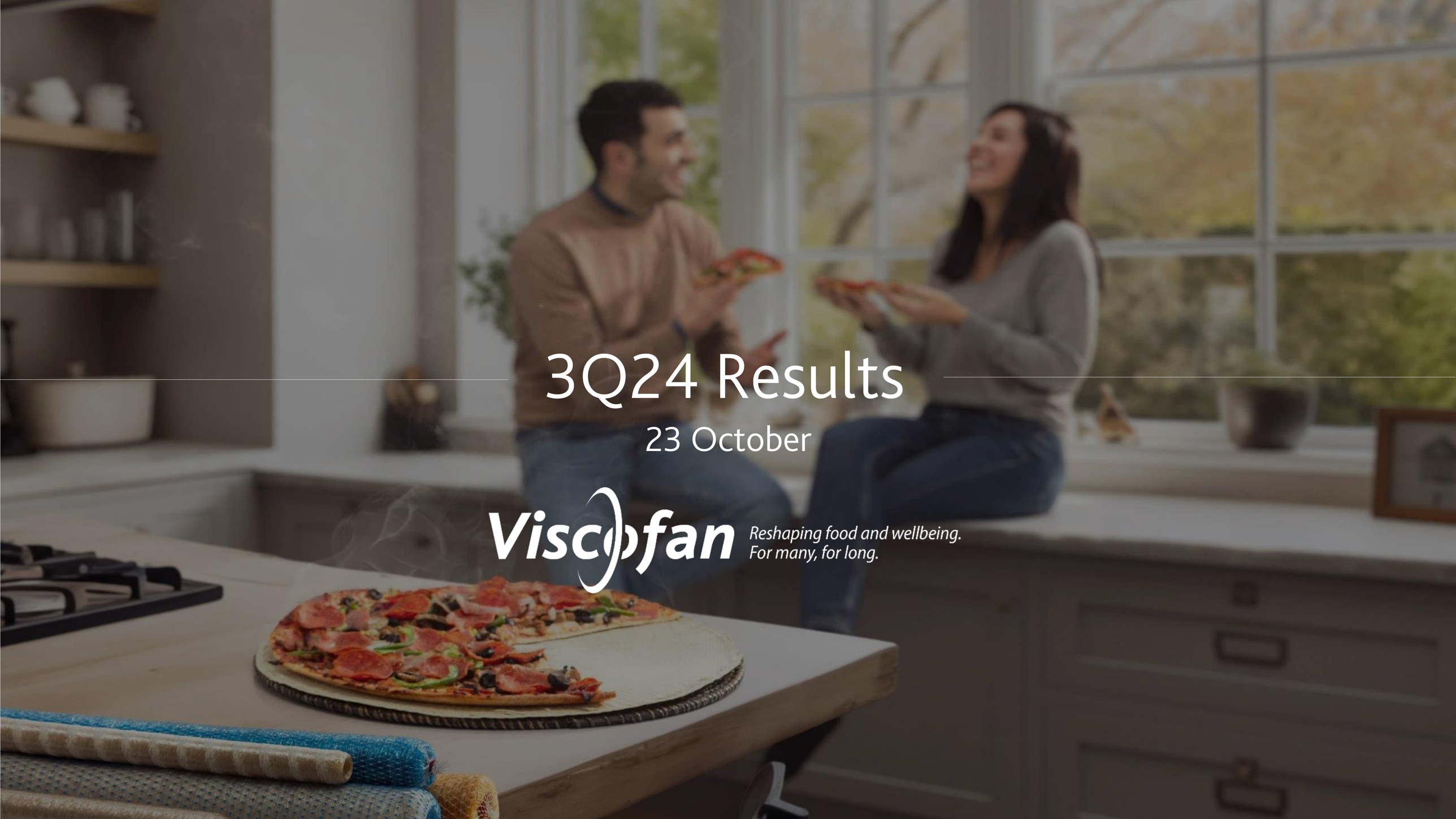


3Q24 Results

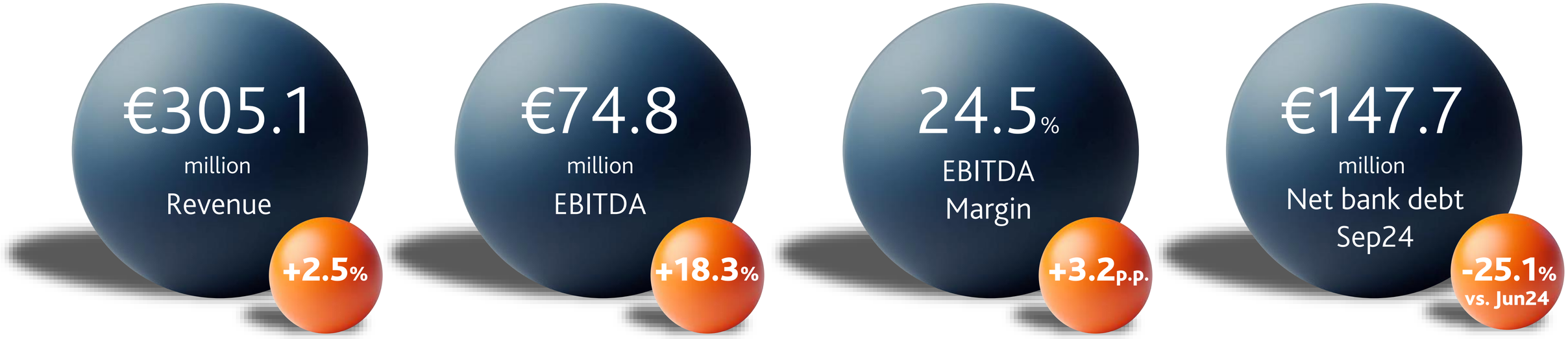
23 October

Viscofan

Reshaping food and wellbeing.
For many, for long.

