

Viscofan, S.A. and subsidiaries

Consolidated Financial Statements for the year ending
31 December 2024

Consolidated statements of financial position

(Thousands of euros)	Notes	Period	
		2024	2023
Intangible assets other than goodwill	5.1	18,122	16,957
Goodwill	5.2	15,017	3,605
Property, plant, and equipment	6	548,851	556,141
Right-of-use assets	7.1	11,906	11,577
Other non-current financial assets	10	8,097	7,561
Non-current derivatives	16	0	—
Deferred tax assets	17	39,190	47,645
Non-Current Assets		641,183	643,486
Current stocks	8	398,954	442,892
Trade and other current receivables	9	305,643	260,245
Current tax assets	17	869	3,649
Other current financial assets	10	945	911
Current derivatives	16	111	4,330
Cash and cash equivalents	11	55,143	51,996
Current Assets		761,665	764,023
Total Assets		1,402,848	1,407,509

Consolidated statements of financial position

(Thousands of euros)	Notes	Period	
		2024	2023
Issued capital	12.1	32,550	32,550
Share premium	12.2	12	12
Other reserves	12.3	810,210	868,456
Treasury Shares	12.4	-35,045	-21,671
Profit for the year		157,019	140,962
Interim dividend	12.6	-26,844	-64,563
Valuation adjustments	12.5	-706	2,026
Non-controlling interests		1,715	0
Equity		938,911	957,772
Deferred income		3,381	806
Non-current provisions for employee benefits	13.1	19,145	25,916
Other non-current provisions	13.2	48	43
Non-current financial liabilities	15	63,776	43,979
Non-current liabilities for right-of-use assets	7.2	7,535	6,854
Non-current derivatives	16	0	0
Deferred tax liabilities	17	23,391	32,830
Non-Current Liabilities		117,276	110,428
Current financial liabilities	15	174,229	178,048
Current liabilities for right-of-use assets	7.2	4,314	4,687
Current derivatives	16	3,199	43
Trade and other payables	14	126,164	125,520
Current tax liabilities	17	17,731	4,783
Other current provisions	13.2	21,024	26,228
Current liabilities		346,661	339,309
Total liabilities		463,937	449,737
Total equity and liabilities		1,402,848	1,407,509

Consolidated income statement

(Thousands of euros)	Notes	Period	
		2024	2023
Sales and rendered services	19.1	1,203,994	1,225,787
Changes in inventory of finished goods and work in progress		-19,939	53,146
Consumption of raw materials and consumables		-370,472	-474,113
Other operating income	19.2	13,850	15,052
Staff costs	19.3	-274,278	-270,086
Other operating expenses	19.4	-267,402	-280,901
Amortisation of intangible assets	5.1	-4,587	-4,792
Depreciation expenses on tangible fixed assets	6	-73,364	-73,628
Right-of-use asset depreciation expense	7.1	-5,843	-5,293
Impairment gains (losses) on disposal of non-current assets		-419	-486
Operating profit		201,540	184,686
Finance income	19.5	2,535	846
Finance costs	19.5	-10,370	-6,900
Losses on non-trade receivables	19.5	-248	22
Exchange gains (losses)	19.5	12,981	-9,748
Profit before taxes		206,438	168,906
Income tax expense	17	-49,105	-27,944
Profit for the year from continuing operations		157,333	140,962
Profit for the year		157,333	140,962
Profit attributable to parent company		157,019	140,962
Profit attributable to non-controlling interests		314	—

Earnings per share

	Notes	Period	
		2024	2023
Basic earnings per share		3.45	3.05
Basic earnings (loss) per share from continuing operations	20	3.45	3.05
Diluted earnings per share		3.44	3.04
Diluted earnings (loss) per share from continuing operations	20	3.44	3.04

Consolidated statements of other comprehensive income

(Thousands of euros)	Notes	Period	
		2024	2023
Profit for the year attributable to the parent company		157,019	140,962
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods before tax			
Other comprehensive income, before tax, actuarial pension gains and losses	13.1	819	-992
Total other comprehensive income not to be reclassified to profit or loss before tax		819	-992
Other comprehensive income that will be reclassified to profit or loss in subsequent periods before tax			
Foreign exchange translation gains (losses)			
Gains or losses on translation differences on foreign transactions before tax	12.3	-27,520	2,532
Other comprehensive income, before tax, foreign exchange translation gains (losses)		-27,520	2,532
Cash flow hedges			
Gains (losses) on cash flow hedges, before taxes	12.5	-3,820	-586
Other comprehensive income, before taxes, cash flow differences		-3,820	-586
Total other comprehensive income to be reclassified to profit or loss before tax		-31,340	1,946
Total other comprehensive income before tax		-30,521	954
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss			
Income tax related to remeasurements of defined benefit plans included in other comprehensive income	13.1	-362	693
Aggregate income tax relating to components of other comprehensive income not to be reclassified into profit or loss		-362	693
Income taxes related to cash flow hedges included in other comprehensive income			
	12.5	1,088	54
Aggregate income tax relating to components of other comprehensive income to be reclassified into profit or loss		1,088	54
Other comprehensive income		-29,795	1,701
Comprehensive income		127,224	142,663

2024

Consolidated statement of changes in equity

(Thousands of euros)	Equity									
	Share capital (Note 12.1)	Share premium (Note 12.2)	Reserves (Note 12.3)	Treasury shares (Note 12.4)	Profit for the year attributable to parent company	Interim dividend (Note 12.6)	Valuation adjustments (Note 12.5)	Parent company total	Non-controlling interests	Total
Opening balance as at 1 January 2024	32,550	12	868,456	-21,671	140,962	-64,563	2,026	957,772	0	957,772
Changes in equity										
Capital subscriptions (additions/retirements)	0	0	0	0	0	0	0	0	0	0
Total recognised income and (expense)	0	0	-27,063	0	157,019	0	-2,732	127,224	314	127,538
Dividends paid	0	0	0	0	0	-26,844	0	-26,844	0	-26,844
Distribution of prior year's profit	0	0	4,692	38,488	-140,962	64,563	0	-33,219	0	-33,219
Acquisition of treasury shares	0	0	0	-90,716	0	0	0	-90,716	0	-90,716
Delivery of treasury shares (interim dividend)	0	0	-38,192	38,192	0	0	0	0	0	0
Other deliveries of treasury shares	0	0	0	662	0	0	0	662	0	662
Transactions with non-controlling interests	0	0	0	0	0	0	0	0	1,401	1,401

VISCOFAN, S.A. AND SUBSIDIARIES
Consolidated financial statements at 31 December 2024

Share-based payment expenses	0	0	2,603	0	0	0	0	2,603	0	2,603
Other movements	0	0	-286	0	0	0	0	-286	0	-286
Total increase (decrease) in equity	0	0	-58,246	-13,374	16,057	37,719	-2,732	-20,576	1,715	-18,861
Closing balance as at 31 December 2024	32,550	12	810,210	-35,045	157,019	-26,844	-706	937,196	1,715	938,911

2023	Consolidated statement of changes in equity							
(Thousands of euros)	Equity							
	Share capital (Note 12.1)	Share premium (Note 12.2)	Reserves (Note 12.3)	Treasury shares (Note 12.4)	Profit for the year attributable to parent company	Interim dividend (Note 12.6)	Valuation adjustments (Note 12.5)	Total
Opening balance as at 1 January 2023	32,550	12	813,145	-16,181	139,430	-64,644	2,558	906,870
Changes in equity								
Total recognised income and (expense)	0	0	2,233	0	140,962	0	-532	142,663
Dividends paid	0	0	-24,945	0	0	-64,563	0	-89,508
Transfers between equity accounts	0	0	74,786	0	-139,430	64,644	0	0
Movement in treasury shares	0	0	0	-5,490	0	0	0	-5,490
Transactions with non-controlling interests	0	0	0	0	0	0	0	0
Share-based payment expenses	0	0	3,237	0	0	0	0	3,237
Total increase (decrease) in equity	0	0	55,311	-5,490	1,532	81	-532	50,902
Closing balance as at 31 December 2023	32,550	12	868,456	-21,671	140,962	-64,563	2,026	957,772

Consolidated statement of cash flows

(Thousands of euros)	Notes	Period	
		2024	2023
Profit for the year after tax		157,019	140,962
Adjustments for income tax expense	17	49,105	27,944
Adjustment for inventory write-down (increase)		35,919	-66,607
Adjustment for decrease (increase) in accounts receivable		-41,828	-5,314
Adjustment for (decrease) increases in accounts payable		-2,639	-18,725
Adjustment for depreciation expenses		83,794	83,713
Changes in provisions		-6,590	7,614
Interest income adjustment	19.5	-2,535	-846
Interest expense adjustment	19.5	10,370	6,900
Exchange gains (losses), net	19.5	-12,981	9,748
Share-based payment		2,001	2,346
Other adjustments		-41	-172
Adjustments to reconcile profit before tax to net cash flows		114,575	46,601
Net cash flows from (used in) operations		271,594	187,563
Income tax payments	17	-34,821	-41,223
Contributions and other payments, related to pension plans		-951	-630
Net cash generated by operating activities		235,822	145,710
Acquisition of a subsidiary, net of cash acquired		-7,213	—
Payments for the acquisition of tangible and intangible fixed assets		-75,027	-77,126
Proceeds from the sale of fixed assets		625	1,158
Interest collected		2,535	846
Net cash from investing activities		-79,080	-75,122
Provisions of financial debt	12.1	170,879	156,365
Financial debt repayments	12.1	-158,841	-117,957
Acquisition of treasury shares		-90,716	-6,264
Dividends paid to shareholders of the parent company		-60,063	-89,508
Interest paid	12.1	-9,726	-6,275
Payments for right-of-use assets	12.1	-5,843	-5,296
Other financial liabilities (net)		1,597	-1,781
Net cash from financing activities		-152,713	-70,716
Net increase (decrease) in cash and cash equivalents before the effect of changes in foreign exchange rates		4,029	-128
Effect of exchange rate changes on cash and cash equivalents		-882	931
Net increase (decrease) in cash and cash equivalents		3,147	803
Cash and cash equivalents as of 1 January	11	51,996	51,193
Cash and cash equivalents as at 31 December	11	55,143	51,996

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1. Description and principal activities

Viscofan, S.A. (hereinafter the Company or the Parent) was incorporated in Spain as a limited liability company for an indefinite period on 17 October 1975 under the name Viscofan, Industria Navarra de Envolturas Celulósicas, S.A. At the Annual General Meeting held on 17 June 2002 the shareholders agreed to change the name of the Company to the current one.

Under articles 73 and subsequent, in relation to article 71, of Law 3/2009, of 3 April on the structural amendments of companies, the Board of Directors of Viscofan, S.A. and the Board of Directors of Viscofan España, S.L.U., on 25 February 2021, proceeded to draft and sign a common unbundling project whereby the Company unbundles a part of its assets that constitute an autonomous economic unit and it transfers it en bloc by universal succession to Viscofan España S.L.U.

Until the proposed spin-off and contribution of the business line described above, the core business 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 electricity for sale to third parties by means of cogeneration systems. As of the draft terms of the spin-off, the main activity corresponds to the acquisition, holding, enjoyment, administration in general and disposal of all kinds of securities.

The head offices and registered office are located in Polígono Industrial Berroa, Calle Berroa, 15 - 4ª Planta, 31192 Tajonar - Navarra (Spain) and its main activity is carried out in the centres of Cáseda and Urdiain (Navarra).

The Company is in turn the parent company of a group of companies (the Viscofan Group or the Group) which are mainly active in 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 by means of cogeneration systems.

The entirety of Viscofan S.A.'s shares have been listed since 1986, and are quoted on the Spanish electronic trading platform (continuous market).

The Group's 2023 consolidated financial statements were approved at the Annual General Meeting held on 18 April 2024.

The Parent's directors expect these 2024 consolidated financial statements, prepared on 27 February 2025, to be approved by the shareholders in general meeting without modification.

2. Viscofan Group

2.1. Business combinations

- In 2024

On 5 June 2024, the legal liquidation of the company Jupiter PTY LTD is registered with the Australian Securities and Investments Commission.

Several capital increases were carried out at Viscofan Thailand Co. Ltd. in financial year 2024, amounting to THB 496,202 thousand (equivalent to EUR 13,142 thousand), to complete approved investments and the start-up of the production plant.

On 19 September 2024, through the subsidiary Viscofan do Brasil, soc. com. e ind. Ltda., the purchase was formalised 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. for BRL 88 million (EUR 14.4 million). 50% of this amount will be paid in the years 2025 and 2026. Both companies are located in Sao Sebastiao do Paraíso (Brazil). Brasfibra is in the business of producing high quality bovine collagen products (collagen hydrolysates, collagen fibre and products for animal feed). Master Couros is a specialist in the treatment of bovine hides, which it supplies to Brasfibra.

Amounts recognised at the date the assets, liabilities, and contingent liabilities at their carrying amount were as follows:

Thousands of euros	Master Couros Industria e Comercio de Derivados do Couro Ltda	Brasfibra Industria e Comercio de Derivados do Couro Ltda	Total
Property, plant, and equipment (Note 6)	54	1,614	1,668
Inventories	78	136	214
Other financial assets	—	—	—
Receivables	1,246	2,204	3,450
Cash and cash equivalents	38	383	421
Total assets	1,416	4,337	5,753
Provisions	—	—	—
Non-current financial liabilities	—	—	—
Current financial liabilities	—	—	—
Payables	217	961	1,178
Deferred tax liabilities	—	—	—
Total liabilities	217	961	1,178

These amounts are subject to change as a result of the process of identifying and valuing the net assets acquired.

For the period from 1 October 2024 to 31 December 2024, the acquired business contributed ordinary revenues of EUR 2,437 thousand and net income of EUR 785 thousand to the Group, of which EUR 314 thousand related to non-controlling interests. If the acquisition had taken place on 1 January 2024, the ordinary income would have been EUR 9,158 thousand and the net profit contributed would have been EUR 3,120 thousand, of which EUR 1,248 thousand would correspond to non-controlling interests, for the year ended 31 December 2024.

- In 2023

On 14 February 2023, the legal liquidation of the company Vector USA Inc. is completed.

The change of name of German subsidiary Naturin Viscofan GmbH to Viscofan DE GmbH is effective as of 16 March 2023.

The change of name of the French subsidiary Supralon France SARL to Viscofan France SARL is effective as of 16 June 2023.

Two capital increases were carried out at Viscofan (Thailand) Co. Ltd. in financial year 2023, amounting to THB 298,975 thousand (equivalent to EUR 8,209 thousand), to cover approved investments.

A capital increase of USD 21,000 thousand (EUR 19,488 thousand) was carried out by Viscofan USA Inc. in 2023 to strengthen the financial structure of the company after investments made in previous years.

2.2. Details of subsidiaries and associates comprising the Viscofan Group at 31 December 2024

Group companies	% of equity interest		Activity	Registered address
	Direct	Indirect		
Koteks Viscofan, d.o.o.	100.00	0	Manufacture, marketing and distribution of casings and films	Novi Sad (Serbia)
Viscofan DE GmbH	100.00	—	Manufacture, marketing and distribution of casings and films	Weinheim (Germany)
Supralon Verpackungs AG	—	100.00	Rental of industrial machinery (to the group)/Other services	Chur (Switzerland)
Supralon Produktions und Vertriebs GmbH	—	100.00	Manufacture, marketing and distribution of casings and films	Alfhausen (Germany)
Viscofan France SARL	—	100.00	Marketing and distribution of casings and films	Courcouronnes (France)
Vector Europe NV.	100.00	—	Marketing and distribution of casings and films	Hasselt (Belgium)
Vector Packaging Europe NV.	—	100.00	Manufacture, marketing and distribution of casings and films	Hasselt (Belgium)
Viscofan Canada Inc.	—	100.00	Marketing and distribution of casings and films	Quebec (Canada)
Viscofan Centroamérica Comercial, S.A.	99.50	0.50	Marketing and distribution of casings and films	San José (Costa Rica)
Viscofan CZ, s.r.o.	100.00	—	Manufacture, marketing and distribution of casings and films	Ceske Budejovice (Czech Republic)
Viscofan España SLU	100.00	—	Manufacture, marketing and distribution of casings and films	Tajonar, Navarre (Spain)
Viscofan Globus Australia PTY Ltd	100.00	—	Marketing and distribution of casings and films	Bankstown (Australia)
Viscofan Globus New Zealand Ltd	100.00	—	Marketing and distribution of casings and films	Lower Hutt (New Zealand)
Viscofan Japan GK	100.00	—	Marketing and distribution of casings and films	Tokyo (Japan)
Viscofan de México S.R.L. de C.V.	99.99	0.01	Manufacture, marketing and distribution of casings and films	San Luis Potosí (Mexico)
Viscofan do Brasil, soc. Ltda.	100.00	—	Manufacture, marketing and distribution of casings and films	Sao Paulo (Brazil)
Brasfibra Indústria e Comercio de Derivados do Couro Ltda.	—	60.00	Manufacture and sale of bovine collagen products	Sao Sebastiao do Paraíso (Brazil)
Master Couros Indústria e Comercio de Derivados do Couro Ltda.	—	60.00	Treatment of bovine hides	Sao Sebastiao do Paraíso (Brazil)
Viscofan (Thailand) Co. Ltd.	100.00	—	Marketing and distribution of casings and films	Bangkok (Thailand)
Viscofan Technology (Suzhou) Co. Ltd.	100.00	—	Manufacture, marketing and distribution of casings and films	Suzhou (China)
Viscofan UK Ltd.	100.00	—	Marketing and distribution of casings and films	Seven Oaks (UK)
Viscofan Uruguay, S.A.	100.00	—	Manufacture, marketing and distribution of casings and films	Montevideo (Uruguay)
Viscofan USA Inc.	100.00	—	Manufacture, marketing and distribution of casings and films	Montgomery (USA)
Zacapu Power S.R.L. de C.V.	—	100.00	Electricity distribution	Zacapu, Michoacán (Mexico)

