 years	**Total carrying amount**	Total fair value
Bank borrowings	153,962	47,140	0	**201,102**	*201,102*
Accrued interest pending payment	895	0	0	**895**	*895*
Lease Creditors	4,314	6,974	561	**11,849**	*11,849*
Other financial liabilities	19,372	11,275	5,361	**36,008**	*36,008*
Valued at amortized cost	*19,372*	*11,275*	*5,361*	***36,008***	*36,008*
Total as of December 31, 2024	**178,543**	**65,389**	**5,922**	**249,854**	*249,854*

As of June 30, 2025, the amount in "Bank borrowings" includes loans signed to transform part of traditional financing into sustainable financing, the interest rates of which are linked to the evolution of indicators with an annual review period.

As can be seen in the tables above, the carrying amount of financial liabilities is consistent with fair value because long-term debt corresponds to financing obtained in recent years, and the terms of these are very similar to those currently available in the market.

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

	Euros	American dollar	Czech crown	Brazilian real	Mexican peso	Chinese yuan	Other currencies	**Total book value**
30/6/2025	275,779	10,314	1,777	6,810	340	573	18,740	**314,333**
31/12/2024	210,414	9,275	1,339	8,649	1,288	1,032	17,857	**249,854**

Defaults or other breach of a loan agreement that has not been corrected by the balance sheet date

The Viscofan Group has satisfactorily repaid all amounts of its financial debt already due, so as of June 30, 2025, no amounts were included in the financial debt balance whose contractual maturity had occurred prior to the aforementioned date. Furthermore, as of that date, no financial obligations had been breached by any of the companies comprising the Viscofan Group.

16. Derivative financial instruments

The breakdown of the composition of the balances as of June 30, 2025, and December 31, 2024, which reflect the valuation of derivative financial

instruments as of those dates, is as follows:

Thousand euros

	Measured at fair value			
	With changes in P&L	With changes in OCI	Carrying amout	Total fair value
Non-current derivatives	0	0	0	0
Current derivatives	1,877	0	1,877	1,877
Total financial assets as of June 30, 2025	**1,877**	**0**	**1,877**	**1,877**
Non-current derivatives	0	0	0	0
Current derivatives	0	0	0	0
Total financial liabilities as of June 30, 2025	**0**	**0**	**0**	**0**

	Measured at fair value			
	With changes in P&L	With changes in OCI	Carrying amout	Total fair value
Non-current derivatives	0	0	0	0
Current derivatives	20	91	111	111
Total financial assets as of December 31, 2024	**20**	**91**	**111**	**111**
Non-current derivatives	0	0	0	0
Current derivatives	2,196	1,003	3,199	3,199
Total financial liabilities as of December 31	**2,196**	**1,003**	**3,199**	**3,199**

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

17. Tax situation

The tax rate resulting from the Viscofan Group's profit and loss account for the interim reporting period was 16.7%, compared to 23.5% for the same period last year.

The difference between the theoretical tax rate for 2025 (28%) and the effective tax rate (16.7%) basically corresponds to the difference between the different tax rates of non-resident subsidiaries in Navarre (tax domicile of Viscofan S.A.) that pay taxes in each of the countries in which they operate, applying the current corporate tax rate (or equivalent tax) on the profits of the period, to the consideration of tax deductions for investment and the activation of tax credits and carry forward tax losses in some Group companies.

According to current legislation, taxes cannot be considered definitively settled until the filed returns have been inspected by the tax authorities or the statute of limitations has elapsed, which in Spain is currently four years. As of June 30, 2025, the Parent Company and its 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.

As a result of the different possible interpretations of current tax legislation, additional liabilities could arise as a result of an inspection. In any case, the Parent Company's Directors consider that such liabilities, if incurred, would not significantly affect the consolidated financial statements.

18. Contingent liabilities and assets

Viscofan S.A. and its Group companies are involved in various disputes or proceedings currently pending before judicial, administrative, and arbitration bodies in the various countries where the Viscofan Group operates.

a) Contingent liabilities

As of June 30, there have been no significant changes in legal claims against Group companies (Note 13.3 of the consolidated notes to the annual accounts for the year ended December 31, 2024) except for the following indication:

- In relation to the Brazilian subsidiary Viscofan do Brasil, there are legal proceedings for various claims amounting to BRL 56,491 thousand (€ 8,781 thousand), of which BRL 301 thousand (€ 47 thousand) are considered probable (as of December 31, 2024, total claims amounted to BRL 48,638 thousand - € 7,500 thousand - and BRL 435 thousand - € 68 thousand - as probable). There are provisions to cover risks classified as probable.

b) Contingent assets

Regarding contingent assets, as of June 30, there were no significant changes in the legal claims made by group companies against third parties (Note 13.3 of the consolidated notes to the annual accounts for the year ended December 31, 2024).

19. Related party transactions

The aggregated information on transactions with related parties has been developed in this Half-yearly Financial Report, in Chapter IV Selected Financial Information, sections 13 (Remuneration accrued by directors and executives) and 14 (Transactions and balances with related parties).

20. Description of risks and uncertainties

Risk management is controlled by the Group in accordance with policies approved by the Board of Directors. Section E. Risk Management and Control Systems of the Parent Company's Annual Corporate Governance Report for the year 2024 describes the risk control system, listing those risks that may affect the achievement of objectives, and the response and monitoring plans.