3Q24 results

Revenue growth,significant improvement in operating profitability, and net bank debt reduction

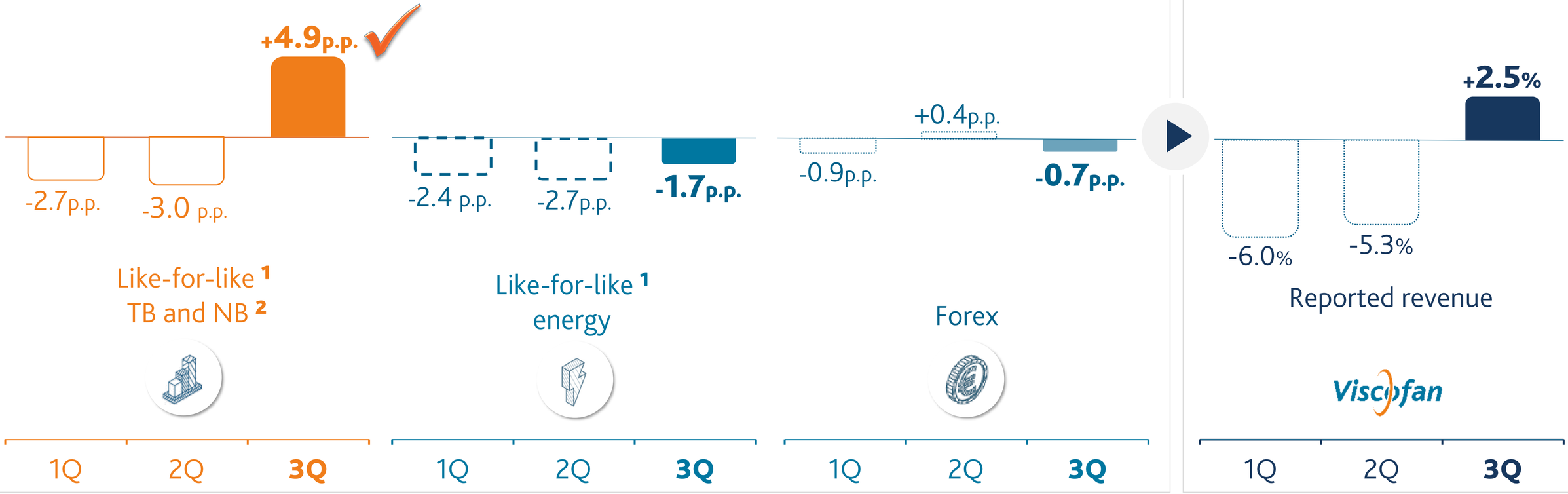


Resuming revenue growth

Volumen growth in collagen, fibrous and cellulose casings

Quarterly Revenue

Growth contribution (p.p.)



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

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

Recovery in all geographic areas

EMEA and APAC

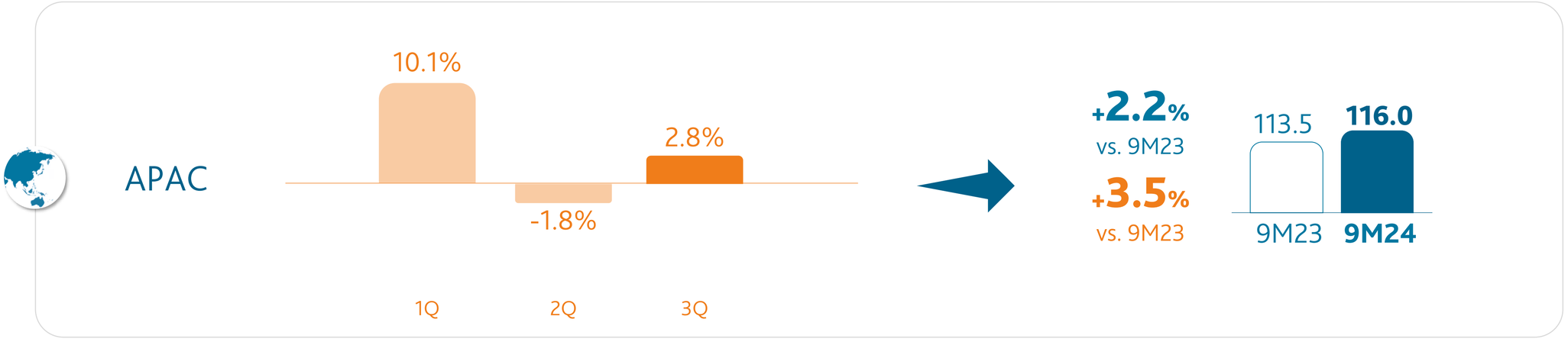
Revenue

Breakdown by geographic area[1]

Like-for-like[2] . % change on a quarterly basis



% change 9M (like-for-like[2])