2.3. Details of subsidiaries and associates comprising the Viscofan Group at 31 December 2023

Group companies	% of equity interest		Activity	Registered address
	Direct	Indirect		
Jupiter PTY Ltd	100.00	0	Services rendered	Bankstown (Australia)
Koteks Viscofan, d.o.o.	100.00	0	Manufacture, marketing and distribution of casings and films	Novi Sad (Serbia)
Viscofan DE GmbH	100.00	0	Manufacture, marketing and distribution of casings and films	Weinheim (Germany)
Supralon Verpackungs AG	0	100.00	Rental of industrial machinery (to the group)/Other services	Chur (Switzerland)
Supralon Produktions und Vertriebs GmbH	0	100.00	Manufacture, marketing and distribution of casings and films	Alfhausen (Germany)
Viscofan France SARL	0	100.00	Marketing and distribution of casings and films	Courcouronnes (France)
Vector Europe NV.	100.00	0	Marketing and distribution of casings and films	Hasselt (Belgium)
Vector Packaging Europe NV.	0	100.00	Manufacture, marketing and distribution of casings and films	Hasselt (Belgium)
Viscofan Canada Inc.	0	100.00	Marketing and distribution of casings and films	Quebec (Canada)
Viscofan Centroamérica Comercial, S.A.	99.50	0.50	Marketing and distribution of casings and films	San José (Costa Rica)
Viscofan CZ, s.r.o.	100.00	0.00	Manufacture, marketing and distribution of casings and films	Ceske Budejovice (Czech Republic)
Viscofan España SLU	100.00	0	Manufacture, marketing and distribution of casings and films	Tajonar, Navarre (Spain)
Viscofan Globus Australia PTY Ltd	100.00	0	Marketing and distribution of casings and films	Bankstown (Australia)
Viscofan Globus New Zealand Ltd	100.00	0	Marketing and distribution of casings and films	Lower Hutt (New Zealand)
Viscofan Japan GK	100.00	0	Marketing and distribution of casings and films	Tokyo (Japan)
Viscofan de México S.R.L. de C.V.	99.99	0.01	Manufacture, marketing and distribution of casings and films	San Luis Potosí (Mexico)
Viscofan do Brasil, soc. Ltda.	100.00	0	Manufacture, marketing and distribution of casings and films	Sao Paulo (Brazil)
Viscofan (Thailand) Co. Ltd.	100.00	0	Marketing and distribution of casings and films	Bangkok (Thailand)
Viscofan Technology (Suzhou) Co. Ltd.	100.00	0	Manufacture, marketing and distribution of casings and films	Suzhou (China)
Viscofan UK Ltd.	100.00	0	Marketing and distribution of casings and films	Seven Oaks (UK)
Viscofan Uruguay, S.A.	100.00	0	Manufacture, marketing and distribution of casings and films	Montevideo (Uruguay)
Viscofan USA Inc.	100.00	0	Manufacture, marketing and distribution of casings and films	Montgomery (USA)
Zacapu Power S.R.L. de C.V.	0.00	100	Electricity distribution	Zacapu, Michoacán (Mexico)

3. Basis of preparation

The consolidated financial statements for 2024 have been prepared under EU-endorsed International Financial Reporting Standards (EU-IFRS) to present fairly the consolidated equity and consolidated financial position of Viscofan, S.A. and subsidiaries at 31 December 2024 and 2023, as well as the consolidated results from its operations, its consolidated cash flows and consolidated recognised income and expenses for the year then ended.

The consolidated financial statements have been prepared based on the accounting records of Viscofan, S.A. and the companies comprising the Group. However, given that the accounting policies and measurement bases applied in these consolidated financial statements differ from those used by the companies forming the Group (where the prevailing regulations of each country apply), the consolidation process has taken into consideration the adjustments and reclassifications required to adapt such principles and criteria to the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

The Group adopted EU-IFRS as of 1 January 2004 and applied IFRS 1 “First-time Adoption of International Financial Reporting Standards” at that date.

3.1. New and amended standards and interpretations

The accounting policies used during the preparation of these consolidated financial statements are the same as those applied for the consolidated financial statements for the year ended 31 December 2023.

The following amendments came into force in the financial year 2024:

- IAS 1 (Amendment) “Classification of liabilities as current or non-current”
- IAS 1 (Amendment) “Non-current liabilities with covenants”
- IAS 7 and I 7 (Amendment) “Supplier financing arrangements”
- IAS 16 (Amendment) “Lease liability in a sale and leaseback”

These amendments have had no material impact on the Group's Consolidated Financial Statements.

The following amendments came into force in the financial year 2023:

- IAS 1 (Amendment) “Disclosure of accounting policies”
- IAS 8 (Amendment) “Definition of accounting estimates”
- IAS 12 (Amended) “Deferred taxes relating to assets and liabilities arising from a single transaction”
- IAS 12 (Amended) “International tax reform: Pillar Two model rules”

3.2. Published standards which are not applicable

The Group intends to adopt these standards, interpretations, and amendments thereof published by the IASB and considered mandatory in the European Union at the date these consolidated financial statements were prepared, applying them as they come into force.

3.3. Policies used by the Group when several options are permitted

International Financial Reporting Standards occasionally allow for more than one alternative accounting treatment for a transaction. The criteria adopted by the Group for its most relevant transactions are the following:

Capital grants can be recognised reducing the cost of the assets for which financing was granted or as deferred income (which was the Group's choice). They are recognised in the income statement under "Other income."

Certain property, plant, and equipment may be measured at market value or historical cost less depreciation and impairment loss. Viscofan has chosen the latter criteria.

3.4. Comparison of information

These consolidated financial statements present for comparative purposes, for each of the headings in the consolidated statement of financial position, the consolidated income statement, the consolidated comprehensive income statement, the consolidated cash flow statement, the consolidated statement of changes in equity and the notes to the consolidated financial statements, as well as the consolidated figures for 2024 and those for the previous year, except when an accounting standard specifically establishes that this is unnecessary.

3.5. Relevant accounting estimates, assumptions and judgments

The preparation of financial statements in conformity with EU-IFRS requires Group management to make judgments, estimates, and assumptions, and to apply relevant accounting estimates in the process of applying Group accounting policies.

This section describes the main assumptions advanced about the future and other key sources of uncertainty in estimations made at the reporting date that have a significant risk of requiring a material adjustments to the carrying amounts of assets and liabilities within the next financial year. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are duly reflected in assumptions when and as they occur.

(a) Taxes

The subsidiaries comprising the Group are individually responsible for their tax obligations in their respective countries.

The two Navarre companies have filed consolidated tax returns since 1 January 2021.

The Group analyses the possible inspections by the tax authorities of the respective countries and establishes provisions based on its best estimates. The amount of such provisions is based on various factors, such as experience of previous tax inspections and differing interpretations of tax regulations by the Group and the corresponding tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the country where the respective Group company is domiciled. The Group's policy, affecting all subsidiaries, is to apply conservative criteria when interpreting the different prevailing regulations in each of the countries where it operates.

Deferred tax assets are recognised for all unused tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be used. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and future taxable profits, together with future tax planning strategies.

The years open for review by tax authorities vary depending on each country's tax legislation, and returns are not considered definitive until the corresponding inspection period has elapsed or until they have been inspected and accepted by tax authorities.

The Company's management considers that all applicable taxes have been duly paid so that even in the event of discrepancies in the interpretation of prevailing tax legislation with respect to the treatment applied, the resulting potential tax liabilities, if any, would not have a material impact on the accompanying financial statements.

Further details on taxes are disclosed in Note 17.

(b) Pension benefits

The cost of fixed-benefit pension plans and other obligations and the present value of pension obligations are determined using actuarial measurements. Actuarial measurements involve making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, and future pension increases. Owing to the complexity and long-term scope of estimates, these are sensitive to any changes in assumptions.

Mortality rates are based on publicly available mortality tables for the specific country. Future salary and pension increases are based on expected future inflation rates for the respective countries.

A sensitivity analysis and details on the hypotheses used are provided in Note 13.1.

(c) Provisions for litigation and contingent assets and liabilities

Estimating provision amounts with respect to potential assets and liabilities derived from ongoing litigation is carried out on the basis of the professional opinion of the legal representatives hired to deal with such matters, as well as on the basis of internal evaluations performed by the Group's Legal Department.

The breakdown of provisions for litigations is shown in Note 13.3, while the main contingent assets and liabilities that may give rise to the future recognition of assets and liabilities are described in Note 13.4.

(d) Fair value of share-based remuneration

Fair value is determined by a third party using an adjusted form of the Black-Scholes model that includes a Monte Carlo simulation model that takes into account the price of the share during the year, the option period, the effect of dilution (where material), the share price at the grant date and the expected volatility of the underlying share price, the expected dividend yield, the risk-free interest rate for the option period and the correlations and volatilities of the reference Group companies.

(e) Other accounting estimates and hypotheses

- Assessment of possible impairment losses on certain assets and goodwill: Notes 4.7, 4.12, 4.13 and 4.15.
- Useful life of property, plant, and equipment and intangible assets: See Notes 4.12 and 4.13.
- Measurement of derivative financial instruments: (Note 4.23)

3.6. Ukraine - Russia conflict

Beyond the loss of life and destruction of resources it has caused, Russia's invasion of Ukraine has altered the dynamics of energy markets and trade sanctions put in place prevent the sale of casings from Europe. Consequently, the Board of Directors of Viscofan S.A. adopted the decision to interrupt the export activity of casings with Russia in 2022, a situation that continued during 2023.

According to "Regulation (EU) 2024/1745 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of the Russia's actions destabilising the situation in Ukraine", the Spanish authorities have authorised the sale and export of the goods covered by code 3917 10, having determined that these products are sold, transferred or exported strictly for the production of food for human consumption in Russia.

On the basis of this Regulation, commercial transactions have been carried out with Russia throughout the year through Viscofan España, SLU.

It remains the case that the Group owns no fixed assets in either Ukraine or Russia.

3.7. Regulation of energy generating companies

The Group company Viscofan España, S.L.U. operates an electricity cogeneration facility. The Group is careful to comply with the regulation published in 2013 in this area, the most significant aspects of which are expressed below.

On 14 July 2013, Royal Decree-Law 9/2013 entered into force, drawing the bases of a new legal and economic system for existing electricity facilities using renewable energy, cogeneration and waste sources, establishing a remuneration system based on standard parameters in line with those of the various standard facilities defined. The RD eliminates the regulated renewable energy and cogeneration tariffs, creates the Electricity Self-Consumption Register and launches a new economic system whose main characteristic guarantees that the renewable energy facilities obtain an equivalent return to the interest rates on the 10-year State bonds, plus 300 basis points in reference to costs and investments of a standard facility, during its entire regulatory life. The RD also eliminates the efficiency and reactive energy complements existing in the regime that precedes it. Furthermore, the RD does not set new bonuses. The specification of the definitive remuneration has been postponed to the subsequent publication of a ministerial order and the latest existing rates remain as a reference, valid during the provisional term stretching from the publication of the RD to the publication of the subsequent order.

Electricity Law 24/2013, of 26 December, was published on 27 December 2013 to set out a regulation for the electricity sector that guarantees electricity supply with the necessary quality levels at the minimum possible cost, ensuring the economic and financial sustainability of the system and enabling an effective level of competition within it, respecting at all times the environmental protection principles proper to a modern society.

The expected enactment of this Law is defined in Royal Decree 413/2014, of 6 June, regulating the electricity production activity based on renewable, cogeneration and waste sources. The above RD organises the bases of the remuneration framework that enables electricity production facilities assigned to this system to cover the necessary costs in order to be able to compete on the market on an equal footing with the remaining technologies and obtain a reasonable return, establishing a remuneration system based on standard parameters and standard facilities. Towards this end, both article 14.4 of the Electricity Law and article 20 of the above Royal Decree, define an system to update the remuneration parameters of standard facilities. For facilities whose operating costs depend essentially on the price of fuel, Order IET/1345/2015, of 2 July, enacts the aforementioned articles and implements an update methodology on remuneration, to be applied biannual.

The above regulation contemplates the revision of market price estimates for the first three years of the regulatory period corresponding to financial years 2014, 2015 and 2016, adjusting them to real market prices. Section 3 of art. 22 of Royal Decree 413/2014 on market price estimates and deviation adjustments indicates that when the annual average price of the daily and intra-daily market is outside the limits set by the regulation, a positive or negative balance will be generated. This balance, accumulated on an annual basis, will be understood as the adjustment value for deviations in market price estimates. The adjustment value due to differences in market price and its estimates will therefore be calculated annually.

In the context of the COVID-19 international pandemic, Order TED/260/2021, of 18 March, was published on 22 March 2021, adopting measures to support facilities whose operating costs depend essentially on the price of fuel. The Order reviews the remuneration of standard facilities whose operating costs depend essentially on the fuel market.

Order TED/1232/2022, dated 2 December 2022, was published on 14 December 2022, updating the remuneration parameters for standard facilities applicable to those using renewable energy sources, cogeneration and waste, with the aim of having the new parameters applied to financial year 2022, and setting the remuneration corresponding to the first half of 2022 for these facilities.

Finally, on 28 December 2022, Order TED/1295/2022 of 22 December 2022 is published, setting the remuneration corresponding to the second semester of 2022, applicable to certain electricity production facilities using renewable energy sources, cogeneration and waste, for the purpose of its application to the 2022 financial year.

In relation to the adjustment for pool deviations affecting RECORE installations, the following regulations have been published during 2023:

Royal Decree-Law 6/2022, of 29 March, establishes that by 2023 a new methodology for determining the remuneration for the operation (Ro) of standard installations must be published, and, furthermore, that in this new methodology, the banding adjustments for pool deviations must cease to be applied for installations whose costs depend essentially on the cost of fuel (cogeneration, waste treatment and biomass).

Royal Decree-Law 10/2022 of 13 May requires that the market price for the adjustment for deviations in the pool price cease to be the average of the daily and intra-day market (OMIE) and become the average of a basket of electricity price products (spot and futures).

Royal Decree-Law 20/2022 of 27 December provides that, as it has not been possible to publish a proposal for a new methodology in time, the current methodology will be applicable for the first half of 2023, modifying the provisions of RDL 6/2022.

In December 2022, the Draft Order for the first half of 2023 is published, continuing with the current regulation as set out in RDL 20/2022.

In April 2023 the Draft Order for the second half of 2023 is published, establishing a new Ro calculation methodology, and a new pool deviation adjustment methodology for cogeneration, treatments, and biomass, proposing to replace the banding adjustments with a settlement at the end of each year.

Royal Decree-Law 5/2023, of 28 June, establishes a series of changes for the year 2023, with respect to the previously published regulations and proposals:

- It considers commodity prices for 2023, pending the new methodology (electricity, natural gas and CO2 prices), but resulting in a reduction of the Ro value of the plants.
- For the year 2023 the applicable price for the adjustment for pool deviations will be the smallest between the RDL 10/2022 basket average and the minimum daily market price (OMIE). Given that the average OMIE price was lower than the basket price in 2023, the OMIE price is taken as the adjustment price for 2023.

The value of the Ro for the first half of 2023 is officially set by Order TED/741/2023, of June 30. The Order proposes two alternative Ro values, with the higher value being applicable. This is because one of the alternatives is calculated according to the commodity prices determined by the usual methodology, while the other alternative is calculated according to the prices set by Royal Decree-Law 5/2023. The order also specifies that for the calculation of the adjustment for pool deviations for the 2023-2025 half-period, the targeting coefficient must be applied not only to the actual pool, but also to the adjustment bands.

The Draft Order on parameters for the first half of 2024 was published on 22 November 2023. This Order finally sets the new Ro methodology, which will apply from 1 January 2024

On 11 April 2024, Order TED/353/2024 was published, establishing the values of the Ro for the second calendar semester of 2023, applicable to certain facilities for the production of electricity from renewable energy sources, cogeneration and waste, and approving new standard facilities and their corresponding remuneration parameters.

On 31 May 2024, Order TED/526/2024 was published, establishing the methodology for updating the operating remuneration of electricity generation facilities whose operating costs depend essentially on the price of fuel and updating their operating remuneration values applicable as from 1 January 2024. The calculation of Ro is established on a quarterly basis for cogeneration and waste treatment, and on an annual basis for biomass. and ceases to apply pool adjustments of any kind for cogeneration and waste treatment.

On 27 June 2024, the Resolution of the Secretary of State for Energy was published, updating the values of the remuneration for the operation corresponding to the third calendar quarter of 2024 of the standard electricity generation facilities whose operating costs depend essentially on the price of fuel.

On 27 September 2024, the Resolution of the Secretary of State for Energy was published, updating the values of the remuneration for the operation corresponding to the fourth calendar quarter of 2024 of the standard electricity generation facilities whose operating costs depend essentially on the price of fuel.

On 26 December 2024, the Resolution of the Secretary of State for Energy was published, updating the values of the remuneration for the operation corresponding to the first calendar quarter of 2025 of the standard electricity generation facilities whose operating costs depend essentially on the price of fuel.

4. Significant accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as endorsed by the European Union (EU-IFRS).

A summary of the most significant principles is as follows:

4.1. Changes in accounting policies

Changes in regulation in 2024 did not affect this year's financial statements nor those of the previous year.

In 2023, as a result of the publication of IAS 12 amendment "Deferred Tax Relating to Assets and Liabilities Arising from a Single Transaction", the accounts for the year ended 31 December 2022 had to be restated. However, these changes did not affect the result for said year.

The Group intends to adopt these standards, interpretations and amendments mandatory in the European Union when they enter into force if they are applicable. Based on the analyses performed to date, the Group considers that there were no significant impacts on the consolidated financial statements.

4.2. Going concern basis

Once the financial situation has been assessed, together with the liquidity and obligations undertaken, the directors conclude that no events or conditions exist that cast doubt over the Group's ability to continue as a going concern, hence the consolidated financial statements have been prepared using this principle.

4.3. Method of consolidation

Control is obtained when the Group is exposed, or has the rights attached to variable interest rates arising from its involvement in a subsidiary, and is able to influence them as a result of the exercise of power over the subsidiary. Specifically, the Group has control of a subsidiary if, and only if it has:

- Power over the subsidiary (existing rights allowing it to manage relevant subsidiary's activities)
- Exposure, or rights, to variable returns from its involvement with the other company
- The ability to use its power over the other company to affect the amount of the company's return

Generally, it is presumed that the majority of voting rights grants control.