The Group's activities are exposed to various financial risks: foreign exchange risk, credit risk, liquidity risk, interest rate risk on cash flows and fair value risk, fuel price risk, and emissions rights risk. The Group's overall risk management program focuses on financial market uncertainty and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivatives to hedge some of the aforementioned risks.

Risk management is controlled by the Group in accordance with policies approved by the Board of Directors, with oversight by the Audit Committee, and is implemented by various Committees comprised of Viscofan Group personnel.

Exchange rate risk

The Group operates internationally and is therefore exposed to exchange rate risk from foreign currency transactions, particularly the dollar. Exchange rate risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign businesses.

The Group's risk management policy is to hedge the net balance between receipts and payments in currencies other than the functional currency with the greatest net exposure. To this end, foreign exchange contracts are entered into during the annual budget preparation process, based on the expected EBITDA for the following year, the level of expected net exposure, and the degree of risk the Group is willing to assume.

The following table shows the sensitivity that a possible variation in the exchange rate of some of the currencies of the countries where the Group operates would have had on the net result of the period, keeping the rest of

the variables constant:

Thousand euros

	30/6/2025		31/12/2024	
	+ 5%	**- 5%**	+ 5%	- 5%
US Dollar	**5,359**	**-4,840**	13,030	-10,261
Czech Koruna	**-1,190**	**1,077**	-1,662	1,504
Brazilian real	**-874**	**791**	-2,331	2,110
Chinese Yuan Renminbi	**491**	**-444**	1,061	-959

Credit risk

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

The Viscofan Group's credit risk is primarily attributable to its trade receivables. These amounts are reflected in the consolidated balance sheet net of provisions for bad debts, estimated based on experience from prior years, their age, and their assessment of the current economic environment. This would be the maximum amount of exposure to this risk.

The Viscofan Group does not have a significant concentration of credit risk, with exposure spread across several countries and a large number of counterparties and clients. Therefore, no customer or group of related companies represents sales and receivables exceeding 10% of the total risk.

The Group has a credit policy in place, and exposure to collection risk is managed in the normal course of business. Credit assessments are conducted for all customers requiring a limit above a certain amount. Furthermore, the standard practice of the companies comprising the Group is to partially cover the risk of default by contracting credit and surety insurance, which generally covers 90% of each customer's debt. For high-risk countries, coverage is reduced to 80%. For countries not covered by any insurance company, collateral such as advances and deposits are required.

The credit risk of liquid funds and derivative financial instruments is limited because the counterparties are banking institutions that have been assigned high ratings by international credit rating agencies.

The Directors estimate that as of June 30, 2025, there are no significant assets that could be impaired relative to their net carrying amount.

Liquidity risk

The Group employs prudent liquidity risk management, based on maintaining sufficient cash and marketable securities, the availability of financing through a sufficient amount of committed credit facilities, and sufficient capacity to liquidate market positions. Given the dynamic nature of the underlying businesses, the Group aims to maintain financing flexibility 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 forecast for the previous month are analyzed in order to identify possible deviations that could affect liquidity.

For certain long-term loans, the Group must comply with a series of ratios calculated on the basis of the consolidated financial statements. Failure to comply with these ratios would result in increased financial costs and, as the case may be, an early maturity of the contract. As of June 30, 2025, all the main ratios had been satisfactorily met, and neither Viscofan, S.A. nor any of its significant subsidiaries was in default on its financial obligations or any type of obligation that could lead to early maturity of its financial commitments.

During the interim period 2025 and fiscal year 2024, there were no defaults or other breaches of principal, interest, or amortization related to debts with credit institutions. Furthermore, no defaults are expected for the remainder of fiscal year 2025.

Interest rate risk on cash flows and fair value

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

The Group does not have significant interest-bearing assets.

The Company's exposure to interest rate risk is primarily due to loans and credits received from financial institutions at variable interest rates. In any case, the Viscofan Group's leverage ratio is low.

In the interim period, most variable-rate financing is referenced to the Euribor.

Likewise, the Group is exposed to fluctuations in the interest rates used to calculate pension plan obligations (see Note 13 of the Notes to the Consolidated Financial Statements for the year 2024).

The following table shows the sensitivity that would have occurred in the event of a 1% change in the discount and/or interest rates in the profit before taxes for the period:

Thousand euros

	Pension plan obligations		Financial debt Euribor	
	30.06.25	31.12.24	**30.06.25**	31.12.24
+ 1%	**-191**	-389	**-898**	-1,539
- 1%	**191**	373	**898**	1,547

Fuel price risk (gas and other petroleum derivatives)

The Viscofan Group is exposed to fluctuations in the price of gas and other fuels used in the casing production process.

The Group's policy is to attempt to fix the prices of the main fuels, either by entering into one-year contracts with suppliers or by hedging (See Note 16.1 of the Notes to the Consolidated Financial Statements for the year 2024). The objective is to mitigate the impact on the Consolidated Income Statement of price fluctuations in the main fuels.

The following table shows the sensitivity that a possible 10% price variation would have had on the operating result for the period:

Thousand euros

	30.06.25	31.12.24
+ 10%	**-2,407**	-5,075
- 10%	**2,412**	5,073

Risk of emission rights price

The sensitivity to a possible 10% variation in the average price of emission rights in the operating result for the period would be:

Thousand euros

	30.06.25	31.12.24
+ 10%	**-784**	-1,707
- 10%	**784**	1,707

21. Events after the closing of the interim accounting period

There are no significant events from the close of the interim period to the date of approval of this report.