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

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

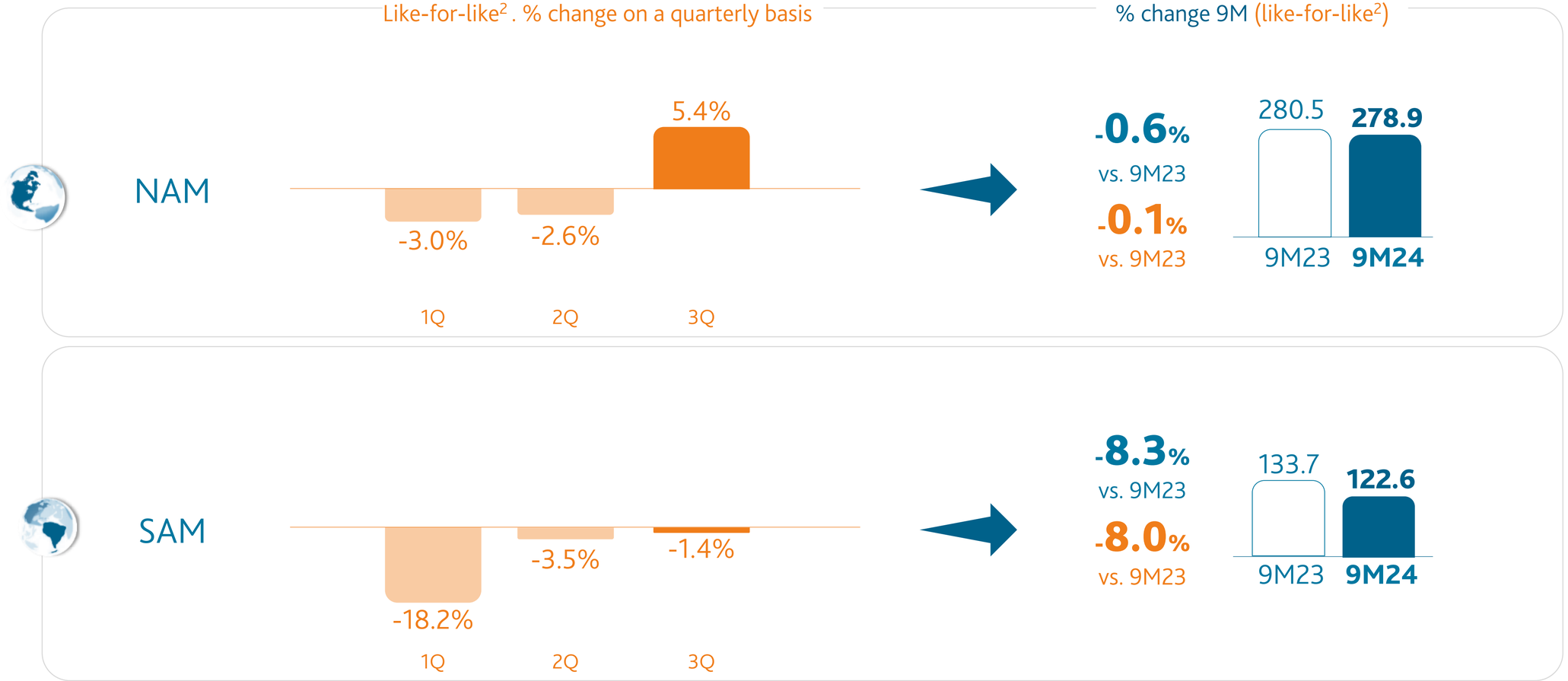
Recovery in all geographic areas

North America and South America

Revenue

Breakdown by geographic area[1]

Like-for-like[2] . % change on a quarterly basis



% change 9M (like-for-like[2])