The Group has applied the exemption permitted by IFRS 1 First-time Adoption of International Financial Reporting Standards regarding business combinations. Consequently, only business combinations which occurred subsequent to 1 January 2004, the date of transition to EU-IFRS, have been recognised using the purchase method. Entities acquired prior to that date were recognised under the former Spanish general chart of accounts, once the necessary transition date adjustments and corrections were considered.

Subsidiaries were fully consolidated; hence all the assets, liabilities, equity, income, expenses and cash flow arising from transactions between Group companies are totally eliminated during the consolidation process.

The financial statements of the subsidiaries used in the consolidation process reflect the same reporting date as that of the Parent and are adapted to the Group's accounting policies.

Non-controlling interests in the results, and equity of subsidiaries are shown separately in the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

4.4. Effects of changes in foreign exchange rates

(a) Foreign currency transactions

The consolidated financial statements are presented in thousands of euros, which is the functional and presentation currency of the Parent.

Each Group entity determines its own functional currency and the balances included in the financial statements of each company are measured using this functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities expressed in foreign currencies have been translated into the functional currency at the year-end exchange rate, whereas non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date. Non-monetary assets denominated in foreign currencies measured at fair value are translated to the functional currency at the foreign currency exchange rate prevailing at the date the value was determined.

Differences arising on settlement of transactions in foreign currency and on translation of monetary assets and liabilities expressed in foreign currency to the functional currency are taken to the income statement. Exchange differences arising from the translation of monetary items forming part of the net investment in foreign operations are recognised as translation differences in equity.

Translation gains or losses related to monetary financial assets or liabilities expressed in foreign currency are also recognised in the income statement.

b) Translation of foreign operations

Translation differences are recognised in the Group's equity. Translation of foreign operations, excluding foreign operations in hyperinflationary economies, is based on the following criteria:

- Assets and liabilities, including goodwill and adjustments to net assets arising from the acquisition of businesses, including comparative balances, are translated at the year-end exchange rate at each balance sheet date.
- Income and expenses relating to foreign operations, including comparative balances, are translated at the exchange rates prevailing at each transaction date; and
- Foreign exchange differences arising from application of the above criteria are recognised under translation differences in equity.

The Group does not carry out any business activities in hyperinflationary countries.

Translation differences arising as a result of the sale of foreign businesses recognised in equity are recognised as a single line item in the consolidated income statement when there is a loss of control of such businesses.

4.5. Classification of assets and liabilities as current and non-current

The Group classifies assets and liabilities in the consolidated statement of financial position as current or non-current based on the following criteria: For these purposes, current assets or liabilities are those that meet the following criteria:

- Assets are classified as current when they are expected to be realised, sold or traded in the Group's ordinary course of business within 12 months of the balance sheet date and when held essentially for trading. Cash and cash equivalents are also classified as current, except where they may not be exchanged or used to settle a liability, at least within the 12 months following the balance sheet date. The Group classifies the remainder of its assets as non-current.
- Liabilities are classified as current when expected to be settled in the Group's ordinary course of business within 12 months of the balance sheet date and when essentially held for trading, or where the Group does not have an unconditional right to defer settlement of the liability for at least 12 months from the balance sheet date. The Group classifies the remainder of its liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.6. Calculation of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses measurement techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Measurement techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Measurement techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company considers that its cash, trade and other receivables, trade and other payables, and balances of accounts payable to and receivable from public administrations, have a fair value very close to their carrying amounts mainly as a result of their coming due in the short term.

The fair values for the remaining financial assets and liabilities are disclosed in Notes 10 and 15, respectively.

4.7. Financial instruments - Initial recognition and subsequent measurement

(a) Classification

The Group has classified its financial assets in the following measurement categories:

- those valued subsequently at fair value (whether through profit or loss or through other comprehensive income), and
- those valued at amortised cost.

The classification depends on the business model at the entity to manage financial assets and the contractual terms of cash flows.

For assets valued at fair value, gains or losses are recognised through profit or loss or through other comprehensive income. For investments in equity instruments that are not held for sale, this will depend on whether the Group made an irrevocable choice at the time of the initial recognition to account for the investment in equity at fair value through other comprehensive income.

The Group only reclassifies investments in debt when the business model is changed to manage these assets.

(b) Recognition and derecognition

Conventional purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to buying or selling the asset. Financial assets are derecognised when the rights to cash flows relating to the financial assets expire and the Group has substantially transferred all risks and rewards inherent to ownership.

(c) Measurement

Upon initial recognition, the Group measures a financial asset at its fair value, plus, in the case of financial assets other than at fair value through profit or loss (FVTPL), the costs of the transaction directly attributable to the acquisition of the financial asset. The costs of the financial asset transaction recognised at fair value through profit or loss are recognised as expenses on the income statement.

Financial assets with implicit derivatives are considered as a whole when establishing whether their cash flows are exclusively for the payment of the principal and interest.

- ***Debt instruments***

The subsequent measurement of debt instruments depends on the Group's business model to manage the asset and the cash flow characteristics of the asset. There are three measurement categories under which the Group classifies its debt instruments:

- Amortised cost: Assets held for the collection of contractual cash flows, when these flows only represent the payments of principal and interest, are valued at amortised cost.

Interests income on these financial assets are included in financial income in accordance with the effective interest rate method.

Any gains or losses arising when they are derecognised are directly recognised in profit or loss for the year and appear under other gains/(losses) along with gains and losses on exchange differences.

Impairment losses appear as a separate item in the profit and loss statement.

- Fair value through other comprehensive income: Assets held for the collection of contractual cash flows and the sale of financial assets, when the cash flows of assets only represent the payments of principal and interest, are valued at fair value through profit or loss

Changes in the carrying amount are taken to other comprehensive income, with the exception of the recognition of impairment losses or gains, interest income and gains or losses from exchange differences, which are recognised in the statement of profit or loss.

When the financial asset is derecognised, the accumulated gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss and recognised in other gains/(losses).

Interests income on these financial assets are included in financial income in accordance with the effective interest rate method.

Gains and losses on exchange differences are presented in other gains and losses and impairment losses are presented as a separate item on the statement of profit or loss.

- Fair value through other profit or loss: Assets that do not meet the criteria for being measured at amortised cost or at fair value through other comprehensive income are recognised at fair value through profit or loss.

Gains or losses on a debt investment recognised subsequently at fair value through profit or loss are recognised through profit or loss and presented net on the statement of profit or loss under other gains/(losses) in the year in which they occur.

- ***Equity instruments***

The Group subsequently measures all equity investments at fair value. When the Group's management has decided to present gains or losses at the fair value of equity investments through other comprehensive income, there is no subsequent reclassification of gains and losses at fair value through profit or loss following the derecognition of the investment in accounts. Dividends from these investments are recognised in profit or loss for the year as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) in the income statement when applicable. Impairment losses (and reversals of impairment losses) on equity investments measured at fair value through other comprehensive income are not presented separately from other changes in fair value.

(d) Impairment

The Group measures against a prospective base of expected credit losses associated with its assets at amortised cost and fair value through other comprehensive income. The methodology applied for impairments depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group takes the simplified approach permitted under IFRS 9, which requires that expected losses during their useful life are recognised from the initial recognition of the receivables. See Note 9 for further details.

4.8. Impairment of non-financial assets subject to depreciation or amortisation

The Group periodically evaluates whether there are indications of possible impairment losses on assets other than financial assets, inventories, deferred tax assets and non-current assets held for sale, to determine whether their carrying amount exceeds their recoverable value (impairment loss).

(a) Calculation of recoverable amount

The recoverable amount of assets is the greater of their net selling value and value in use. An asset's value in use is calculated based on the expected future cash flows deriving from use of the assets, expectations of possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset and other factors that market participants would reflect in pricing the future cash flows the entity expects to derive from the asset.

Recoverable amounts are calculated for individual assets, unless the asset does not generate cash inflows that are largely independent from those corresponding to other assets or groups of assets. In this case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

(b) Reversal of impairment

Impairment losses are only reversed if there has been a change in the estimates used to determine the recoverable amount. Impairment losses on goodwill are not reversible.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

The amount of the reversal of the impairment of a CGU is allocated to its assets, except goodwill, pro rata on the basis of the carrying amount of the assets, to the limit referred to in the previous paragraph.

4.9. Revenue recognition

Revenue from the sale of goods or services is recognised at the fair value of the consideration received or receivable. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, net of VAT and any other amounts or taxes which are effectively collected on the behalf of third parties. Volume or other types of discounts for prompt payment are recorded as a reduction in revenue if considered probable at the time of revenue recognition.

Before recognising revenue, the Group:

- identifies the customer contracts
- identifies the separate performance obligation
- establishes the transaction price of the contract
- allocates the transaction price between the separate performance obligations
- recognises the revenue when each performance obligation is satisfied

(a) Sale of casings and film

The Group manufactures and sells casings and film for food use and other applications. Sales are recognised when control of the products is transferred, i.e., when the products are delivered to the customer, this party has full discretion over the product and no obligations have been unfulfilled that may affect the customer's acceptance of the products. The delivery takes place based on agreements with customers (Incoterm) and it is at this time when risks of obsolescence and loss are transferred to the customer, and the Group has proof that all acceptance criteria have been met.

The products are often sold subject to volume discounts over a 12-month period. Income from these sales is recognised based on the price specified in the contract, net of estimated volume discounts. Accumulated experience is used to estimate and provide discounts, using the expected

value method and ordinary income are only recognised insofar as it is highly likely that there is no significant reversal. No element of financing is considered to exist, as sales are completed with a credit term of 45-90 days, which is consistent with market practice.

An account receivable is recognised when the assets are delivered, as this is the time at which the consideration is unconditional, as only the passing of time is required for the payment to mature.

(b) Sale of energy

Energy sales are recognised as energy is produced and made available to the customer. At this time, it is understood that there are no unfulfilled obligations. These sales are made at regulated tariffs in each location. No element of financing is considered to exist, as sales are completed with a credit term of 60 days.

The Viscofan Group recognises the electricity revenue generated from cogeneration, including the perceived market tariff, together with the energy generation premiums, in line with the regulations, as said energy is generated and marketed.

In terms of the sales of electricity produced, they are recognised as the energy generated by cogeneration systems is produced and delivered, applying the tariffs in force.

4.10. Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to the ordinary shares of the Parent by the weighted number of ordinary shares outstanding during that year, excluding the average number of shares of the Parent, Viscofan, S.A. held by any of the Group companies.

Diluted earnings per share are calculated by dividing net profit for the year attributable to the ordinary shareholders of the parent by the weighted average number of ordinary shares which would be in issue if all potential ordinary shares were converted into ordinary shares of Viscofan, S.A.

4.11. Business combinations and goodwill

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred
- liabilities incurred with former owners of the acquired business
- equity investments issued by the group
- the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- the fair value of any previous equity interest in the subsidiary.

Identifiable assets acquired and contingent liabilities and liabilities assumed in a business combination, with limited exceptions, are initially measured at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-to-acquisition basis at fair value or by the proportionate share of the non-controlling interest in the acquiree's net identifiable assets.

Acquisition-related costs are recognised as an expense when incurred.

Goodwill is recognised as the excess of

- the consideration transferred, the amount of any non-controlling interest at the acquired entity and the fair value at the acquisition date of any equity interest
- on the fair value of the identifiable net assets acquired and the liabilities assumed.

If the amounts of the fair value of the net assets acquired and the liabilities assumed is higher, the difference is recognised directly in profit or loss as a purchase on very advantageous terms.

When the settlement of any part of the cash consideration is deferred, future amounts payable are discounted to their present value at the exchange date. The discount rate used is the entity's incremental borrowing interest rate, the rate at which a similar loan could be obtained from an independent lender under comparable terms and conditions.

The contingent consideration is classified as equity or financial liability. The amounts classified as a financial liability are subsequently restated to fair value with changes in fair value recognised in profit or loss.

If the business combination is carried out in stages, the carrying amount at the acquisition date of the acquiree's equity interest in the previously-held acquiree is measured again at its fair value at the acquisition date, recognising any resulting gain or loss in profit or loss.

4.12. Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 4.12. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but tested annually for impairment, or more frequently if events or changes in circumstances indicate that it may be impaired, and is recognised at cost less any accumulated impairment losses. A gain or loss on the sale of an entity includes the carrying amount of goodwill related to the entity sold.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units. The allocation is made among cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose (Note 5).

b) Development costs

Development costs incurred on a project are recognised as intangible assets if the project is technically and commercially viable, sufficient technical and financial resources are available to complete it, the costs incurred can be reliably determined and profit is probable.

The Group has not capitalised any development costs. Capitalised development costs are amortised on a straight-line basis over the estimated useful life of each project, never exceeding 5 years.

When there are reasonable doubts as to the technical success or economic and commercial profitability of capitalised projects, the amounts recognised in assets are charged directly to the profit and loss account for the year.

Expenditure on research activities is recognised in the consolidated income statement as an expense as it is incurred.

(c) Other tangible assets

Other intangible assets are stated at cost, less accumulated amortisation and impairment losses.

Software maintenance costs are expensed as incurred.

(d) Useful lives and amortisation rates

The Group evaluates whether the useful life of each intangible asset acquired is finite or indefinite. An intangible asset is considered to have an indefinite useful life where there is no foreseeable limit to the period over which it will generate net cash inflows. At 31 December 2024 and 2023, the Group had no intangible assets with indefinite useful lives, except for Goodwill discussed in Note 5.

Intangible assets with finite useful lives are amortised by allocating the depreciable amount systematically on a straight-line basis over the useful lives of the assets in accordance with the following criteria:

	Estimate useful life (years)
Development costs	5
Industrial property and Rights of use	5-10
Concession land rights in China	50
Software	5

The depreciable amount of intangible asset items is the cost of acquisition or deemed cost less the residual value.

The Group reassesses residual values, useful lives, and amortisation methods at the end of each financial year. Changes to initially established criteria are recognised as a change in accounting estimates.

4.13. Property, plant, and equipment

(a) Initial recognition

Property, plant, and equipment is stated at cost, less accumulated depreciation and any impairment losses. The cost of self-constructed assets is determined using the same principles as for an acquired asset, considering the principles established to determine the cost of production. The cost of production is capitalised through the credit of the costs attributable to the assets in accounts under "Other income" in the consolidated income statement.

The cost of assets which have long installation periods includes finance costs accrued prior to their being put to use. Such costs meet the capitalisation requirements described above.

The Group availed itself at 1 January 2004 of the exemption related to the restated values pursuant to the corresponding legislation, as an attributed cost of IFRS 1 "First Time Adoption of International Financial Reporting Standards".

(b) Amortisation and depreciation

Property, plant, and equipment is depreciated systematically over the useful life of the asset. The depreciable amount of PP&E items is the cost of acquisition less the residual value. Each part of a PP&E item with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation of PP&E items is calculated using the straight-line method over their estimated useful lives, as follows:

	Estimate useful life (years)
Buildings	30
Plant and equipment	10.
Other installations, tools and furniture	5 - 10
Property, plant, and equipment	3 - 15

The Group reassesses residual values, useful lives, and depreciation methods at the end of each financial year. Changes to initially established criteria are recognised as a change in accounting estimates.

(c) Subsequent recognition

Subsequent to initial recognition of the asset, only costs that will probably generate future economic benefits and which may be measured reliably are capitalised. Ordinary maintenance costs are expensed as they are incurred.

Replacements of property, plant, and equipment which meet the requirements for capitalisation are recognised as a reduction in the carrying amount of the items replaced. Where the cost of the replaced items has not been depreciated independently and it has not been practical to determine the respective carrying amount, the replacement cost is used as indicative of the cost of items at the time of acquisition or construction.

4.14. Right-of-use

From 1 January 2019, leases are recognised as a right-of-use asset and the corresponding liability on the date on which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Right-of-use liabilities include the net present value of the following right-of-use payments:

- fixed payments (including fixed payments in substance), less any right-of-use incentive to collect
- variable right-of-use payments that depend on an index or rate, initially measured according to the index or rate at the start date
- amounts expected to be paid by the Group as residual value guarantees
- the exercise price of a call option if the Group is reasonably certain that it will exercise that option, and
- penalty payments on termination of the rights-of-use, if the term of the right-of-use reflects the Group's exercise of that option.

Right-of-use payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Right-of-use payments are discounted using the interest rate implied in the right-of-use.

The Group is exposed to potential future increases in variable right-of-use payments based on an index or rate, which are not included in the right-of-use liability until they take effect. When adjustments to index or rate-based right-of-use payments take effect, the right-of-use liability is reassessed and adjusted against the right-to-use asset.

Right-of-use payments are apportioned between principal and finance cost. The finance cost is charged to income over the right-of-use period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, comprising:

- the amount of the initial measurement of the right-of-use liability
- any right-of-use payments made on or before the start date, less any right-of-use incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally amortised on a straight-line basis over the shorter of the asset's useful life or the end of the lease term.

The Group applies the exemption of recognising leases that have a period equal to or lower than 12 months from the date of commencement, and that do not contain a purchase option, and the leases in which the underlying asset has a scant value. The payment for these leases is recognised as an expense during the lease period.

4.15. Inventories

Inventories comprise non-financial assets which are held for sale by the consolidated entities in the ordinary course of business.

Cost comprises all costs of acquisition, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Inventory conversion costs comprise the costs directly related with the units produced and a systematically calculated part of the indirect, variable or fixed costs incurred in the conversion process. Indirect fixed costs are distributed on the basis of the normal production capacity or actual production.

Indirect fixed costs distributed to each production unit are not increased as a result of a low level of production or idle production capacity. Indirect costs that are not distributed are recognised as expenses for the financial year in which they are incurred. In periods of abnormally high production, the amount of indirect costs distributed to each production unit is decreased so that inventories are not measured above cost. Variable indirect costs are distributed to each production unit on the basis of the actual use of the production facilities.

The methods applied by the Group to determine inventory costs are as follows:

- Raw materials, other materials consumed, and goods for resale: at weighted average cost.
- Finished and semi-finished products: at weighted average cost of raw and other materials and includes direct and indirect labour, plus other manufacturing overheads.

Volume discounts from suppliers are recognised when it is probable that the discount conditions will be met. Prompt payment discounts are recognised as a reduction in the cost of inventories acquired.