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

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

Recovery driven by the Traditional Business

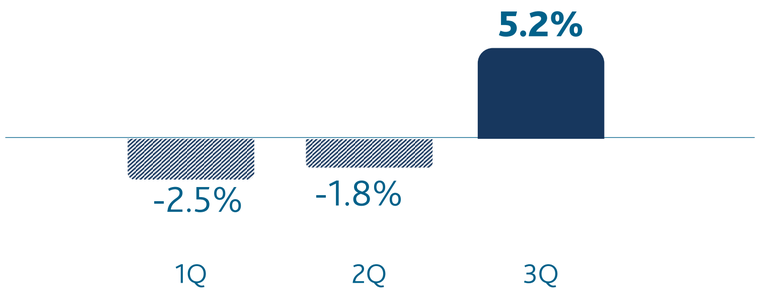
Revenue

Breakdown by business division

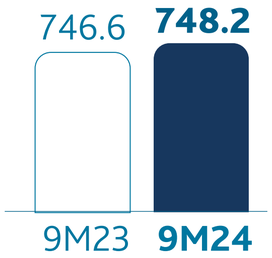
Reported. % change on a quarterly basis

Reported. % change 9M

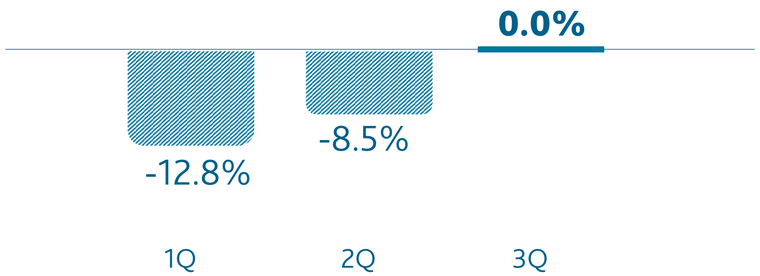
Traditional Business. TB



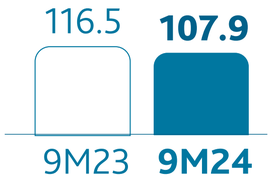
+0.2% vs. 9M23



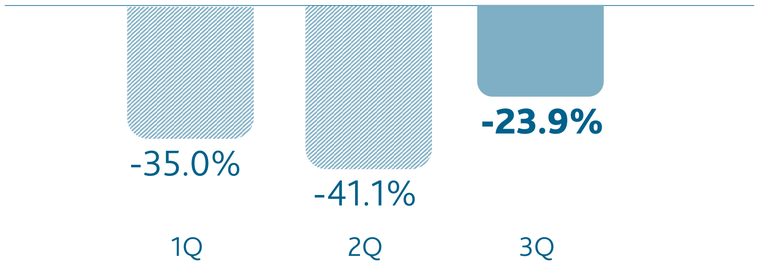
New Business. NB



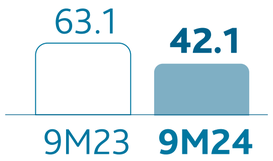
-7.3% vs. 9M23



Energy



-33.3% vs. 9M23

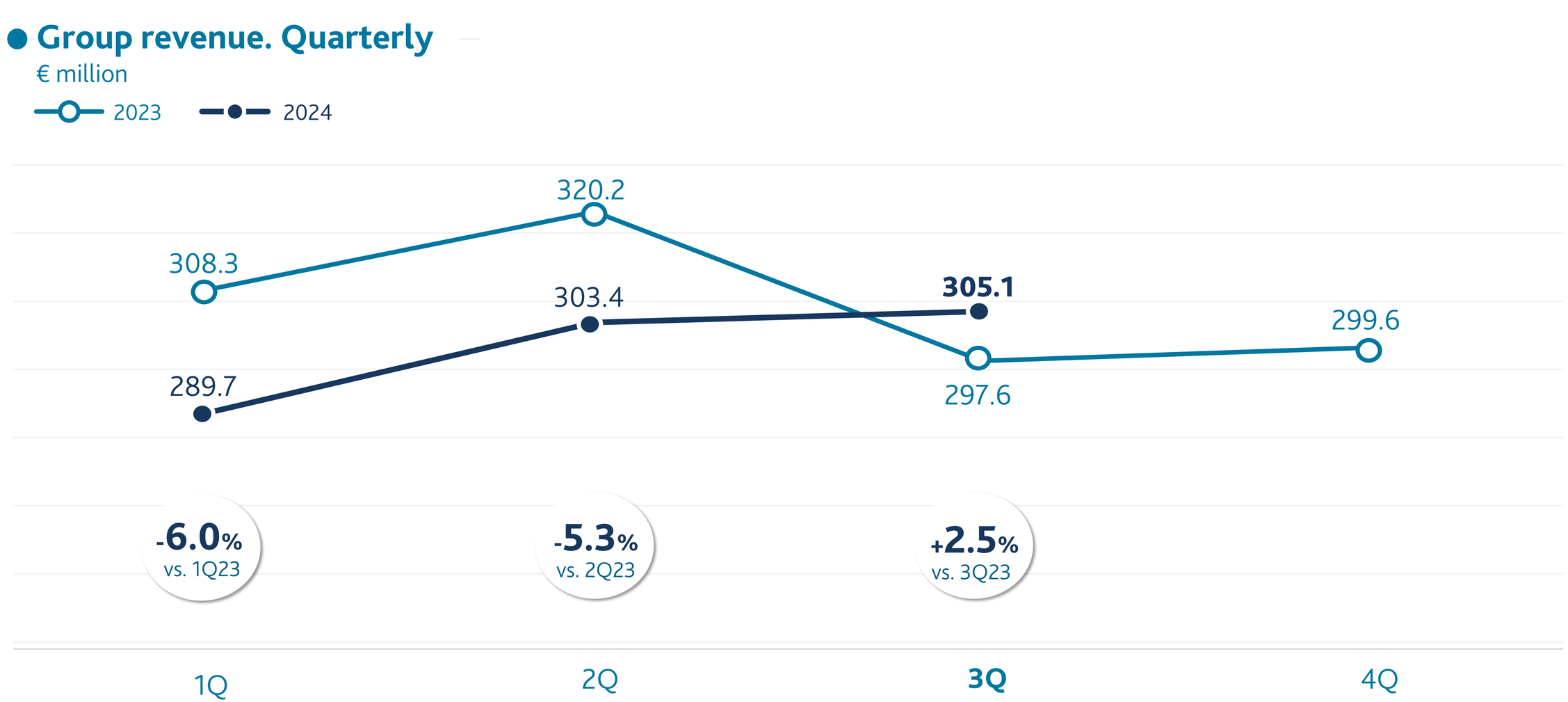


Resuming the growth path in revenue in Q3

Thanks to the strength in the Traditional Business

Group revenue. Quarterly

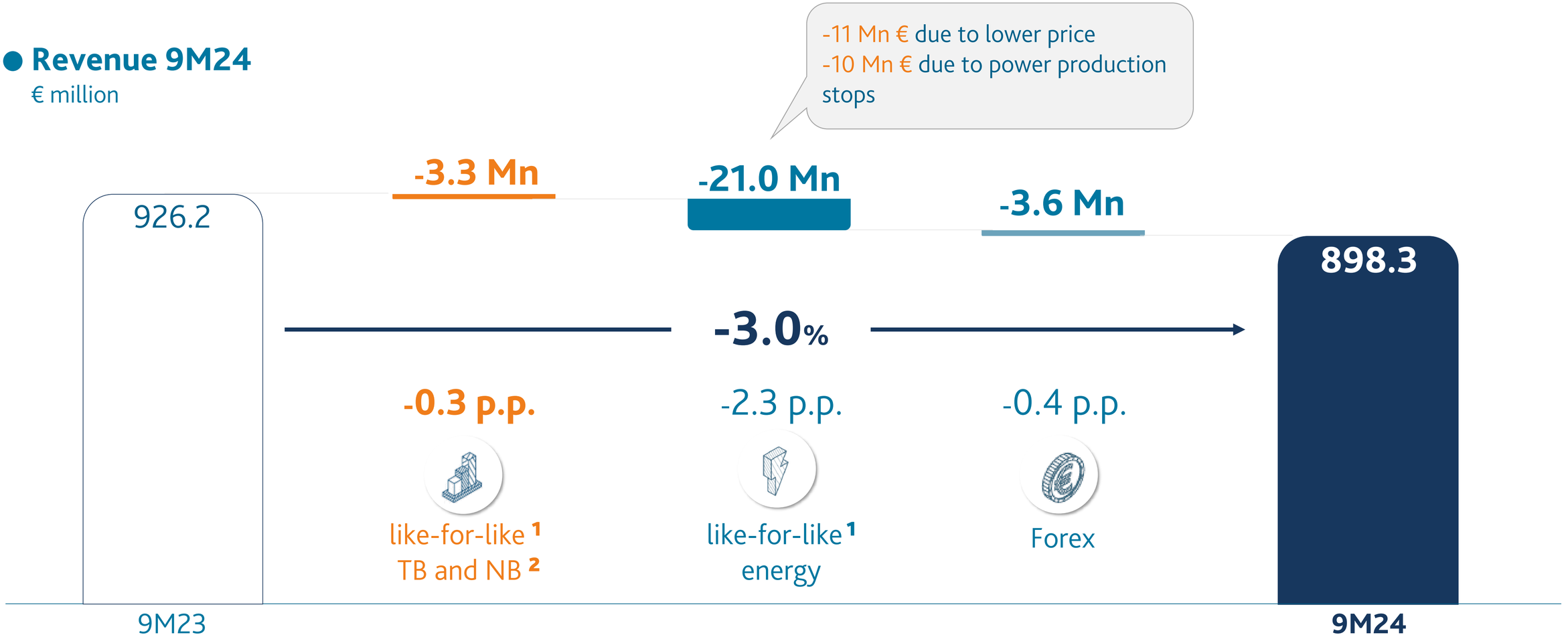
€ million



Revenue recovery

Still affected by the decline in energy

Revenue 9M24
€ million



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

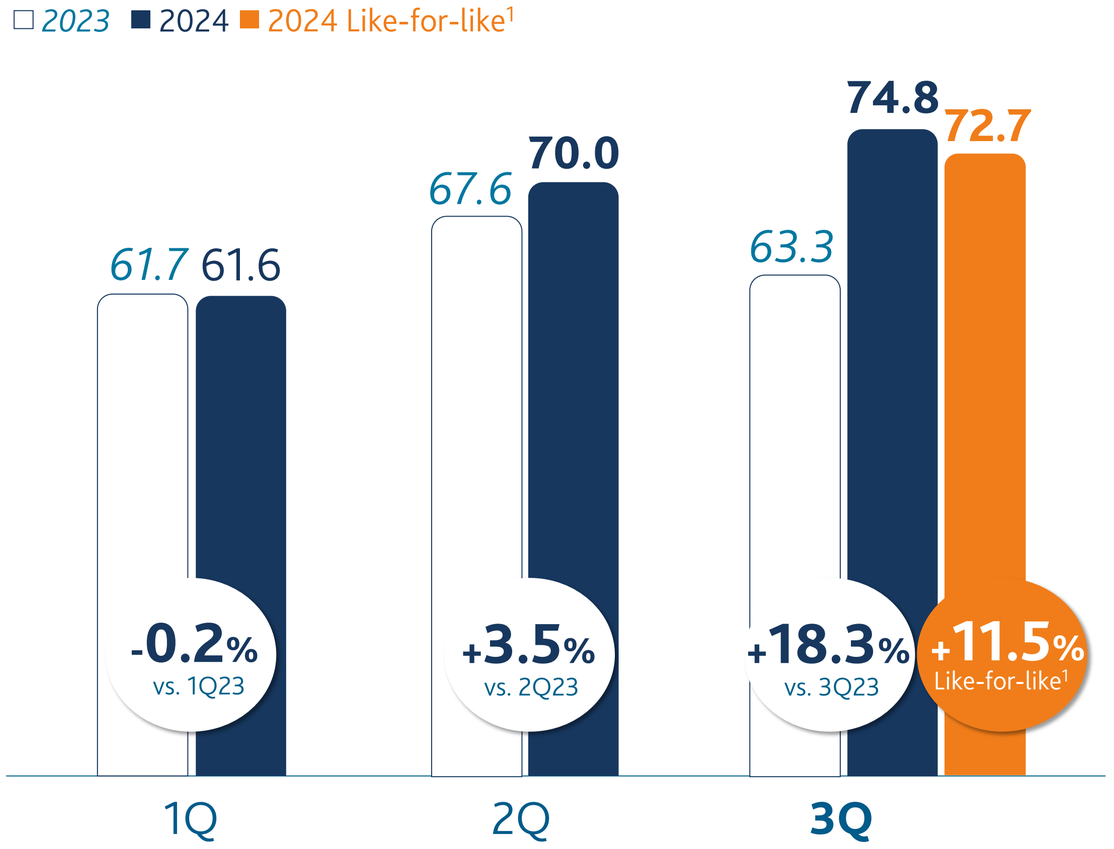
[2] TB: Traditional Business, NB: New Business.

Double-digit growth rate in EBITDA in Q3

Gradual improvement in operating profitability

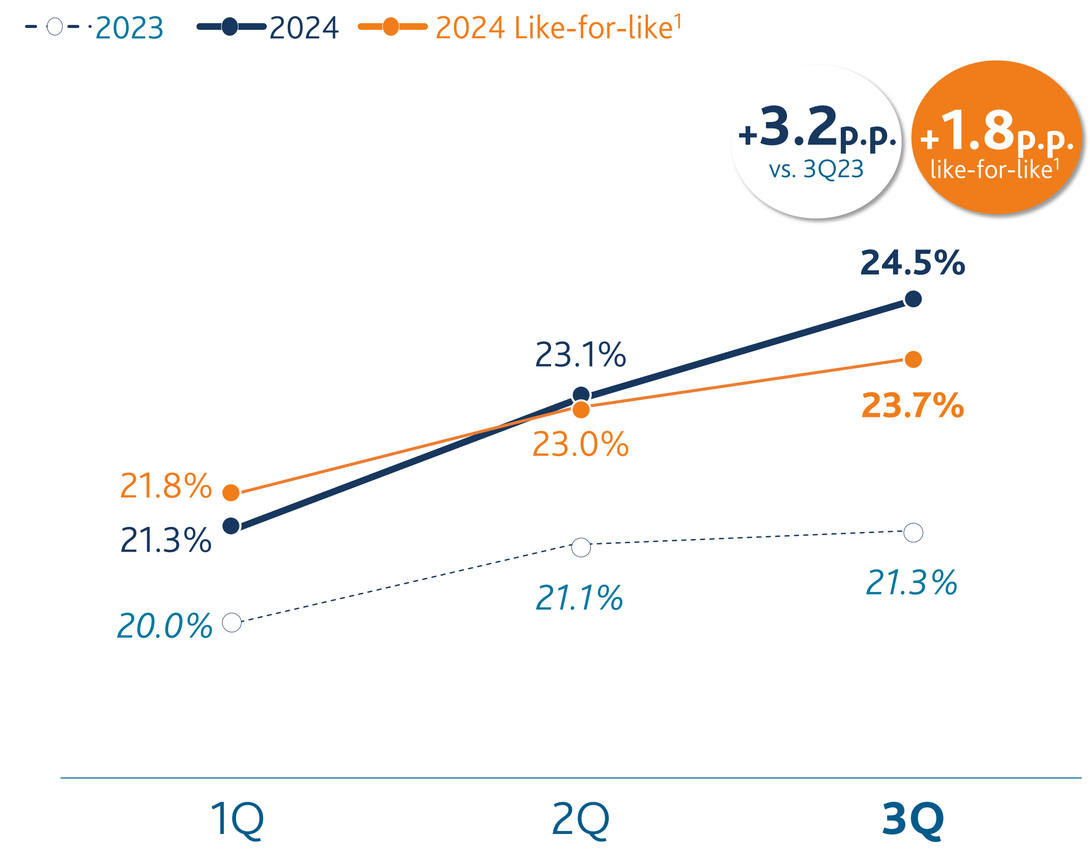
Quarterly EBITDA

€ million



Quarterly EBITDA margin

In percentage



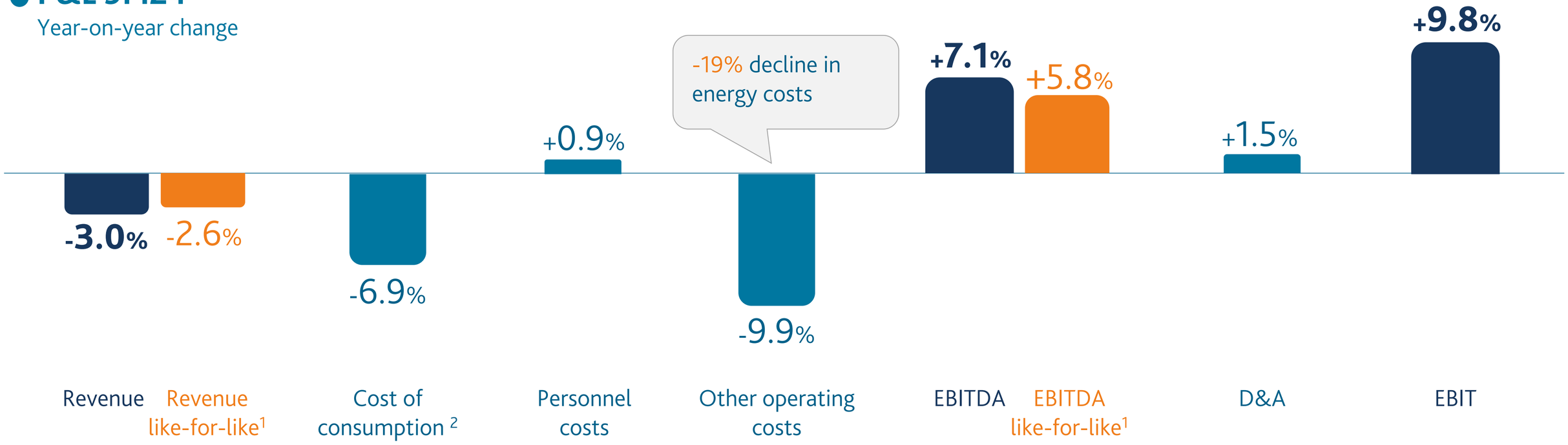
[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024 and the non-recurring impact recorded in 3Q23.