The cost of inventories is adjusted against profit or loss in cases where cost exceeds net realizable value. Net realizable value is considered as the following:

- Raw materials and other consumables: the Group only makes adjustments if the finished products in which the raw materials are incorporated are expected to be sold at a price equivalent to their production cost or lower;
- Goods for resale and finished products: estimated sale price, less selling costs.
- Work in progress: estimated sale price for corresponding finished products, less the estimated costs for completion of their production and selling costs.

Write-downs and reversals of write-downs are recognized in the consolidated income statement for the year. When the circumstances that previously caused the inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed against the following headings: "Changes in inventories of finished products" and "Work in progress and consumption of materials and other supplies." The reversal of write-downs in the value of inventories is recognised with a credit to the "Changes in inventories of finished goods and work in progress" and "Consumption of raw materials and other consumables" headings.

4.16. Emission rights

The Viscofan Group records emission rights when it owns them, under the “Inventories” heading.

Rights assigned free of charge to each plant under each national emission rights assignment plan are initially measured at market value on the date granted and are recognised as a credit to “Grants” (Note 4.20) in the consolidated statement of financial position. Rights acquired from third parties are recognised at their acquisition cost.

These assets are measured using the cost method. At each year end they are analysed for any indications of impairment of their carrying amounts.

These emission rights are eliminated from the statement of financial position when they are sold, delivered, or have expired. Should the rights be delivered, they are derecognized from the provision made when the CO2 emissions take place applying the FIFO method (first in, first out).

4.17. Non-current assets held for sale and discontinued operations

The Group classifies assets whose carrying amount is expected to be realised through a sale transaction, rather than through continuing use, as “Non-current assets held for sale” when the following criteria are met:

- When they are immediately available for sale in their present condition, subject to the normal terms of sale; and
- When it is highly probable that they will be sold.

Non-current assets held for sale are accounted for at the lower of their carrying amount and fair value less cost to sell, except deferred tax assets, assets arising from employee benefits, and financial assets which do not correspond to investments in Group companies, joint ventures and associates, which are measured according to specific standards. These assets are not depreciated and, where necessary, the corresponding impairment loss is recognised to ensure that the carrying amount does not exceed fair value less costs to sell.

Disposal groups held for sale are measured using the same criteria described above. The disposal group as a whole is then remeasured at the lower of the carrying amount and fair value less costs to sell.

Related liabilities are classified as “Liabilities held for sale and discontinued activities”.

A disposal group of assets is considered a discontinued operation if it is a component of an entity which either has been disposed of or is classified as held for sale and:

- Represents a significant and separate major line of business or geographical area of operations.
- Is part of a single coordinated plan to dispose of a significant and separate major line of business or geographical area of operations.

Discontinued operations are presented in the consolidated income statement separately from income and expenses from continuing operations, on a single line under "Profit from discontinued operations."

4.18. Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits with credit institutions. Other short-term, highly-liquid investments are also included under this heading, provided that they were readily convertible into specified amounts of cash and had an original maturity of close to or not exceeding three months.

4.19. Dividend

The interim dividends approved by the Board of Directors in 2024 and 2023 are included as a reduction of the Viscofan Group's equity.

4.20. Government grants

Government grants are recognised on the face of the balance sheet when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached.

(a) Capital grants

Government grants in the form of non-monetary assets are recognised at fair value, with a credit to "Grants" in the consolidated statement of financial position and they are transferred to "Other income" in the consolidated income statement in line with the depreciation of the subsidised asset.

Non-refundable grants related to emission rights are initially recognised at market value on the date provided under "Grants," and are recognised in the consolidated income statement as they are used. They are recognised in "Other income" on the consolidated income statement.

(b) Operating subsidies

Operating subsidies are recognised with a credit to "Other income" in the consolidated income statement.

Grants received as compensation for expenses or losses already incurred, or for the purpose of providing immediate financial support not related to future expenses, are recognised as a credit to "Other income" in the consolidated income statement.

(c) Interest rate subsidies

Financial liabilities with implicit interest rate subsidies in the form of below-market rates of interest are initially recognised at fair value. The difference between this value, adjusted where applicable by the costs of issue of the financial liability and the amount received, is recorded as an official grant based on the nature of the grant.

4.21. Employee benefits

(a) Liabilities for retirement benefits and other commitments

Defined benefit plans include those financed by insurance premium payments for which a legal and implicit obligation exists to settle commitments directly with employees when they fall due or pay additional amounts in the event the insurer does not pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit liabilities recognised in the consolidated statement of financial position reflect the present value of defined benefit plans at year end, less the fair value of the assets related to those benefits.

Defined benefit plan costs are recognised under "Staff costs" in the consolidated income statement and are obtained as a result of the addition of the net amount of the current service costs, plus the effect of any reduction or liquidation of the plan.

Interest on the net liability/(asset) relating to the defined benefit plan is calculated by multiplying the net liability/(asset) by the discount rate and is recognised in financial results under "Financial expenses".

Subsequent to initial measurement, the re-evaluation, which comprises actuarial gains and losses, the effect of the limit on the assets, excluding amounts included in net interest and performance of the plan assets are recognised immediately in the statement of financial position with a credit or debit to reserves, as appropriate, through other comprehensive income in the period in which they occur. These changes are not reclassified to profit or loss in subsequent periods.

A description of each of the Group's defined benefit pension plans is included in Note 13.1.

b) Termination benefits

The Group recognises termination benefits unrelated to restructuring processes when it is demonstrably committed to terminating the employment of current employees before the normal retirement date. The Group is demonstrably committed to terminating the employment of current employees when a detailed formal plan has been prepared and those affected have valid expectations that the process will be carried out, and there is no possibility of withdrawing or changing the decisions made. Indemnities payable in over 12 months are discounted at interest rates based on market rates of quality bonds and debentures.

c) Short-term employee benefits

Short-term benefits accrued by Group personnel are recorded in line with the employees' period of service. The amount is recorded as an employee benefit expense and as a liability net of settled amounts. If the contribution already paid exceeds the accrued expense, an asset is recorded to the extent that it will reduce future payments or a cash refund.

The Group recognizes the expected cost of short-term benefits in the form of accumulated compensated absences, when the employees render service that increases their entitlement to future compensated absences, and in the case of non-accumulating compensated absences, when the absences occur.

The Group recognizes the expected cost of profit-sharing and bonus payments when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

d) Share-based payment

Certain classes of employees are provided with share-based remuneration benefits through the Long Term Employee Incentive Plan, an employee share ownership plan. Note 22.3 provides information on these plans.

The fair value of shares granted under the long-term employee incentive plan that are settled through the delivery of shares is recognised as employee benefit expense against equity. The total amount to be recognised as an expense is determined by reference to the fair value at the grant date of the shares granted:

- including market performance conditions (for example, the entity's share price)
- excluding the impact of non-market related service or performance targets for the vesting of the shares (e.g. accident rate, waste reduction targets)

The total expense is recognised during the vesting period, which is the period during which all the specified terms for vesting have to be satisfied. At the end of each year, the entity reviews its estimates of the number of shares it expects to become vested, based on non-market service targets for vesting. The impact, if any, of the review of the original estimates is recognised in profit or loss, with a corresponding adjustment to equity.

If the long-term employee incentive plan is settled in cash, it is recognised as employee benefit expense against a liability. The total amount to be recognised as an expense is determined by reference to fair value at each close.

4.22. Provisions

(a) General criteria

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, provided a reliable estimate can be made of the amount of the obligation.

The amounts recognised as a provision in the consolidated statements of financial position are the best estimate of the expenditure required to settle the present obligation at the consolidated balance sheet date, taking into account the risks and uncertainties related to the provision and, where significant, financial effect of the discount, provided that the expenditures required in each period can be reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The financial effect of provisions is recognised under finance costs in the consolidated income statement.

Reimbursement rights from third parties are recognised as a separate asset where it is practically certain that these will be collected. The income reimbursed, where applicable, is recognised in the consolidated income statement as a reduction in the associated expense and is limited to the amount of the provision.

If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed against income. The provision is

reversed against the consolidated income statement where the corresponding expense was recorded.

(b) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(c) Restructuring expenses

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Provisions for restructuring only include payments directly related to the restructuring which are not associated to continuing activities of the Group.

(d) Emission rights provision

Provision is made systematically for expenses related to the emission of greenhouse gases. This provision is cancelled once the corresponding free-of-charge and market-acquired rights granted by public entities have been transferred.

4.23. Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date the derivative contract is signed and subsequently restated to fair value at each balance sheet date. The accounting for subsequent changes in fair value depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the item being hedged. The group designates certain derivatives as:

- fair value hedges of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a specific risk associated with cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At the start of the hedging relationship, the Group documents the economic relationship between hedging instruments and the hedged items, including whether it is expected that changes in the cash flows of hedging instruments offset changes in the cash flows of the hedged items. The Group documents its risk management target and strategy to undertake its hedging transactions.

The fair values of the derivative financial instruments designated in hedging ratios are broken down in Note 16. The movements in the hedge reserve included in the equity of shareholders are shown in Note 12.

The total fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item exceeds 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

The effective portion of changes in the fair value of derivatives designated and classified as cash flow hedges is recognised under cash flow hedge reserves in equity. The gain or loss relating to the ineffective portion is immediately recognised in the income statement for the year within other gains/(losses).

When option contracts are used to cover expected transactions, the Group only designates the intrinsic value of the option contract as the hedging instrument.

The gains or losses corresponding to the effective portion of changes in the intrinsic value of option contracts are recognised under cash flow hedge reserves in equity. Changes in the time value of option contracts related to the hedged item ("aligned time value") are recognised through other comprehensive income under hedge cost reserves in equity.

When forward contracts are used to cover expected transactions, the Group generally only designates the change in fair value of the forward contract relating to the cash component as the hedging instrument. The gains or losses relating to the effective portion of changes in the cash component of forward contracts are recognised under cash flow hedge reserves in equity. Changes in the forward element of the contract related to the hedged item ("aligned forward element") are recognised through other comprehensive income under hedge cost reserves in equity. In some cases, the gains or losses corresponding to the effective portion of changes in the fair value of the entire forward contract are recognised under cash flow hedge reserves in equity.

Accumulated amounts in equity are reclassified in the years when the hedged item affects profit or loss for the year, as follows:

- When the hedged item subsequently results in the recognition of a non-financial asset (such as inventories), both deferred hedge gains and losses and the deferred time value or deferred forward points, as applicable, are included in the initial cost of the asset. Deferred amounts are ultimately recognised in profit for the year, as the hedged item affects profit or loss for the year (for example, via the cost of sales).
- Gains or losses corresponding to the effective portion of interest rate swaps covering floating rate loans are recognised in profit or loss under finance cost at the time as the interest cost on hedged loans.

4.24. Income tax

Income tax on the profit for the year comprises current and deferred tax.

Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. Current tax assets or liabilities are measured for amounts payable to or recoverable from tax authorities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences, whereas deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carry-forward of unused tax losses, and the carry-forward of unused tax credits. Temporary differences are differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the year except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity, or from a business combination.

(a) Taxable temporary differences

Taxable temporary differences are recognised in all cases except where:

- Arising from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit, or
- Associated with investments in subsidiaries over which the Group is able to control the timing of the reversal of the temporary difference and it is probable that the timing difference will reverse in the foreseeable future.

(b) Deductible temporary differences

Deductible temporary differences are recognised provided that:

- It is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.
- The temporary differences are associated with investments in subsidiaries to the extent that the difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Tax planning opportunities are only considered on evaluation of the recoverability of deferred tax assets and if the Group intends to use these opportunities or it is probable that they will be used.

(c) Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and reflecting the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets or liabilities.

The carrying amounts of deferred tax assets are reviewed by the Group at each balance sheet date to reduce these amounts to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of the deferred tax assets to be utilised.

Deferred tax assets which do not comply with the aforementioned conditions are not recognised in the consolidated statement of financial position. At year end the Group reassesses unrecognised deferred tax assets.

(d) Classification and offsetting

The Group only offsets current tax assets and liabilities if it has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Group only offsets tax assets and liabilities where it has a legally enforceable right, where these relate to taxes levied by the same tax authority and on the same entity and where the tax authorities permit the entity to settle on a net basis, or to realize the asset and settle the liability simultaneously for each of the future years in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Deferred tax assets and liabilities are recognised on the consolidated statement of financial position under non-current assets or liabilities, irrespective of the date of realisation or settlement.

(e) Tax assets

The group has several different types of tax credits in certain subsidiaries. These tax credits are recorded by reducing the corporate income tax expense for the year in which they are applied.

4.25. Environmental issues

(a) Environment

The Group takes measures to prevent, reduce or repair the damage caused to the environment by its activities.

Costs incurred from environmental activities are recognised under “Other operating costs” in the year in which they are incurred.

Assets used by the Group to minimize the environmental impact of its activity and protect and improve the environment, including the reduction or elimination of future pollution caused by the Group's operations, are recognised in the consolidated balance sheet based on the criteria for recognition, measurement, and disclosure detailed in Note 24.

4.26. Related party transactions

Transactions with related parties are accounted for in accordance with the measurement criteria detailed throughout this Note 4. The only transactions with related parties are detailed in Note 22 “Information relating to directors of the Parent and key management personnel of the Group”.

5. Intangible assets and goodwill

5.1. Intangible assets other than goodwill

The breakdown and movements in other intangible assets during 2024 and 2023 are as follows:

Thousands of euros							
	Customer portfolio	Software	Industrial property	Implementation	Advances	Amortisation and depreciation	Total
Opening balance as at 1 January 2023	621	54,478	23,576	2,455	382	-63,863	17,649
Exchange gains (losses)	0	-155	-519	0	0	508	-166
Additions	0	3,179	0	1,013	48	-4,792	-552
Disposals	0	-537	0	0	0	537	0
Transfers	0	59	0	0	-33	0	26
Closing balance as at 31 December 2023	621	57,024	23,057	3,468	397	-67,610	16,957
Exchange gains (losses)	0	180	627	0	0	-681	126
Additions	0	3,588	0	1,166	782	-4,587	949
Disposals	0	-34	0	0	62	35	63
Transfers	0	1,005	0	0	-978	0	27
Closing balance as at 31 December 2024	621	61,763	23,684	4,634	263	-72,843	18,122

The balances of this heading at 31 December 2024 and 2023 are the following:

Thousands of euros						
	31.12.2024			31/12/2023		
	Cost	Amortisation and depreciation	Total	Cost	Amortisation and depreciation	Total
Customer portfolio	621	-621	0	621	-621	0
Software	61,763	-49,094	12,669	57,024	-45,036	11,988
Industrial property	23,684	-20,473	3,211	23,057	-19,636	3,421
Implementation	4,634	-2,655	1,979	3,468	-2,317	1,151
Advances	263	0	263	397	0	397
TOTAL	90,965	-72,843	18,122	84,567	-67,610	16,957

Details of the cost of fully amortised intangible assets in use at 31 December 2024 and 2023 are as follows:

Thousands of euros		
	2024	2023
Software	41,359	37,197
Industrial property	13,425	13,427
Fully depreciated assets	54,784	50,624

5.2. Goodwill

The changes during 2024 and 2023 are detailed below:

	Thousands of euros
Opening balance as at 1 January 2023	3,237
Exchange gains (losses)	368
Closing balance as at 31 December 2023	3,605
Exchange gains (losses)	-752
Additions (Note 2.1)	12,164
Closing balance as at 31 December 2024	15,017

The addition of 2024 relates to the goodwill associated with the acquisition 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. through Viscofan do Brasil, soc. com. e ind. Ltda for a price of BRL 88 million (Note 2.1). 50% of this amount will be paid in the years 2025 and 2026.

At year-end, the assessment regarding the identification and valuation of the net assets acquired has not been completed and therefore provisional accounting is being applied, the value of this goodwill being EUR 11,533 thousand.

The rest of the amount relates to the Supralon Group CGU (EUR 2,614 thousand) in the "Rest of Europe and Asia" geographical region, and to the CGU transfer of ingredients (EUR 870 thousand) in the North America geographical region.

Impairment test

Below, we provide details of the calculation used in the impairment test for the different goodwill recognised at 31 December 2024.

(a) CGU Supralon Group

Goodwill for the sum of 2,614 thousand euros, recognised on the Group's consolidated balance sheet corresponds to the Supralon Group, whose CGU corresponds to the legal company or subgroup, dedicated to the production and distribution of casings for the meat industry.

5-year projections were done, in which Management established forecasted business figures broken down by CGU managers (by year, country, customer, average product sales prices) based on historic data (internal/external sources), market, competition scenarios, information on new products and those in development, and actions to be implemented aimed at geographical expansion, and available macroeconomic forecasts.

As a result of this analysis, the Directors consider that at 31 December 2024, there were no indications that any impairment losses should be recorded.

(b) Transfer of ingredients

Goodwill recognised in the Group's consolidated balance sheet at 31 December 2024 amounted to 870 thousand euros.

The transfer of ingredients CGU is a pioneer in the industry, having developed innovative products with value-added technology, such as casings capable of transferring ingredients: spices, flavours, aromas and colours to cold meats and other meat products in natura. The products thus obtained significantly facilitate certain production processes of our customers and improve consumer experience.

The assumptions include an increasing volume of sales during the first year's activity. 5-year projections were done, in which Management established forecasted business figures broken down by CGU managers (by year, country, customer, average product sales prices) based on historic data (internal/external sources), market, competition scenarios, information on new products and those in development, and actions to be implemented aimed at geographical expansion, and available macroeconomic forecasts.

As a result of this analysis, the Directors consider that at 31 December 2024, there were no indications that any impairment losses should be recorded.

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As indicated in note 2.1, on 19 September 2024, the acquisition was completed of two businesses in Brazil engaged in the production of high quality bovine collagen. In the process of identifying the price paid for the transaction, no impairment indicators have been identified and Group management continues to believe that the goodwill and intangible assets will be clearly recovered with the cash flows of future years.