Strong growth in operating results

Commercial discipline, lower energy and raw materials costs, and production efficiencies drive operating results up

P&L 9M24

Year-on-year change



[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024 and the non-recurring impact recorded in 3Q23.

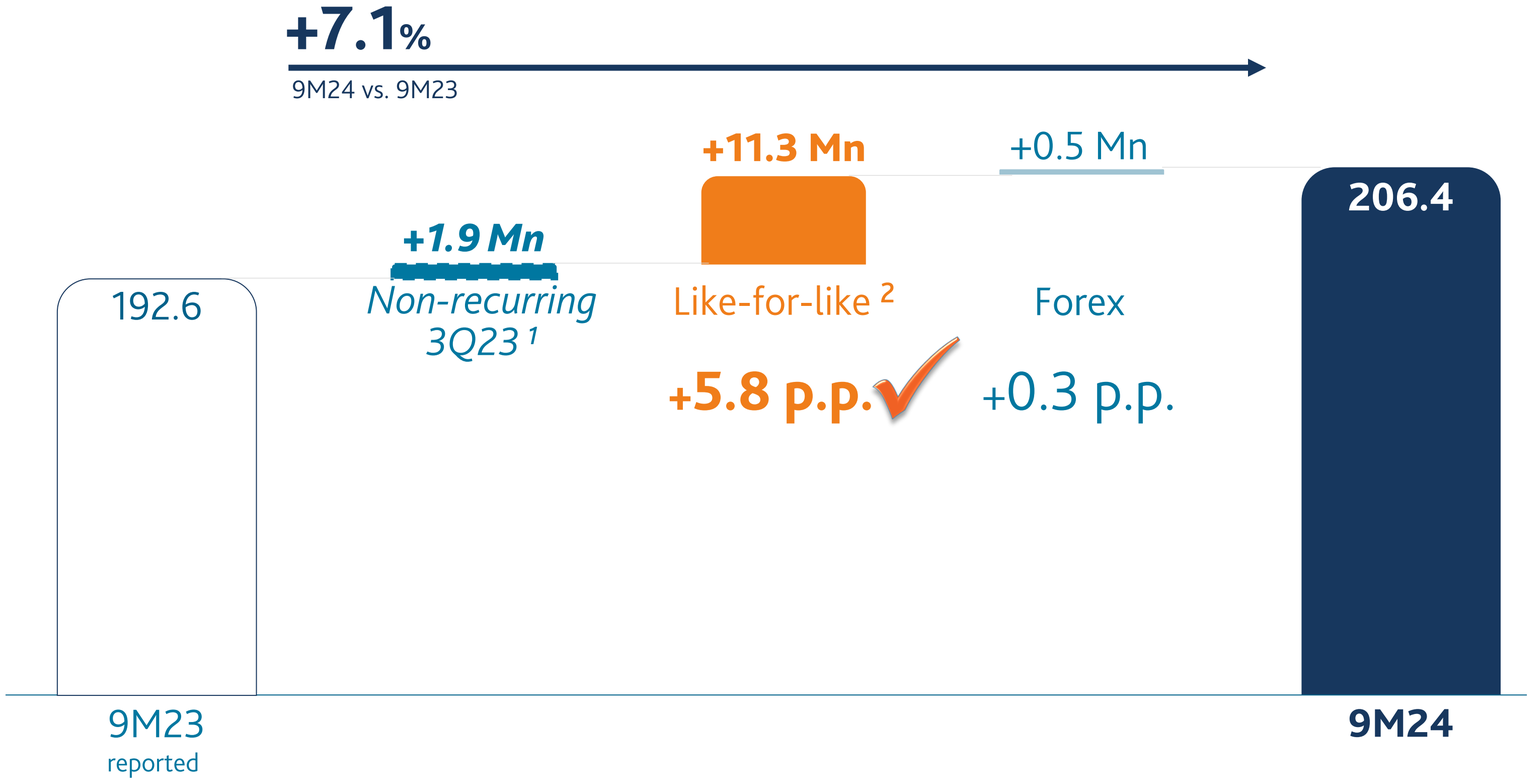
[2] Cost of consumption = Net purchases +/- Change in inventories of finished and unfinished products.

Achieving savings to drive results up

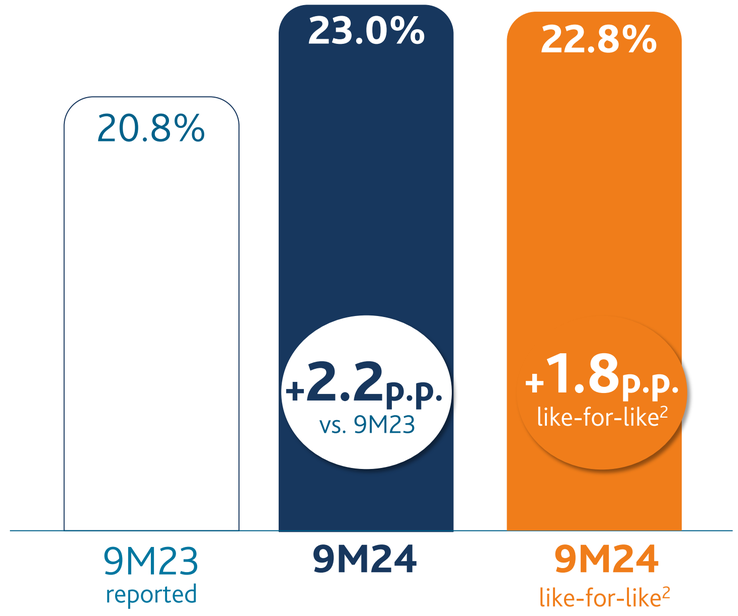
Sound operating margin improvement and efficiencies

EBITDA 9M24

Bridge like-for-like and forex



EBITDA margin 9M24



[1] Non-recurring expense in operating profit of €1.9 million in 3Q23 coming from electrical outages caused by the supply company that led to production stoppages at the Danville plant (US).

[2] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024 and the non-recurring impact recorded in 3Q23.

Growth in Net Profit in 9M24

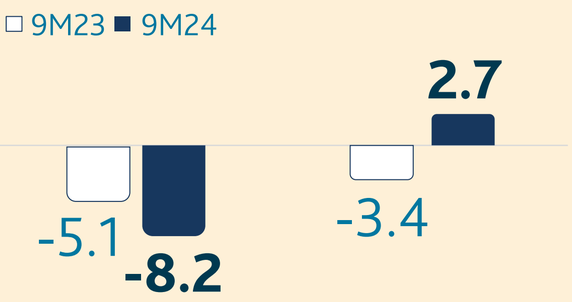
The strength in the operating result offset a higher effective tax rate

FY EBIT to NET PROFIT

€ million

€ million	9M24	9M23	% y-o-y
EBIT	**143.3**	**130.5**	+9.8%
Financial result	**-3.7**	**-7.9**	-53.5%
Tax	**-33.3**	**-21.8**	+53.2%
Net profit	**106.3**	**100.8**	+5.5%

Main components of financial result

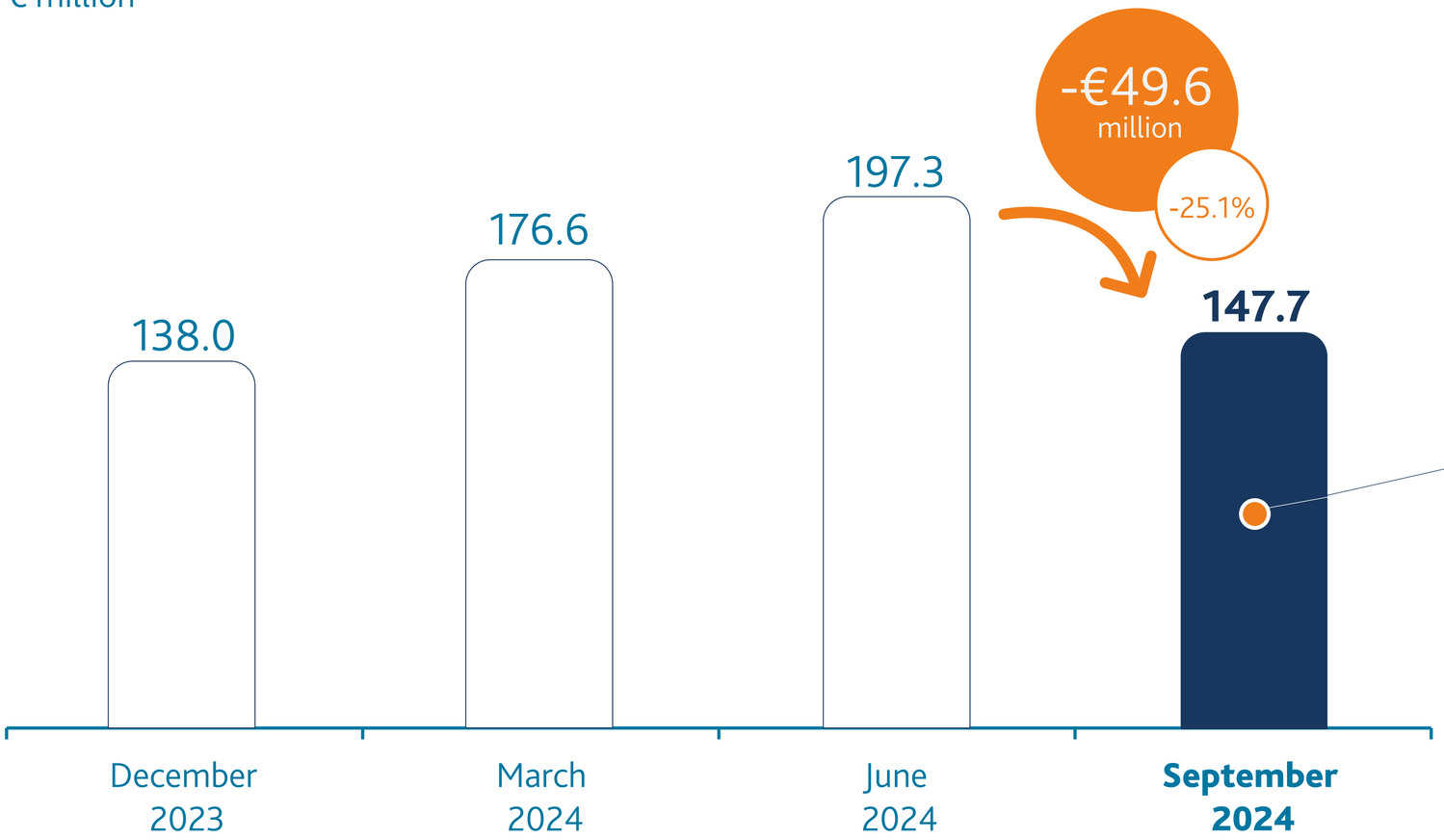


Strength of operating cash flow

Mainly intended for extraordinary remuneration to shareholders

- **Net Bank Debt[1] Evolution**

€ million



- Inventory reduction
- 0.5x EBITDAe 2024
- Balance sheet strength as a source of opportunities

[1] **Net Bank Debt**= Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.