6. Property, plant, and equipment

The breakdown and movements in property, plant, and equipment during 2024 and 2023 are as follows:

Thousands of euros								
	Land and buildings	Plant and equipment.	Other installations, tools and furniture	Property, plant, and equipment	Property, plant, and equipment under construction and payments on account	Amortisation and depreciation	Impairment	Total
Opening balance as at 1 January 2023	306,381	1,053,156	123,996	51,540	9,630	-982,707	-752	561,244
Exchange gains (losses)	-3,269	-1,164	-1,164	-762	-164	3,409	2	-3,112
Additions	3,342	26,728	2,880	2,263	38,093	-73,628	-308	-630
Disposals	-109	-2,497	-602	-1,756	-9	3,638	0	-1,335
Transfers	3,217	18,730	723	856	-23,552	0	0	-26
Closing balance as at 31 December 2023	309,562	1,094,953	125,833	52,141	23,998	-1,049,288	-1,058	556,141
Exchange gains (losses)	2,556	-8,496	1,391	746	-758	4,563	4	6
Additions (Note 2.1)	5	855	0	160	944	-200	-1	1,763
Additions	1,153	18,188	2,232	3,353	40,532	-73,364	-96	-8,002
Disposals	-104	-3,558	-230	-1,588	-71	4,620	-101	-1,032
Transfers	12,127	12,148	3,956	712	-28,825	-143	0	-25
Closing balance as at 31 December 2024	325,299	1,114,090	133,182	55,524	35,820	-1,113,812	-1,252	548,851

The balances of this heading at 31 December 2024 and 2023 are the following:

Thousands of euros						
	31.12.2024			31/12/2023		
	Cost	Amortisation and depreciation	Total	Cost	Amortisation and depreciation	Total
Land and buildings	325,299	-152,091	173,208	309,562	-145,176	164,386
Plant and equipment	1,114,090	-820,436	293,654	1,094,953	-772,812	322,141
Other installations, tools and furniture	133,182	-101,728	31,454	125,833	-95,366	30,467
Property, plant, and equipment	55,524	-40,809	14,715	52,141	-36,992	15,149
Property, plant, and equipment under construction and payments on account	35,820	0	35,820	23,998	0	23,998
TOTAL	1,663,915	-1,115,064	548,851	1,606,487	-1,050,346	556,141

In 2024, investments in property, plant and equipment in the Group totalled 65,458 thousand euros. Projects during the year included the completion of the cellulose and collagen converting plant in Thailand, a new plastics plant in Mexico and environment-related investments mainly in Spain and Brazil.

Investments in property, plant and equipment amounting to 73,306 thousand euros were made in 2023. The main projects were the cellulose and collagen converting plant in Thailand, converting investments in the Czech Republic as well as regular maintenance work in the group's production plants.

Details of the cost of fully depreciated property, plant, and equipment in use at 31 December 2024 and 2023 are as follows:

	Thousands of euros	
	2024	2023
Buildings	71,966	67,135
Plant and equipment	549,742	526,828
Other installations, tools and furniture	72,255	69,062
Property, plant, and equipment	28,280	27,200
Fully depreciated assets	722,243	690,225

As a result of the annual investment plan, at year-end 2024 there are commitments to acquire fixed assets amounting to EUR 13,547 thousand, including the environment-related investments in Spain and investments in the continuous improvement and optimisation of processes throughout the group.

At year-end 2023, acquisition commitments of property, plant and equipment amounted to EUR 28,936 thousand related to converting facilities in Thailand, increased plastics capacity in Mexico and environment-related investments in Spain and Brazil.

The Group has insurance policies covering the various risks to which its items of property, plant, and equipment are exposed. The coverage of these policies is considered sufficient.

Impairment test

During the last two years, no signs of impairment have been identified in any of the Group's cash-generating units.

However, investment in the US has generated negative results in recent years. During 2022, the Company's management decided to make certain investments in the American subsidiary in order to modernise the production assets and to improve the situation of this subsidiary. As a result of these investments and an optimisation of their operation in 2023 and 2024, management considers that there is no reason to impair the investment.

In order to carry out the impairment analysis, the main assumptions considered were as follows:

- the investments made in recent years in the company have led to a scenario of clearly improved productivity.
- the sales envisaged in the plan are expected to grow in the following years in line with installed capacity increases.

- the current circumstances of raw material and production costs have been considered, adapted to the current market circumstances and the new materialised investments.
- the EBITDA to sales projection is increasing as new investments materialise, reaching reasonable margins within the context of the group.
- the impact on working capital as a result of the projections made.
- the discount rate after tax used is 8.7%.

After performing the above analysis, the present value of future cash flows is significantly higher than the present value of the investment. However, a sensitivity analysis has been performed on the main variables, identifying a more conservative scenario in the estimates, in which the slack in the analysis remains significant, as well as an increase in the discount rate to a value of 9.7%, without identifying any impairment. Finally, a more aggressive scenario has been considered in which both flow and discount rate sensitivities are considered, and in this scenario a deterioration of the US investment is not identified either. The very healthy performance of the American subsidiary's accounts is in line with the figures calculated in the business plan.

7. Right-of-use

This note provides information on the rights of use under which the Group is a lessee.

7.1. Right-of-use assets

The balance sheet shows the following amounts related to rights of use:

Thousands of euros						
	Buildings	Plant and equipment	Other installations, tools and furniture	Property, plant, and equipment	Amortisation and depreciation	Total
Opening balance as at 1 January 2023	16,031	1,722	0	6,139	-13,312	10,580
Exchange gains (losses)	-160	-8	0	31	136	-63
Additions	3,432	844	0	2,278	-5,293	1,261
Disposals	-1,254	-1,177	0	-1,045	3,275	-201
Transfers	250	0	0	-783	533	0
Opening balance as at 1 January 2023	18,299	1,381	0	6,558	-14,661	11,577
Exchange gains (losses)	-180	-4	0	-1	188	3
Additions	2,753	2,261	0	1,405	-5,843	576
Disposals	-1,761	-770	0	-1,253	3,534	-250
Transfers	0	0	0	0	0	0
Closing balance as at 31 December 2024	19,111	2,868	0	6,709	-16,782	11,906

The balances of this heading at 31 December 2024 and 2023 are the following:

Thousands of euros						
	31.12.2024			31/12/2023		
	Cost	Amortisation and depreciation	Total	Cost	Amortisation and depreciation	Total
Buildings	19,111	-12,190	6,921	18,299	-10,674	7,625
Plant and equipment	2,868	-638	2,230	1,381	-576	805
Property, plant, and equipment	6,709	-3,954	2,755	6,558	-3,411	3,147
TOTAL	28,688	-16,782	11,906	26,238	-14,661	11,577

Additions to right-of-use assets in 2024 amounted to 6,419 thousand euros; 6,554 thousand euros in 2023.

7.2. Right-of-use liabilities

The balance sheet shows the following amounts related to rights of use:

	Thousands of euros	
	2024	2023
Up to 3 months	741	442
3 months – 1 year	3,573	4,245
Current	4,314	4,687
Between 1 and 5 years	6,974	6,418
More than 5 years	561	436
Non-current	7,535	6,854
Total as at 31 December	11,849	11,541

The Group leases warehouses, offices and vehicles. Leases are usually for fixed periods, but may have options for extension.

Some property leases contain payment terms generally linked to inflation. There are no other variable payments.

Extension and termination options are included in a number of warehouse and office leases throughout the Group. The lease term incorporates options for extension or termination, with a maximum term generally of 10 years unless the extension term is shorter. No other assets have been identified within leased items whose useful life exceeds the term of the lease.

Deferred tax assets and liabilities (Note 17) associated with these items have been recognised in 2024 and 2023 on the basis of IAS 12, with no effect on the income statement.

8. Inventories

Details of inventories at 31 December 2024 and 2023 are as follows:

	Thousands of euros	
	2024	2023
Raw materials and other consumables	93,686	101,979
Semi-finished products	94,552	102,053
Finished products	177,334	195,552
Commercial inventories	13,337	13,293
Greenhouse gas emission rights	15,289	25,301
Advances to suppliers	4,756	4,714
Total Inventories	398,954	442,892

The valuation adjustments in 2024, corresponding to impairment and obsolescence, entailed income of EUR 820 thousand (an expense of EUR 6,409 thousand in 2023) and they are recognised under “Consumption of raw materials and other consumables” and “Changes in inventory of finished goods and work in progress” on the consolidated income statement and are recognised under “Consumption of raw materials and other consumables” and “Changes in inventory of finished goods and work in progress” on the consolidated income statement.

The emission rights consumed by the Company during 2024 and 2023 amounted to 272,095 and 294,406 tonnes, respectively.

The amount of the expense related to greenhouse gas emissions in 2024 was recognised under “Consumption of raw materials and other consumables” in the amount of 17,068 thousand euros (22,605 thousand euros in 2023).

Group companies have contracted various insurance policies to cover the risk of damage to inventories. The coverage of these policies is considered sufficient.

9. Trade and other receivables

The breakdown for “Trade and other receivables” at 31 December 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Trade receivables	271,665	223,014
Other trade debtors	9,771	8,021
Advances to employees	125	102
Impairment	-2,415	-2,228
Total trade debtors	279,146	228,909
Receivables from public administrations	20,886	27,327
Accruals	5,611	4,009
Total other receivables	26,497	31,336
Total trade and other receivables	305,643	260,245

At 31 December 2024 and 2023, the age of trade receivables by maturity was as follows:

Thousands of euros						
	Not due	Due				Total
		Up to 30 days	31-60 days	61-90 days	More than 90 days	
2024	244,803	24,693	7,285	1,244	1,121	279,146
2023	200,937	20,136	4,078	1,980	1,778	228,909

The Group has credit insurance contracts which cover the collection of the greater portion of its customer balances.

Trade receivables do not carry interest, and generally payment conditions range from 45 to 120 days.

The breakdown by currency of trade receivables is as follows:

	Thousands of euros							
	Euros	US Dollar	Czech Koruna	Brazilian Real	Mexican Peso	Chinese Yuan	Other currencies	Total book value
2024	100,228	101,367	1,440	40,926	1,096	18,613	15,476	279,146
2023	73,186	84,050	1,538	38,329	333	15,715	15,758	228,909

The movement in impairment of customers for sales and services as well as other trade receivables is as follows:

Thousands of euros		
	2024	2023
Opening balance as at 1 January	-2,228	-2,925
Exchange gains (losses)	201	-47
Allowances	-402	-160
Utilised and payments	14	904
Closing balance as at 31 December	-2,415	-2,228

At 31 December 2024 and 2023, balances receivable from public administrations are as follows:

Thousands of euros		
	2024	2023
VAT receivable from Public Treasury	15,429	20,299
Receivable from Public Treasury for withholdings and payments on account	4,201	5,764
Other public bodies	1,256	1,264
Closing balance as at 31 December	20,886	27,327

A breakdown by currency is as follows:

Thousands of euros								
	Euros	US Dollar	Czech Koruna	Brazilian Real	Mexican Peso	Chinese Yuan	Other currencies	Total book value
2024	5,781	1,053	560	7,308	2,555	43	3,586	20,886
2023	7,630	1,820	592	10,686	5,660	39	900	27,327

Impairment

Trade and other receivables are subject to the expected credit loss model. However, the impairment identified is immaterial.

Cash and cash equivalents is also subject to the impairment requirements under IFRS 9, although the impairment identified is also immaterial.

To establish the expected credit loss, the Group applies the simplified approach set out under IFRS 9.

To measure expected credit loss, trade receivables have been grouped together based on the characteristics of the shared credit risk and the days past due.

The expected loss rates are based on the payment profiles of sales during a 36-month period prior to 1 January 2024 and the corresponding historic credit losses experienced during this period. Historic loss rates are adjusted to reflect annual, forward-looking information about macroeconomic factors that affect the ability of customers to repay accounts receivable.

Furthermore, the Group impairs these accounts receivable by assessing the specific risks of non-recoverability, as was the case in the previous year, to establish whether there is objective evidence that an impairment has occurred. The Group considers that an impairment occurs when the debtor experiences significant financial difficulties or when there is a non-payment or delay in payments of more than 180 days.

Receivables for which an impairment was recognised are written off against the impairment amount when there is no expectation of recovering additional cash.

The change in the collection of flows in 2024 and that forecast for future years has not changed with regard to that of previous financial years.

10. Current and non-current financial assets

All financial assets at 31 December 2024 and 2023 are included in level 2, within the valuation hierarchies: assets and liabilities whose fair value has been determined with technical valuation techniques that use hypotheses observable in the market.

The breakdown at 31 December 2024 and 2023 of current and non-current financial assets not including trade and other receivables is as follows:

Thousands of euros				
	Valued at		Total book value	Fair value
	Amortised cost	Fair value through P&L		
Financial investments	5,918	0	5,918	5,918
Deposits and guarantees lodged	2,179	0	2,179	2,179
Non-current financial assets	8,097	0	8,097	8,097
Equity instruments	0	795	795	795
Loans and other receivables	150	0	150	150
Short-term deposits	0	0	0	0
Current financial assets	150	795	945	945
Total as at 31 December 2024	8,247	795	9,042	9,042

Thousands of euros				
	Valued at		Total book value	Fair value
	Amortised cost	Fair value through P&L		
Financial investments	5,410	0	5,410	5,410
Deposits and guarantees lodged	2,151	0	2,151	2,151
Non-current financial assets	7,561	0	7,561	7,561
Equity instruments	0	759	759	759
Loans and other receivables	152	0	152	152
Short-term deposits	0	0	0	0
Current financial assets	152	759	911	911
Total as at 31 December 2023	7,713	759	8,472	8,472

A breakdown of financial assets by maturity is as follows:

Thousands of euros							
	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
2024	945	536	18	5	134	7,404	9,042
2023	911	608	25	—	913	6,015	8,472

A breakdown by currency is as follows:

Thousands of euros							
	Euros	US Dollar	Brazilian Real	Mexican Peso	Chinese Yuan	Other currencies	Total book value
2024	6,109	85	1,695	834	151	168	9,042
2023	5,501	111	2,060	538	133	129	8,472

The Group has not recognised any impairment in relation to these assets at 31 December 2024 (or 31 December 2023).

11. Cash and cash equivalents

“Cash and cash equivalents” at 31 December 2024 and 2023 correspond entirely to the balances held by the Group in cash and at credit entities, with some accounts earning interest at market rates. The Group had no banking overdrafts during the periods, with all its balances freely distributable.

A breakdown by currency is as follows:

Thousands of euros								
	Euros	US Dollar	Czech Koruna	Brazilian Real	Mexican Peso	Chinese Yuan	Other currencies	Total book value
2024	4,977	17,921	6	5,006	4,271	11,582	11,380	55,143
2023	15,811	13,036	9	6,826	2,203	9,282	4,829	51,996

12. Equity

12.1. Share capital

At 31 December 2024, the Parent's share capital consisted of 46,500,000 bearer shares of 0.70 euros par value each. Total capital value was 32,550 thousand euros. The same as at 31 December 2023.

In both years, shares were fully subscribed for and paid up.

All shares bear the same voting and dividend rights and obligations, and are listed on the official Stock Exchanges of Madrid, Barcelona, and Bilbao under the automatic quotation system (continuous market). All shares are freely distributable.

At 31 December 2024 and 2023, the parent was aware of the following shareholders with a direct or indirect stake of over 3%:

	% stake	
	2024	2023
Corporación Financiera Alba, S.A.	14,250	14,250
APG Asset Management N.V.	9,997	9,997
Angustias y Sol, S.L.	5,016	5,016
Setanta Asset Management Limited	3,955	3,955

Additionally, in accordance with Article 32 of Royal Decree 1362/2007, of 19 October, on shareholders obliged to notify their residence in tax havens or in countries not requiring the payment of taxes, or with whom there is no effective exchange of tax information, no notification was received at year-end 2024 and 2023.

In June 2024 and in the context of the delivery of the first optional dividend "Viscofan Flexible Remuneration" approved at the shareholders' meeting held in April 2024, an initial capital reduction operation was carried out in the amount of EUR 473 thousand, redeeming 675,954 shares. At the same time, a capital increase was carried out for the same number of shares with a nominal value of €0.70 per share, leaving the share capital unchanged.

In addition, in December 2024 and in the context of the delivery of the second optional dividend "Viscofan Flexible Remuneration" approved at the aforementioned shareholders' meeting, a second capital reduction operation was carried out in the amount of EUR 464 thousand, redeeming 662,369 shares. At the same time, a capital increase was carried out for the same number of shares with a nominal value of €0.70 per share, also leaving the share capital unchanged.

Capital management

The primary objective of the Viscofan Group's capital management is to safeguard its capital ratios to ensure the continuity of its business and maximize performance.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, increase capital or cancel treasury shares.

The Group monitors capital by analysing trends in its leverage ratio, in line with common practice in Spain. This ratio is calculated as net financial debt divided by total equity. Net financial debt includes total borrowings in the consolidated financial statements less cash and cash equivalents, and excluding liquid financial assets.

The Viscofan Group's primary objective is to maintain a healthy capital position. The leverage ratios as well as the analysis of net debt, at 31 December 2024 and 2023, were as follows:

	Thousands of euros	
	2024	2023
Cash and cash equivalents (Note 11)	55,143	51,996
Other current financial assets (Note 10)	945	911
Financial liabilities (Note 15)	-238,005	-222,027
Liabilities for right-of-use assets (Note 7.2)	-11,849	-11,541
Total net financial debt	-193,766	-180,661
Total equity	-938,911	-957,772
Leverage ratio	20.6%	18.9%

	Thousands of euros	
	2024	2023
Cash and cash equivalents (Note 11)	55,143	51,996
Other current financial assets (Note 10)	945	911
Financial debt repayable in one year (Notes 15 and 7.2)	-178,543	-182,735
Financial debt repayable over one year (Notes 15 and 7.2)	-71,311	-50,833
Net debt	-193,766	-180,661

	Thousands of euros	
	2024	2023
Cash and cash equivalents (Note 11)	55,143	51,996
Other current financial assets (Note 10)	945	911
Gross debt at fixed interest rates (Note 21.4)	-67,198	-32,069
Gross debt at variable interest rates	-182,656	-201,499
Net debt	-193,766	-180,661

The change in net debt, at 31 December 2024 and 2023, is as follows:

Thousands of euros						
	Opening balance as at 1 January 2024	Cash flows	Acquisitions and other non- cash changes	Change in fair value	Exchange gains (losses)	Closing balance as at 31 December 2024
Cash and cash equivalents	51,996	4,029			-882	55,143
Other current financial assets	911	26			8	945
Liabilities included in financing activities	0					0
Current financial debt	-158,466	-12,038	16,213		329	-153,962
Non-current financial debt	-31,118		-16,072		50	-47,140
Interest	-375	9,726	-10,245		-1	-895
Payable to suppliers of non-current assets	-15,880	4,043			194	-11,643
Other current financial liabilities	-3,327	1,597	-6,711		712	-7,729
Other non-current financial liabilities	-12,861		-3,761		-14	-16,636
Current liabilities for right-of-use assets.	-4,687	5,843	-5,483		13	-4,314
Non-current liabilities for right-of-use assets.	-6,854		-676		-5	-7,535
Total net debt	-180,661	13,226	-26,735	0	404	-193,766

Thousands of euros						
	Opening balance as at 1 January 2023	Cash flows	Acquisitions and other non- cash changes	Change in fair value	Exchange gains (losses)	Closing balance as at 31 December 2023
Cash and cash equivalents	51,193	-128	0	0	931	51,996
Other current financial assets	1,582	-652	0	0	-19	911
Liabilities included in financing activities	0	0	0	0	0	0
Current financial debt	-117,826	-38,408	-3,207	0	975	-158,466
Non-current financial debt	-34,500	0	3,207	0	175	-31,118
Interest	-132	6,275	-6,518	0	0	-375
Payable to suppliers of non-current assets	-15,725	-203	0	0	48	-15,880
Other current financial liabilities	-3,236	563	-654	0	0	-3,327
Other non-current financial liabilities	-12,480	-1,781	2,040	0	-640	-12,861
Current liabilities for right-of-use assets.	-2,978	5,296	-6,983	0	-22	-4,687
Non-current liabilities for right-of-use assets.	-7,512	—	759	0	-101	-6,854
Total net debt	-141,614	-29,038	-11,356	0	1,347	-180,661

12.2. Share premium

The revised text of the Spanish Corporate Enterprises Act expressly permits companies to use the balance of the share premium account to increase capital and does not place any limit on the amount of the balance which may be used for this purpose.

The amount at 31 December 2024 and 12 thousand euros, the same as at 31 December 2023.

12.3. Reserves

Changes in this item are as follows:

Thousands of euros				
	Other reserves	Exchange gains (losses)	Share-based payment (Note 22.3)	Total
Opening balance as at 1 January 2023	865,485	-53,728	1,388	813,145
Recognised income and (expense)	-299	2,532	0	2,233
Dividends paid	-24,945	0	0	-24,945
Transfers between equity accounts	74,786	0	0	74,786
Movement in treasury shares	0	0	0	0
Transactions with non-controlling interests	0	0	0	0
Share-based payment	118	92	3,027	3,237
Closing balance as at 31 December 2023	915,145	-51,104	4,415	868,456
Capital reduction	0	0	0	0
Recognised income and (expense)	457	-27,520	0	-27,063
Dividends paid	0	0	0	0
Transfers between equity accounts	4,406	0	0	4,406
Movement in treasury shares	-38,192	0	0	-38,192
Transactions with non-controlling interests	0	0	0	0
Share-based payment	0	0	2,603	2,603
Closing balance as at 31 December 2024	881,816	-78,624	7,018	810,210

(a) Other reserves

- Legal reserves

In accordance with the Spanish Corporate Enterprises Act, companies registered in Spain are obliged to transfer 10% of the profits for the year to a legal reserve until it reaches an amount of at least an amount equivalent to 20% of share capital. This reserve is not distributable to shareholders and its value at 31 December 2024 and 2023 amounts to 6,510 thousand euros.

- Revaluation reserve

The parent opted for the voluntary revaluation of PP&E items as established in the Navarre Regional Law 21/2012 of December 26, on modifying various taxes and other tax measures. The revaluation was carried out with respect to items likely to be updated recorded in the balance sheet on 31 December 2012. The effect of this revaluation was not recognised in the Group's consolidated financial statements.

- Treasury share reserves

Pursuant to Article 148 of Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Spanish Corporate Enterprises Act, the Parent Company must establish an unavailable reserve equivalent to the value of treasury shares in its possession (see Note 12.4). These reserves must be held for both stakes and shares that have not been disposed of.

b) Exchange gains (losses)

The detail of the most significant translation differences by company for the years ended 31 December 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Viscofan CZ sro	4,350	7,138
Viscofan Technology (Suzhou) Co. Ltd.	4,947	216
Viscofan USA Inc	12,791	8,358
Viscofan de México S.R.L. de C.V.	-8,042	3,796
Viscofan do Brasil, soc, Ltda.	-97,256	-73,181
Viscofan Uruguay, S.A.	-14,883	-16,501
Other Group companies	19,469	19,070
Closing balance as at 31 December	-78,624	-51,104

12.4. Movement in treasury shares

At the Annual General Meeting held on 27 April 2023, the Board of Directors was authorised for a period of 5 years to derivatively acquire shares in the Company, either directly or through Viscofan Group companies, within the limits and up to the maximum amount permitted by the Spanish Corporate Enterprises Act (articles 146 and 509) and at a price that may not be less than the nominal value of the share nor 15% higher than the listed price of the share on the Spanish Stock Exchange Interconnection System (SIBE) at the time the purchase order is entered.

During 2024, the Company acquired 1,560,966 treasury shares for an amount of 90,716 thousand euros under the authorisation granted by the Annual General Meeting of 27 April 2023. In addition, 12,740 treasury shares were delivered as part of the variable remuneration plan.

In June 2024, within the delivery of the first optional dividend "Viscofan Flexible Remuneration", the number of shares delivered as a share dividend was 675,954 for a value of EUR 38,488 thousand. In addition, 37,138 shares were received as part of this first optional dividend.

In addition, in December 2024, within the delivery of the second optional dividend “Viscofan Flexible Remuneration”, the number of shares delivered as a share dividend was 662,369 for a value of EUR 38,192 thousand. Also, 24,659 shares were received as part of the second optional dividend.

During 2023, the Company acquired 112,800 treasury shares for an amount of 6,264 thousand euros under the authorisation granted by the Annual General Meeting of 27 April 2023. In addition, 15,389 treasury shares were delivered as part of the variable remuneration plan.

Thus, at 31 December 2024, Viscofan, S.A. held a total of 690,795 treasury shares representing 1.49% of its voting rights, for a value of 35,045 thousand euros.

At 31 December 2023, Viscofan, S.A. held a total of 419,095 treasury shares representing 0.9% of its voting rights, for a value of 21,671 thousand euros.

12.5. Valuation adjustments

Movements in the years ended 31 December 2024 and 2023 were as follows:

	Thousands of euros		
	Exchange rate insurance	Commodity derivatives	Total
Opening balance as at 1 January 2023	2,252	306	2,558
Profit/(Loss), net of tax effect	2,052	0	2,052
Reclassifications of (losses) or gains to the global income statement, net of tax effect	-694	-1,890	-2,584
Closing balance as at 31 December 2023	3,610	-1,584	2,026
Profit/(Loss), net of tax effect	-28	0	-28
Reclassifications of (losses) or gains to the global income statement, net of tax effect	-2,704		-2,704
Closing balance as at 31 December 2024	878	-1,584	-706

12.6. Appropriation of profit and other remuneration paid to the shareholders

The Board of Directors of Viscofan has resolved to propose to the Annual General Meeting the payment out of 2024 results and, as appropriate, voluntary reserves, of a dividend with an aggregate gross amount equal to the sum of the amounts indicated below (the “Dividend”). The Board proposes to:

(a) ratify the payment of EUR 26,844 thousand as an optional interim dividend distributed on 19 December 2024 (the “2024 Optional Interim Dividend”) and which corresponds to EUR 1,437 per share multiplied by the number of shares that opted to receive the dividend in cash that did not have the status of direct treasury stock on the corresponding dates as approved by the Board of Directors; and

(b) the amount resulting from multiplying:

- the gross amount per share that will be paid by the Company as a Final Dividend for financial year 2024 in the exercise of the "Viscofan Flexible Remuneration" optional dividend system for financial year 2025 (the "Final Dividend"), as follows:
- The total number of shares with respect to which their holders have chosen to receive the cash dividend within the framework of the first exercise of the "Viscofan Flexible Remuneration" optional dividend system for financial year 2025.

The rest of the shareholders received their remuneration against the 2024 results in the form of "Viscofan Flexible Remuneration" (Scrip Dividend) with a total allocation of 662,369 new ordinary shares.

At the date of preparation of these consolidated financial statements, it is not possible to specify the amount of the Final Dividend or, consequently, the amount of the dividend to be charged to profits for the year 2024.

The payment of the Final Dividend shall be carried out jointly with the share capital increase that the Board of Directors submits to the approval of the 2025 Annual General Meeting, with the purpose of offering the Company's shareholders the possibility of receiving their remuneration in cash (in the Final Dividend) or in newly issued paid-up shares of the Company (through the increase in share capital). The collection of the Final Dividend will be one of the alternatives available to shareholders when receiving their remuneration within the framework of the exercise of the "Viscofan Flexible Remuneration" optional dividend system corresponding to financial year 2025, to be carried out by means of the capital increase referred to above.

The Board of Directors also plans to reduce the Company's share capital by redeeming treasury shares, thus avoiding any dilution for shareholders who choose to receive their dividend in cash.

The Board of Directors estimates that the gross amount of the Final Dividend will be EUR 1,653 per share (EUR 1,596 per share in 2023). Consequently, taking into consideration the amount of the 2024 Interim Dividend of EUR 1,437 per share (1.40 in 2023) and the 0.01 euros per share bonus for attendance to the Annual General Meeting (0.01 in 2023), the total remuneration to be received by shareholders will be EUR 3.10 per share (3,006 in 2023). Out of the aforementioned estimated amount of EUR 3.10 per share, EUR 2.10 correspond to the increasing ordinary remuneration that the Board of Directors has been proposing to the Annual General Meeting in recent years (EUR 2,006 per share charged to financial year 2023), while the EUR 1.00 per share above this amount is extraordinary in light of the current market and Company conditions.

The proposed ordinary remuneration (EUR 2.10 per share) is equivalent to the distribution of 62.2% of the net profit.

The proposed total and ordinary distribution exceeds by 4.7% the previous year's remuneration of EUR 2,006 per share.

The definite amount of the Final Dividend will be communicated as soon as it is determined by the Board of Directors (or the body delegated by it) in accordance with the terms of the dividend distribution and capital increase resolutions that the Board submits to the Annual General Meeting regarding the "Viscofan Flexible Remuneration" optional dividend system for financial year 2025. Once the first exercise of the "Viscofan Flexible Remuneration" for financial year 2025 has been completed, the Board of Directors (with full power of substitution) will produce a distribution proposal, determining the final amount of the dividend and the amount to allocated to carry-over.

The value of this dividend is inferior to the maximum limit permitted by prevailing legislation on distributable profit once the year has ended.

The statement required by current legislation and prepared by the Parent's Board of Directors in respect of the distribution of the 2024 Interim Dividend is as follows:

	Thousands of euros
Available cash at 17 October 2024	1,240
Receipts from customers and debtors	34,200
Accounts payable and suppliers	-14,667
Payments made to employees	-25,096
Interest paid	-1,200
Other payments	-10,000
Operating cash flows	-16,763
Dividends	125,000
Purchases of property, plant, and equipment	-10,000
Investment in group companies	-3,000
Cash flow related to investment activities	112,000
Repayment of non-current borrowings	0
Dividends paid	-97,650
Purchase of treasury shares	0
Cash flow related to financing activities	-97,650
Projected liquidity at 17 October 2024	-1,173

The Company had sufficient liquidity to pay the interim dividend through dividends already received from subsidiaries plus the use of available credit lines.

13. Non-current employee benefits and other provisions

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

	Note	Thousands of euros	
		2024	2023
Defined benefit		16,498	17,266
Other staff remuneration		2,647	8,650
Non-current employee benefits	13.1	19,145	25,916
Provisions for other litigations		0	0
Other		48	43
Other non-current provisions		48	43
Provisions for guarantees / Returns		3,301	3,742
Safety in the workplace provision		660	534
Provisions for emission allowances		17,045	21,934
Other		18	18
Current provisions	13.2	21,024	26,228

13.1. Non-current employee benefits

The Group makes contributions to various different defined benefit plans. The most significant plans are in Germany and the United States.

Actuarial valuations are used for all.

- **Pension plans in Germany**

A contribution is made through the Viscofan DE GmbH subsidiary for a defined benefit plan consisting of a life pension plan for retired employees. At 31 December 2024, there were 235 employees, 501 retirees, and ex-employees. At 31 December 2023, there were 268 employees and 481 retirees and former employees.

The number of the above beneficiaries does not include retirees who, from 2010 and 2013, are paid by the insurance company. The agreement does not imply cutting back or cancelling the policy, as the obligation ultimately lies with Viscofan DE GmbH. However, the characteristics of the plan make the value of the assets and liabilities constant for the duration of the contract, so that both the assets and the liabilities offset each other, resulting in a current value of zero for the obligation.

The net obligation corresponding to pension plans amounts to 14,096 thousand euros at 31 December 2024 and 14,400 thousand euros at 31 December 2023.

- ***Pension plans in the United States of America***

The subsidiary Viscofan USA Inc., following its merger with Viscofan Collagen USA Inc, contributes to two defined benefit plans.

- 1) Retirement Plan for Hourly Employees. This plan provides a life annuity for employees and former employees of the company and has a total of 164 beneficiaries (15 of them serving and 149 of them retired and former employees).

The net obligation amounts to EUR 228 thousand at 31 December 2024 due to the fact that the value of the fund is lower than the obligation. The capitalisation rate was 97.7% of the value of the obligation.

As at 31 December 2023, the net obligation amounted to EUR -189 thousand because the value of the fund was higher than the obligation, with a capitalisation rate of 101.96% of the value of the obligation and 168 beneficiaries (22 active and 146 retired and former employees).

This plan has been frozen as of 1 December 2010.

- 2) Retirement Plan for Salaried Employees. This plan provides an annuity for 124 participants (12 of whom are active, while 112 are retired and former employees).

The net obligation amounted to EUR 118 thousand at 31 December 2024. The capitalisation rate was 99.01% of the value of the obligation.

As at 31 December 2023, the net obligation amounted to 976 thousand euros with a capitalisation rate of 91.19% of the value of the obligation and 126 beneficiaries (12 active and 114 retired and former employees).

This plan has been frozen as of 31 January 2008.

- ***Pension plans in Canada***

In financial year 2023, the pension plan registered by Viscofan Canada Inc. was outsourced. To this end, the Company met the fund's needs in 100% by contributing CAD 139 thousand (equivalent to EUR 95 thousand) and subsequently transferring all the assets of the fund, CAD 5,265 thousand (equivalent to EUR 3,605 thousand), to an external insurance company.

The most significant information regarding the pension plans was as follows:

a) Amounts recognised in the Statement of financial position:

	Thousands of euros	
	2024	2023
Present value of the obligation	-38,036	-38,215
Plans in Germany	-14,096	-14,400
Plans in the United States	-21,886	-21,736
Plans in other countries	-2,054	-2,079
Present value of assets	21,538	20,949
Plans in the United States	21,538	20,949
Net obligation at 31 December	-16,498	-17,266

b) Changes in the present value of net obligations:

	Thousands of euros							
	Germany		Plans in the United States		Plans in other countries		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Obligation at 1 January	14,400	12,293	21,736	26,457	2,079	2,006	38,215	40,756
Current service cost (Note 19)	153	143	0	0	76	72	229	215
Interest cost	497	509	1,018	1,163	123	121	1,638	1,793
Payments made	-409	-397	-1,813	-1,981	-218	-219	-2,440	-2,597
Actuarial loss (gain)	-545	1,852	-378	530	7	65	-916	2,447
Exchange gains (losses)	0	0	1,323	-826	-13	34	1,310	-792
Pension fund outsourcing	0	0	0	-3,607	0	0	0	-3,607
Present value of the obligation as at 31 December	14,096	14,400	21,886	21,736	2,054	2,079	38,036	38,215
<i>Active</i>	<i>4,766</i>	<i>5,489</i>	<i>2,065</i>	<i>2,416</i>	<i>944</i>	<i>973</i>	<i>7,775</i>	<i>8,878</i>
<i>Former employees</i>	<i>1,930</i>	<i>1,887</i>	<i>4,411</i>	<i>4,448</i>	<i>0</i>	<i>0</i>	<i>6,341</i>	<i>6,335</i>
<i>Retirees</i>	<i>7,400</i>	<i>7,024</i>	<i>15,410</i>	<i>14,872</i>	<i>1,110</i>	<i>1,106</i>	<i>23,920</i>	<i>23,002</i>

c) Changes in the fair value of plan assets in the United States:

	Thousands of euros	
	2024	2023
Fair value of assets at 1 January	20,949	24,478
Return on assets	906	2,620
Company contribution	193	95
Payments made	-1,813	-5,463
Exchange gains (losses)	1,303	-781
Acquired in business combinations	0	0
Fair value of assets at 31 December	21,538	20,949
<i>Cash</i>	<i>0</i>	<i>0</i>
<i>National investment funds</i>	<i>21,230</i>	<i>20,148</i>
<i>International investment funds</i>	<i>308</i>	<i>801</i>

d) Information relating to the amounts recognised in the consolidated income statement.

Current service costs for the period are included in employee benefits expenses.

	Thousands of euros	
	2024	2023
Current service cost	229	215
Plans in Germany	153	143
Plans in other countries	76	72
Net financial cost	635	628
Interest cost of plans in Germany	497	509
Interest cost of plans in the United States	15	-2
Interest cost of plans in other countries	123	121
Expense (income) recognised in the year	864	843

e) Information relating to the amounts recognised in the consolidated statement of comprehensive income:

	Thousands of euros	
	2024	2023
Actuarial loss and gain	819	-992
Derived from changes in demographic assumptions	836	-1,977
Derived from changes in financial assumptions	18	0
Derived from experience	62	-470
Return, other than expected return, on plan assets	-97	1,455
Tax effect	-362	693
Net profit or loss recognised in the Consolidated Statement of Comprehensive Income	457	-299

f) Principal actuarial assumptions used in the plans:

- Pension plans in Germany

	2024	2023
Annual discount rate	3.5%	3.5%
Expected rate of pension increases	2.0%	2.3%
Expected age of retirement for employees	65-67	65-67

The mortality tables used to quantify the defined benefit obligation were those corresponding to Heubeck Richttafeln 2005 G.