On deadline in our transformation projects

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

- **Capex 9M24 and 2024e**
  €million



€42.6
million
Capex 9M24

+23%
vs 9M23



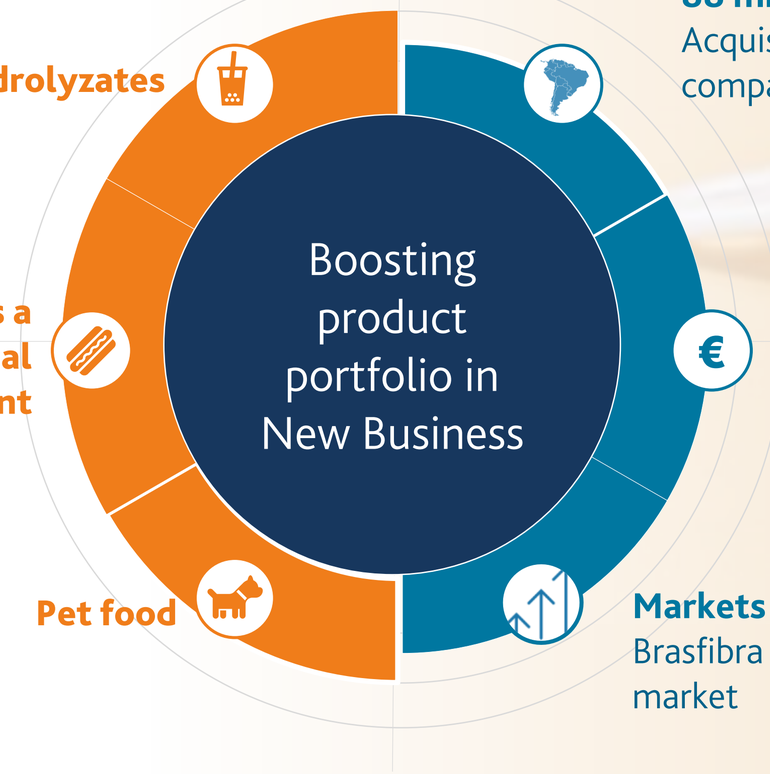
New converting plant in Thailand
Work in line for production start-up in 4Q24

Energy equipment
Investments in the decarbonization and consumption efficiency strategy

Plant recurring investments
Efficiency, digitalization, maintenance, environment

Brasfibra Colágeno acquisition

A Beyond25 growth opportunity



88 million BRL in cash
Acquisition of 60% of the business of the companies Brasfibra and Master Couros in Brazil

EV equivalent to 146 million de BRL
Pro forma revenue of both companies in 2023 reached BRL 55 million with an EBITDA of BRL 20 million
No contribution to 3Q24 P&L

Markets with growth potential
Brasfibra brand with reputation in the Brazilian market

To wrap-up

- **Revenue growth in 3Q24** driven by higher volumen in collagen, fibrous and cellulose technologies, concluding the adjustment process of customers´ inventories.
- **Higher profitability in 3Q24** thanks to the commercial discipline strategy in pricing combined with savings in energy and raw material costs, improvements in technology and the recovery of volumes.
- Excellent operational position to take advantage of the expected increase in volumes **together with operatin margin improvement in 4Q24 to achieve all-time highs in 2024FY in EBITDA (€285/€290 Mn) and in Net profit (€153/€156 Mn)** despite lower than expected co-generation revenue and a worse forex scenario.
- On schedule to start-up production at the **new converting plant in Thailand in 4Q24.**
- The **acquisition** of 60% of the companies **Brasfibra and Master Couros** in Brazil boosts our product portfolio in New Business with high-quality collagen products.
- **Significant increase in cash flow and net debt reduction** driven by operational improvement and inventory reduction.

Appendix. P&L

€ million	3Q24	3Q23	% y-o-y	Like-for-like[1] % y-o-y
Revenue	305.1	297.6	+2.5%	+3.3%
EBITDA	74.8	63.3	+18.3%	+11.5%
EBITDA margin	24.5%	21.3%	+3.2 p.p.	+1.8 p.p.
Operating profit	54.0	42.4	+27.3%	
Profit before taxes	49.7	45.2	+10.0%	
Taxes	-12.2	-7.2	+68.3%	
Net profit	37.5	37.9	-1.2%	

[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024 and the non-recurring expense in operating profit of €1.9 million in 3Q23 coming from electrical outages caused by the supply company that led to production stoppages at the Danville plant (US).

Appendix. P&L

€ million	9M24	9M23	% y-o-y	like-for-like[1] % y-o-y
Revenue	898.3	926.2	-3.0%	-2.6%
EBITDA	206.4	192.6	+7.1%	+5.8%
EBITDA margin	23.0%	20.8%	+2.2 p.p.	+1.8 p.p.
Operating profit	143.3	130.5	+9.8%	
Profit before taxes	139.6	122.6	+13.9%	
Taxes	-33.3	-21.8	+53.2%	
Net profit	106.3	100.8	+5.5%	

[1] Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2024 and the non-recurring expense in operating profit of €1.9 million in 3Q23 coming from electrical outages caused by the supply company that led to production stoppages at the Danville plant (US).

Appendix. Disclaimer

This document may include statements about intentions, expectations or forecasts of the Company additional to the mandatory financial reporting whose sole purpose is to provide information more accurately about the perspectives of future behaviours.

Such intentions, expectations or forecasts do not constitute any guaranties of compliance and involve risks, uncertainties and other relevant factors that could cause actual developments and results to differ materially from those states in such forward-looking statements.

This circumstance must be taken into account mainly for all persons or entities that may have to take decision, develop or spread opinions relative to values issued by the Company and particularly by analysts and investors that handle this document.

The financial information contained in this document in has been prepared under the International Financial Reporting Standards (IFRS).

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

Appendix. Alternative Performance Measures

The Alternative Performance Measures included in this report are as follows:

- The EBITDA, or operating profit before depreciation and amortization, is calculated excluding depreciation and amortization costs from the operating profit. The EBITDA is a measure that is commonly reported and widespread among analysts, investors and other stakeholders in the casing industry. The Viscofan Group uses this measure to monitor the business' development and to establish operational and strategic objectives in Group companies. However, it is not a defined indicator in IFRS and, therefore, it may not be compared with other similar indicators employed by other companies in their reports.

- Cost of consumption: This is calculated as the net amount of supplies plus the change in finished and unfinished products. Management monitors cost of consumption as one of the main cost components for Viscofan. The weight of net revenue for this cost component on revenue or gross margin is also analysed to study the operating margin's development. However, it is not a defined indicator in IFRS and cost of consumption must not be considered a substitute for the different items in the profit and loss account that comprise them. Furthermore, it may not be compared with other similar indicators employed by other companies in their reports.

- Net bank debt: This is calculated as non-current borrowings plus current borrowings netted from cash and cash equivalents. Management considers net bank debt to be relevant to shareholders and other stakeholders as it provides an analysis of the Group's solvency. However, net bank debt should not be considered a substitute for gross bank debt in the consolidated balance sheet, nor other liability or asset items that may affect the Group's solvency.

- Like-for-like revenue and EBITDA: This measure excludes the impact of exchange rate variations on the comparable previous period and the non-recurring impacts of the business in order to present a homogeneous comparison of the Viscofan Group's development. However, like-for-like revenue and EBITDA are not defined indicators in IFRS and, therefore, they may not be compared with other similar indicators employed by other companies in their reports, nor may they be considered a substitute for the business development indicators defined in IFRS.