- Pension plans in the United States and Canada

	2024	2023
US		
Annual discount rate	5.1%	5.1%
Expected rate of return on assets	5.3%	5.3%

The mortality tables used to determine the defined benefit obligation were those for Pri-2012 Private Retirement Plans Mortality Tables (in the USA) and the Canadian Private Sector Pensioners' Mortality Table combined with the mortality improvement scale MI-2017 (in Canada).

g) Future payments expected for coming periods:

	Thousands of euros	
	2024	2023
Payments to be made within the next 12 months	2,603	2,377
Payments to be made between 1 and 2 years	2,580	2,342
Payments to be made between 2 and 3 years	2,579	2,382
Payments to be made between 3 and 4 years	2,548	2,392
Payments to be made between 4 and 5 years	2,513	2,370
Payments to be made between 5 and 10 years	12,155	11,540
Payments to be made over 10 years	20,652	22,289

h) Sensitivity analysis for each of the main assumptions.

How would the obligation affect a possible reasonable change in each assumption at year-end.

	Thousands of euros	
	2024	2023
Discount rate		
50 basis point increase	-1,439	-1,949
Decrease by 50 basis points	1,556	2,145
Pension increases		
50 basis point increase	884	923
Decrease by 50 basis points	-811	-845
Life expectancy		
Increase by 1 additional year	710	1,236

The sensitivity analysis is based on a change in one hypothesis while considering the remaining hypotheses as unchanged.

- **Other employee benefits and long-term remuneration**

The movements at 31 December 2024 and 2023 are as follows:

	Thousands of euros	
	2024	2023
Balance as at 1 January	8,650	6,030
Exchange gains (losses)	-74	-37
Transfer to outstanding remuneration	-6,347	-48
Allowances	574	2,853
Payments	-156	-148
Balance as at 31 December	2,647	8,650

In the year 2024 the amount corresponding to the Long-Term Incentive Plan was transferred to "Remuneration payable" as it will be paid in the year 2025.

The features of the Long-Term Incentive Plan are detailed in Note 22.

Included under this heading are prizes that the subsidiary Viscofan DE GmbH has established for its employees. This loyalty bonus is received when its employees complete 25 years of service. Employees receive a payment of 1,000 euros and a month's gross salary multiplied by 0.8 plus one day of holidays; when reaching 40 years of service, a payment of 1,000 euros and a month's gross salary multiplied by 1.1 plus one day of holidays; when reaching 50 years of service, one day of holidays.

The number of beneficiaries amounts to 492 employees (532 in the previous period), while the obligation amounts to EUR 1,350 thousand and EUR 1,431 thousand euros at 31 December 2024 and 2023, respectively. The beneficiaries received 132 thousand euros in payments during the

year (2023: 154 thousand euros). The payable amount expected for 2025 totals 54 thousand euros.

Recognised service costs and financial expenses for the current period amounted to 108 thousand and 48 thousand euros, respectively (2023: 77 thousand and 55 thousand euros, respectively).

The hypotheses used for calculating the obligations were the same as those used for the pension plan of the same subsidiary as described in the previous point.

13.2. Current provisions

(a) Provision for guarantees / refunds

A provision is recognised for warranty claims anticipated for products sold during the last year, based on past experience regarding the volume of returns. Most of these costs are expected to be incurred in the following year.

(b) Safety in the workplace provision

The safety in the workplace provision covers claims brought against the Group by certain employees, most of whom work for the Brazil subsidiary, in relation to resignations or terminations. These claims did not arise as a result of a specific incident, but are customary practice in Brazil. After seeking appropriate legal counsel, the directors consider that the result of the litigation will not significantly differ from the amounts provisioned at 31 December 2024.

(c) Emission rights provision

The emission rights provision includes the estimated consumption of emission rights during 2024 and 2023 valued in accordance with the measurement standard described in Note 4.16.

13.3. Contingent assets and liabilities

(a) Contingent liabilities

Legal claims of various kinds have been filed against Brazilian subsidiary Viscofan do Brasil, amounting to BRL 48,638 thousand (EUR 7,500 thousand; 2023: EUR 7,700 thousand), of which BRL 435 thousand (EUR 68 thousand) are classified as probable. There are provisions to cover the risk classified as probable.

- In relation to the accident at the Viscofan Spain, S.L.U. production centre In Cáseda (Navarra), which occurred in September 2019, a ruling was issued ordering a court trial against certain Group employees, for which any civil liability risk is insured. In the social affairs, the Company filed an appeal against the ruling of the Social Court in which the surcharge for social security benefits was imposed in 2023 by one of the employees, although the amount claimed was paid to the Social Security system in due course.

- In 2023, Sayer Technologies filed a lawsuit against the US subsidiary Viscofan USA Inc. in the state of New Jersey claiming USD 137,309 for unpaid invoices. Viscofan USA Inc. opposed this claim on the grounds of prior breach of contract by Sayer Technologies and has filed a counterclaim. During the year 2024, several proceedings have been carried out, with no agreement between the parties, and the process continues.

b) Contingent assets

In relation to the lawsuit filed in 2023 by the American subsidiary Viscofan USA Inc. against the electricity company Ameren Corporation, in 2024 the parties reached a settlement agreement that brought the process to a close.

14. Trade and other payables

The breakdown of "Trade and other payables" is as follows:

	Thousands of euros	
	2024	2023
Suppliers	44,844	43,578
Accounts payable for services rendered and other accounts payable	37,642	36,461
Customer advances	1,430	3,613
Wages and salaries payable	29,175	18,058
Trade payables	113,091	101,710
Payable to public administrations	13,073	23,810
Other accounts payable	13,073	23,810
Closing balance as at 31 December	126,164	125,520

The breakdown by currency of trade payables is as follows:

	Thousands of euros							Total book value
	Euros	US Dollar	Czech Koruna	Brazilian Real	Mexican Peso	Chinese Yuan	Other currencies	
2024	54,481	24,493	5,103	3,318	6,154	4,657	14,885	113,091
2023	47,622	22,664	4,087	5,374	5,928	3,822	12,213	101,710

At 31 December 2024 and 2023, balances payable to public administrations were as follows:

	Thousands of euros	
	2024	2023
VAT payable to Public Treasury	1,956	6,617
Payable to Public Treasury for withholdings	5,715	13,261
Creditor social security bodies	3,411	3,438
Other public bodies	1,991	494
Closing balance as at 31 December	13,073	23,810

A breakdown by currency is as follows:

	Thousands of euros							Total book value
	Euros	US Dollar	Czech Koruna	Brazilian Real	Mexican Peso	Chinese Yuan	Other currencies	
2024	8,063	140	581	1,600	535	875	1,279	13,073
2023	16,038	122	504	2,766	3,180	438	762	23,810

Information on late payments to suppliers in Spain in commercial transactions

In accordance with the third additional provision "Disclosure requirements" of Law 15/2010, dated 5 July, information on the average payment period to Spanish Group suppliers of the Spanish entities included in the consolidated group was as follows:

	Days	
	2024	2023
Average supplier payment period	32.6	21.2
Ratio of paid transactions	32.7	20.7
Ratio of transactions pending payment	31.2	26.1

	Thousands of euros	
	2024	2023
Total payments made	218,541	229,909
Total future payments	23,716	21,319
Monetary volume paid in a period shorter than the maximum period laid down in the late payment regulations	209,942	229,475

	2024	2023
Invoices paid in a period shorter than the maximum period established in the late payment regulations	21,138	16,338
Percentage share of total monetary payments to their suppliers	96.07%	99.81%
Percentage share of total number of invoices	93.43%	99.66%

Information on Supplier financing arrangements

Reverse factoring is offered to Spanish suppliers. Payment is always made on the due date of the invoice according to the agreed terms and it is the supplier who decides whether to bring collection forward.

The balance at 31 December 2024 comes to EUR 6,787 thousand.

15. Current and non-current financial liabilities

The breakdown of current and non-current financial liabilities, taking into account discounted contractual maturities at 31 December 2024 and 2023, is as follows:

Thousands of euros					
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total book value	Fair value
Payable to credit institutions	153,962	47,140	0	201,102	201,102
Accrued interest payable	895	0	0	895	895
Other financial liabilities	19,372	11,275	5,361	36,008	36,008
<i>Valued at amortised cost</i>	19,372	11,275	5,361	36,008	36,008
Total as at 31 December 2024	174,229	58,415	5,361	238,005	238,005

Thousands of euros					
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total book value	Fair value
Payable to credit institutions	158,465	31,118	0	189,583	189,583
Accrued interest payable	375	0	0	375	375
Other financial liabilities	19,208	7,373	5,488	32,069	32,069
<i>Valued at amortised cost</i>	19,208	7,373	5,488	32,069	32,069
Total as at 31 December 2023	178,048	38,491	5,488	222,027	222,027

At 31 December 2024, of the EUR 56,247 thousand of loans included in "Payable to credit institutions", EUR 36,833 thousand are of a sustainable nature (EUR 44,500 thousand in 2023). In addition, the company has EUR 302,339 thousand in credit lines, of which EUR 125,000 thousand are sustainable credits. The amount drawn down is EUR 144,855 thousand of which EUR 73,166 thousand is sustainable.

Interest is linked to the trend of indicators with an annual review period.

The sustainability parameters established are one or a combination of the reduction of CO2 emissions, the reduction of m3 of water attraction and the tonnes of waste sent to the landfill, all of them tied to km of casing produced.

All current and non-current financial liabilities are included in Level 2 within the valuation hierarchies: assets and liabilities whose fair value has been determined with technical valuation techniques that use hypotheses observable in the market.

As can be seen in the previous table, the carrying amount of financial liabilities agrees with the fair value as the long-term debt corresponds to financing obtained in recent years under similar conditions to those currently obtainable in the market.

The classification was determined based on actual maturities of balances drawn down from credit lines. Thus, the balance drawn down from credit lines whose annual renewal has already been agreed upon subsequent to year end are included in the 1-year period.

These credit lines will be renewed as they mature.

Financial liabilities for debts with credit institutions accrue interest, both in this and the previous financial year, at variable rates referenced to Euribor/Libor/SOFR plus a differential in accordance with market conditions.

“Other financial liabilities” at 31 December 2024, both current and non-current, mainly includes:

- Loans with interest rates sponsored by entities such as the CDTI and the Ministry of Economy and Competitiveness amounting to 15,496 thousand euros.
- Non-current assets suppliers, amounting to 11,643 thousand euros.
- 50% of the purchase price 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. for EUR 6,840 thousand (Note 2.1).

31 December 2023 mainly includes:

- Loans with interest rates sponsored by entities such as the CDTI and the Ministry of Economy and Competitiveness amounting to 13,750 thousand euros.
- Non-current assets suppliers, amounting to 15,880 thousand euros.

The Group recognizes the implicit interest on these loans using market interest rates.

A breakdown by currency is as follows:

Thousands of euros					
	Euros	US Dollar	Czech Koruna	Other currencies	Total book value
2024	205,043	7,349	1,194	24,419	238,005
2023	197,914	6,059	1,059	16,995	222,027

The limits, the amount drawn down, and the drawable amount under credit and discount lines as at 31 December are as follows:

Thousands of euros		
	2024	2023
Limit	302,339	235,743
Outstanding	144,855	129,799
Available	157,484	105,944

The undiscounted value of financial liabilities classified by maturity at 31 December 2024 and 2023 is as follows:

Thousands of euros							
	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
Principal of the debt	153,962	27,418	19,722	0	0	0	201,102
Interest	5,981	1,138	727	140	140	140	8,266
Financial liabilities to credit institutions	159,943	28,556	20,449	140	140	140	209,368
Principal of the debt	19,372	5,272	1,817	1,802	2,384	5,361	36,008
Interest	792	366	250	210	170	118	1,906
Other financial liabilities	20,164	5,638	2,067	2,012	2,554	5,479	37,914
Total as at 31 December 2024	180,107	34,194	22,516	2,152	2,694	5,619	247,282

Thousands of euros							
	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
Principal of the debt	158,464	14,452	12,667	4,000	—	—	189,583
Interest	5,320	78	62	16	—	—	5,476
Financial liabilities to credit institutions	163,784	14,530	12,729	4,016	—	—	195,059
Principal of the debt	19,208	2,576	1,701	1,521	1,575	5,488	32,069
Interest	641	257	206	172	141	110	1,527
Other financial liabilities	19,849	2,833	1,907	1,693	1,716	5,598	33,596
Total as at 31 December 2023	183,633	17,363	14,636	5,709	1,716	5,598	228,655

At 31 December 2024, the Group had reverse factoring facilities with a joint limit of 7,000 thousand euros (4,000 thousand as at 31 December 2023), as well as multi-risk policies totalling 13,000 thousand euros, (13,000 thousand as at 31 December 2023).

16. Derivative financial instruments

The breakdown of balances, which include the values of the derivative financial instruments at 31 December 2024 and 2023, is as follows:

	Thousands of euros							
	2024				2023			
	Valued at fair value through P&L		Valued at fair value through P&L		Valued at fair value through P&L		Valued at fair value through P&L	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Exchange rate insurance	0	0	0	0	0	0	0	0
Raw material hedges	0	0	0	0	0	0	0	0
Non-current financial instruments	0	0	0	0	0	0	0	0
Exchange rate insurance	0	0	20	2,196	1,348	0	782	43
Raw material hedges	91	1,003	0	0	2,200	0	0	0
Current financial instruments	91	1,003	20	2,196	3,548	0	782	43
Total	91	1,003	20	2,196	3,548	0	782	43

Derivatives are only used for hedging purposes and not as speculative investments. However, when derivatives do not meet the test to be treated as accounting hedges, they are classified as “held for trading” for accounting purposes and are carried at fair value through profit and loss. They are presented as current assets or liabilities to the extent that they are expected to be settled within 12 months after the reporting period.

	Thousands of euros			
	Measured at fair value		Total book value	Fair value
	With changes in P&L	With changes in P&L		
Non-current derivatives	0	0	0	0
Current derivatives	20	91	111	111
Total Financial Assets as at 31 December 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 at 31 December 2024	2,196	1,003	3,199	3,199

	Thousands of euros			
	Measured at fair value		Total book value	Fair value
	With changes in P&L	With changes in P&L		
Non-current derivatives	0	0	0	0
Current derivatives	782	3,548	4,330	4,330
Total Financial Assets as at 31 December 2023	782	3,548	4,330	4,330
Non-current derivatives	0	0	0	0
Current derivatives	43	0	43	43
Total Financial Liabilities as at 31 December 2023	43	0	43	43

16.1. Electricity and gas coverage

Certain production costs of the Company are linked to the cost of electricity. For this reason, and in order to combat the negative effect of the current volatility of the electricity market, in 2022 the Company, through its subsidiary Viscofan España, S.L.U., entered into a long-term contract with its electricity supplier, which covers 33% of its annual consumption. The duration of the contract covers the periods from 2023 to 2027 in which a pool price has been fixed to which the Power Term as well as the Energy Term will be added.

At the end of 2023 the Company, through Viscofan España, S.L.U., signed an agreement with an energy supplier to purchase all the energy generated by a photovoltaic plant to be built in the vicinity of its facilities for a period of 30 years. The supplier is currently in the process of obtaining permits for the construction of such a plant.

In 2024 the Company, through Viscofan España, S.L.U., signed a contract with an energy solutions provider for the installation and commissioning in 2025 of a biomass boiler that will enable us to reduce CO2 emissions and make use of cellulose casing waste.

The entire operation is carried out towards securing own consumption, not incorporating speculative elements, and with the sole objective of locking in a reasonable energy cost under the current market conditions.

In 2023, the Company entered into gas hedging contracts for the period from February 2024 to January 2025 for a total of 285,000 MWh. At year-end 2024, none is outstanding.

16.2. Exchange rate insurance

Part of the fair value of the exchange rate insurances at year end was recognised as income or expense on the consolidated income statements for 2024 and 2023. The amount recognised directly in the consolidated income statements relates to exchange rate insurances designated as hedges to cover amounts payable or receivable recognised in the consolidated statements of financial position at the exchange rate at year end. No significant inefficiencies were noted in 2024 and 2023 in any derivative financial instruments contracted.

The Viscofan Group uses derivatives to hedge exchange rates in order to mitigate the possible adverse effects that exchange rate fluctuations might have on transactions in currencies other than the functional currency of certain Group companies.

The nominal value of the main exchange rate insurances in effect at 31 December 2024 and 2023, is as follows:

	Thousand	
	2024	2023
US dollar	77,750	49,500
Pounds Sterling	380	—
Canadian Dollar	1,500	—
Brazilian Real	—	—
Japanese yen	126,000	—

17. Income tax

The breakdown for deferred tax assets and liabilities, by type, is as follows:

	Thousands of euros					
	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
Non-Current assets	18,123	24,264	-20,950	-29,051	-2,827	-4,787
Current assets	11,918	11,346	-613	-536	11,305	10,810
Non-current liabilities	6,251	8,993	-1,085	-1,210	5,166	7,783
Current liabilities	2,898	3,042	-743	-2,033	2,155	1,009
Total as at 31 December	39,190	47,645	-23,391	-32,830	15,799	14,815

Throughout 2024, the Viscofan Group revalued the gross positions of deferred assets and liabilities, offsetting those that are recognised simultaneously.

Deferred tax assets, on current assets, are mainly due to the effect on tax of the elimination of the margin in inventory acquired between Group companies, as well as provisions on inventories that are not tax-deductible in some countries. The deferred tax asset for non-current assets relates mainly to the capitalisation of tax credits for tax losses (EUR 10,639 thousand) and differences between accounting and tax depreciations (EUR 6,341 thousand). In addition, deferred tax assets arising from current and non-current tax liabilities relate mainly to provisions at different Group companies that will be used for tax purposes when applied. A large number of the provisions described in this note have led to adjustments in the tax assessment basis in the different countries.

Deferred tax liabilities arising from non-current assets for the years ended 31 December 2024 and 2023, mainly relate to the application of different amortisation rates by certain Group subsidiaries than those used for tax purposes. Also included is the tax effect of net unrealised gains on PP&E items acquired in different business combinations.

The breakdown of deferred tax assets and liabilities recognised in the balance sheet, according to the items giving rise to them, is as follows:

Deferred taxes	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Tax losses (pending allocation)	10,639	—	7,577	—
Differences between accounting and tax depreciations	6,341	14,571	6,796	20,389
Staff and other provisions	6,201	—	7,788	149
Provisions for impairments	5,976	—	7,825	—
Originating from IFRS 16	2,869	2,865	2,802	2,798
Limitation of financial expenses	710	—	672	—
Other deferred taxes	6,454	5,955	14,185	9,494
Total as at 31 December	39,190	23,391	47,645	32,830

The tax assets recognised in respect of tax loss carry-forwards (pending application), amounting to 10,639 thousand euros, correspond to:

Jurisdiction	Thousands of euros	
	2024	2023
Australia	166	172
US	10,473	7,405
Total as at 31 December	10,639	7,577

Based on the information available at year-end, and the projections arising from the Group's business plan for the coming years, the Group estimates that it will be able to generate sufficient taxable income to offset the taxable bases recorded.

As at 31 December 2024, the Group has unused tax loss carryforwards (Germany: EUR 1,205 thousand; Australia: EUR 2,301 thousand; Belgium: EUR 1,773 thousand; the United States: EUR 28,690 thousand; New Zealand: EUR 80 thousand and Thailand: EUR 363 thousand) which are not recognised in the balance sheet because the conditions for their recognition are not met. In addition, the Group has EUR 25,294 thousand in tax credits (Spain: EUR 9,028 thousand, the United States: EUR 7,805 thousand and Uruguay: EUR 8,461 thousand) which, following the accounting policy described in Note 4.24 e), have not been capitalised, as well as an amount of EUR 90 thousand for other deferred taxes (Spain: EUR 14 thousand and New Zealand: EUR 76 thousand), which have also not been recognised in the balance sheet.

In the US, tax loss carry-forwards have been generated between 2008 and 2024. Those generated between 2008 and 2017 have a legal expiry of 20 years from generation, with no allocation limit. Those generated since 2018 have no legal expiry date, and are capped at 80% of the tax base.

Also, the tax assets were generated between 2015 and 2024, have a legal expiry date of 20 years from their generation and their allocation is capped at 75% of the tax liability they are allocated to.

In addition, a tax incentive derived from investments in the country is available in the Republic of Serbia, reducing corporate income tax liability by 42% on tax returns filed from 2022 until 2031.

In Thailand, in February 2023, the Thailand Board of Investment granted the Group a corporate tax incentive for investments made in the country, reducing corporate tax rate by 60% until 2034.

During 2022 the Chinese subsidiary Viscofan Technology (Suzhou) Co. Ltd.'s rating was again deemed as "High Tech" for 3 years and, therefore, its tax rate dropped from 25% to 15%.

In relation to the temporary taxable differences of the subsidiaries, as at 31 December 2024 and 2023, the Group did not recognise any amount in this regard based on its dividend distribution policy, according to which it is unlikely that the results accumulated by the subsidiaries as at 31 December 2024 will be distributed in the foreseeable future. This unrecognised deferred tax liability would total approximately €8.2 million at 31 December 2024 (€8.2 million at 31 December 2023).

The breakdown of changes during the year in recognised deferred tax assets and liabilities arising from temporary differences recognised as income tax expense/(income) on the

consolidated statement of recognised income and expense and as “Other income and expenses” on the consolidated comprehensive income statement is as follows:

	Thousands of euros	
	2024	2023
Non-Current assets	1,439	-1,421
Current assets	964	1,074
Non-current liabilities	-1,762	5,358
Current liabilities	125	-800
Consolidated income statement	766	4,211
Non-Current assets	-174	173
Current assets	-469	152
Non-current liabilities	-307	675
Current liabilities	1,168	-37
Other results of the Consolidated Statement of Comprehensive Income	218	963
Total change in deferred taxes and deferred tax liabilities	984	5,174

The breakdown of deferred taxes charged directly against “Other comprehensive income” on the Consolidated Statement of Comprehensive Income is as follows:

	Thousands of euros	
	2024	2023
Actuarial gains or losses on pension plans	-362	693
Adjustments for changes in value cash flow hedges	1,088	54
Exchange gains (losses)	-508	216
Charged directly to other comprehensive income in the Consolidated Statement of Comprehensive Income	218	963

The major components of income tax expense for the years ended 31 December 2024 and 2023, are as follows:

	Thousands of euros	
	2024	2023
Corporate income tax expense for the year	49,524	32,342
Adjustments to prior years' income taxes	347	-187
Current income tax	49,871	32,155
Origination and reversal of temporary differences	-766	-4,211
Deferred taxes	-766	-4,211
Income tax expense on income from continuing operations	49,105	27,944

A reconciliation between tax expense/(income) on continued operations and the product of profit before tax multiplied by the tax rate prevailing in Spain (Navarre) on 31 December, is as follows:

	Thousands of euros	
	2024	2023
Profit for the year before tax from continuing operations	206,438	168,906
Adjustments to the tax base	-4,045	15,276
Preliminary tax base	202,393	184,182
Tax rate at 28%	56,670	51,571
Impact of the application of the rates in force in each country	-8,122	-3,353
Deductions generated/applied in the year	-5,175	-12,259
Adjustments to prior years' income taxes and other adjustments	4,412	-6,602
Non-recoverable withholdings on dividends from Group companies	1,320	-1,413
Income tax expense	49,105	27,944

Income tax payable from continued operations was calculated as follows:

	Thousands of euros	
	2024	2023
Current income tax	-49,871	-32,155
Exchange gains (losses)	-508	216
Withholdings and payments on account made	33,517	30,805
Total as at 31 December	-16,862	-1,134

This amount is broken down in the Consolidated Statement of Comprehensive Income as follows:

	Thousands of euros	
	2024	2023
Income tax assets receivable	869	3,649
Income tax liabilities payable	-17,731	-4,783
Total as at 31 December	-16,862	-1,134

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected by the tax authorities or the inspection period of four years has elapsed. At 31 December 2024, the Parent and subsidiaries in Spain are open to inspection for all the main taxes to which they are liable and for which the corresponding inspection periods have yet to expire. The situation of foreign companies depends on the legislation prevailing in each country.

Due to the different possible interpretations of prevailing legislation, additional liabilities could be identified in the event of inspection. Nonetheless, parent management considers that any additional liabilities that might arise would not have a significant impact on these consolidated financial statements.

International Tax Reform - Pillar 2 Rules

On 21 December 2024, Law 7/2024 of 20 December was published, which, among other aspects, transposes in Spain Directive (EU) 2022/2523 establishing a supplementary tax

("Supplementary Tax") to ensure a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups ("Pillar 2 Law"), applicable retroactively for years beginning on or after 31 December 2023.

The group, as a large multinational group, is subject to such Supplementary Tax.

In addition, an analysis has been made based on available information, including the most recent tax returns, country-by-country reports, the financial statements of the Group entities and, where applicable, the transitional safe harbours provided for in the fourth transitional provision of the Pillar 2 Act, concluding that in most of the jurisdictions in which the Group operates the effective tax rates are above 15% and therefore there will be no supplementary tax payable in those jurisdictions. However, only in Serbia and Belgium does the simplification linked to safe harbours not apply and only in Serbia is a non-material Supplementary Tax expected. It will be Viscofan SA, as the ultimate parent company of the Group, who will have to file the tax return and make the corresponding payment within the deadlines laid down by the Pillar 2 Law, as no domestic regulation has been approved in Serbia.

18. Segment reporting

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, the Group also carries out production-related activities, and sells electricity through its cogeneration plants in Spain and Germany with the objectives of: decreasing the cost of electricity while remaining self-sufficient, and at the same time reducing CO2 emissions, and, where appropriate, sell surplus electricity.

With the Beyond25 strategic plan, the commercial and operational strategies have been reoriented, distinguishing sales of what has been called Traditional Business, which includes casings based on collagen, cellulosic 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 Businesses and Energy, although from a management information point of view, the activity is considered a mono-segment, being mainly casing sales.

Furthermore, Viscofan's business model is global, understood as products and services sold in a multitude of markets around the world that are generated by the assets held by the Group in different locations. In this way, each production centre produces goods with a final destination in different countries and markets. Sometimes, manufacturing sites produce semi-finished products, which are completed in other countries for subsequent sale to a third party, and this process often involves several geographic management regions.

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

Considering this business and management scheme, sales are analysed by geographic region and, in any case, specific returns are analysed in a more concrete manner based on companies or assets analysed on a more individualised basis.

Given the Group's current organisational, production and management structure, the new 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 incur expenses is unique: the sale of casings and films for food use.

However, from a commercial point of view, emphasis is placed on geographic areas and sales by type of casing, as broken down below:

Thousands of euros							
FY 2024	Spain	Rest of Europe, Middle East and Africa	Asia Pacific	North America	South America	Disposal and other	Consolidated
Revenue from external customers	148,968	359,514	163,005	373,742	158,765	0	1,203,994
Ordinary income of other group companies	158,222	308,952	1,802	111,013	41,848	-621,837	0
Total ordinary income	307,190	668,466	164,807	484,755	200,613	-621,837	1,203,994
Depreciation charges							-83,794
Finance income							2,535
Finance costs							-10,370
Exchange gains (losses)							12,981
Segment profit before tax							206,438
Total assets	441,684	440,462	175,294	437,939	197,742	-290,273	1,402,848
Total liabilities	300,407	134,148	50,287	238,077	51,847	-310,829	463,937
Asset acquisitions	22,214	10,901	14,259	16,483	7,137	0	70,994

Thousands of euros							
FY 2023	Spain	Rest of Europe, Middle East and Africa	Asia Pacific	North America	South America	Disposal and other	Consolidated
Revenue from external customers	171,003	360,315	158,466	369,324	166,679	0	1,225,787
Ordinary income of other group companies	171,709	321,702	2,270	106,484	43,380	-645,545	0
Total ordinary income	342,712	682,017	160,736	475,808	210,059	-645,545	1,225,787
Depreciation charges							-83,713
Finance income							846
Finance costs							-6,900
Exchange gains (losses)							-9,748
Segment profit before tax							168,906
Total assets	460,529	442,323	157,185	436,332	201,907	-290,767	1,407,509
Total liabilities	270,345	159,790	46,157	241,693	33,278	-301,526	449,737
Asset acquisitions	25,253	16,260	10,967	17,406	7,661	0	77,547

19. Operating income and operating expenses

19.1. Sales and rendered services

The sales and services provided in the consolidated income statement include the delivery of goods to customers, services rendered in the course of the Group's ordinary activities and the sale of energy, net of sales-related taxes.

The detail of this heading for 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Turnover corresponding to Traditional Business	996,610	985,305
Turnover corresponding to New Business	147,326	151,521
Turnover corresponding to Energy	60,058	88,961
Total	1,203,994	1,225,787

Ordinary income from external customers can be traced to the sale of casings and film for food use and other applications, generally made to manufacturers of cold meats, as well as, to a lesser extent, the generation of electricity for sale to third parties through cogeneration systems.

In terms of the sale of casings and film, the Group considers that there is only one type of customer contract: sales correspond to a single performance obligation and are made at a moment in time.

In terms of the sales of electricity produced, they are recognised as the energy generated by cogeneration systems is produced and delivered.

19.2. Other income

The breakdown of "Other Operating Income" for 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Work carried out by the Group on non-current assets	1,629	1,366
Capital grants	82	131
Other operating income	12,139	13,555
Total other income	13,850	15,052

The conditions or contingencies associated to grants received.

19.3. Staff costs

The breakdown of “Staff costs” in 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Wages, salaries, et al	214,079	210,861
Severance	2,582	1,037
Current service cost of defined benefit plans (Note 13.1)	229	215
Social Security charged to the company	39,833	39,158
Other social charges and taxes	17,555	18,815
Total staff costs	274,278	270,086

Group employees during 2024 and 2023, by professional category and gender, were as follows:

	Headcount at the end of the period					
	Men	Women	Total 2024	Men	Women	Total 2023
Senior executives	87	23	110	101	29	130
Technicians and department heads	969	392	1,361	945	373	1,318
Administrative personnel	70	188	258	62	192	254
Specialised personnel	687	224	911	686	238	924
Workers	1,946	737	2,683	1,967	739	2,706
Total	3,759	1,564	5,323	3,761	1,571	5,332

	Average headcount					
	Men	Women	Total 2024	Men	Women	Total 2023
Senior executives	91	26	117	101	29	130
Technicians and department heads	940	382	1,322	944	360	1,304
Administrative personnel	61	180	241	54	187	241
Specialised personnel	681	216	897	692	224	916
Workers	1,901	685	2,586	2,006	749	2,755
Total	3,674	1,489	5,163	3,797	1,549	5,346

Due to the circumstances of the production process, since 3 May 2017, and renewed on 13 November 2023, Viscofan S.A. has reported, through Resolution 313/2023 of the Directorate of the Navarre Employment Service, the recognition of exceptionality that justifies adopting

alternative measures to comply with the reserve quota in favour of disabled workers and authorises, as an alternative measure, the signing of civil or commercial contracts with Special Employment Centres, for a period of three years.

Employees, in companies located in Spain, with a recognised level of disability equal to or higher than 33%, reported in accordance with Royal Decree 602/2016 of 2 December, amount to 5 workers (4 operators and 1 administrative); the figures for 2023 include 5 workers (4 operators and 1 administrative).

The Group works with special employment centres in Spain and in other countries to perform certain tasks that contribute to the development of our production activity.

The Group had a total number of 66 disabled employees (60 men and 6 women). In 2023, the Group had a total number of 66 disabled employees (60 men and 6 women).

19.4. Other operating expenses

The detail of “Other operating expenses” for 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Research and development expenditure	3,946	3,600
Repairs and maintenance	35,244	33,665
Environment	10,758	10,352
Utilities	85,964	97,418
Plant costs (security, cleaning and others)	32,900	38,508
Leases	8,102	8,009
Insurance premiums	7,341	8,419
Taxes	6,820	4,202
Business and administrative expenses	67,588	68,668
Other operating expenses	8,739	8,060
Total other operating expenses	267,402	280,901

“Lease” expenses include fees as well as short-term rentals not affected by IFRS 16 Leases.

19.5. Financial income and expense

The breakdown of financial income and expenses for 2024 and 2023, according to the origin of the items making it up, is as follows:

	Thousands of euros	
	2024	2023
Finance income	2,535	846
Amounts owed to credit institutions and other financial liabilities	-9,736	-6,272
Net financial cost of pension plans and long-term remuneration	-634	-628
Finance costs	-10,370	-6,900
Fair value adjustment to financial investments	-248	22
Exchange gains	36,207	24,420
Exchange losses	-23,226	-34,168
Exchange gains (losses)	12,981	-9,748
Total financial income (expenses)	4,898	-15,780

20. Earnings per share

20.1. Basic

The calculation of basic earnings per share is based on the profit for the year attributable to the shareholders of the parent and a weighted average number of ordinary shares in circulation throughout the year, excluding treasury shares.

The breakdown of the calculation of basic earnings per share is as follows:

	2024	2023
Weighted average number of ordinary shares in issue	45,548,368	46,184,195
Profit for the year from continuing operations attributable to equity holders of the parent company (thousands of euros)	157,019	140,962
Basic earnings per share (in euros)	3.45	3.05

	2024	2023
Average number of ordinary shares outstanding	46,500,000	46,500,000
Effect of treasury shares	-951,632	-315,805
Weighted average number of ordinary shares in issue at 31 December	45,548,368	46,184,195

20.2. Diluted

Diluted earnings per share are calculated by dividing profit attributable to equity holders of the parent by the weighted average number of ordinary shares in circulation considering the diluting effects of potential ordinary shares.

The diluted earnings per share include the effect of the group's share plan, detailed in note 22.3. It includes the ordinary shares that will be put into circulation, based on the degree of compliance with the conditions established at 31 December 2024, the planned deadline for these conditions to be fulfilled.

	2024	2023
Weighted average number of ordinary shares in issue	45,663,511	46,340,895
Profit for the year from continuing operations attributable to equity holders of the parent company (thousands of euros)	157,019	140,962
Basic earnings per share (in euros)	3.44	3.04

Given the Company's plan to reduce its share capital by redeeming treasury shares (Note 12.6), no dilution effect will occur as a result of the capital increase devised for the payment of the Final Dividend within the framework of the Company's flexible remuneration programme.

21. Risk management

Risk management is controlled by the Group, in keeping with policies approved by the Board of Directors. The risk control system is described in section E. Risk management and control systems of the Annual Corporate Governance Report from the parent company, listing those that might affect the achievement of objectives, their materiality in 2024, and response and supervision plans. We will now focus on the financial risks described below.

The Group's activities are exposed to various financial risks: exchange rate risk, credit risk, liquidity risk, cash flow interest rate risk and fair value risk, as well as fuel price risk and emission allowance price risk. The Group's global risk management program focuses on the uncertainty of financial markets and aims to minimize the potential adverse effects on the Group's profitability. Certain risks are hedged by derivative instruments.

21.1. Exchange rate risk

As the Group operates internationally, it is exposed to variations in exchange rates, particularly the US Dollar. The exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investments abroad.

The risk management policy of the Group is to cover the net balance between collections and payments in currencies other than the functional currency with the most net risk. Therefore, forward currency contracts were formalised at the time the yearly budget was prepared; EBITDA forecasts were used as the basis for the following year, the degree of exposure, and the degree of risk the Group is willing to assume.

The following table shows the sensitivity of a possible exchange rate variation on net results for the year arising from certain currencies in the countries in which the Group carries out its activities, while maintaining the other variables constant:

Thousands of euros				
	2024		2023	
	+ 5%	- 5%	+ 5%	- 5%
US dollar	13,030	-10,261	10,062	-10,945
Czech Koruna	-1,662	1,504	-1,589	1,438
Brazilian Real	-2,331	2,110	-1,676	1,517
Chinese Yuan Renmimbi	1,061	-959	1,476	-1,335

The following table shows the impact on consolidated equity of changes in the exchange rates of certain currencies of countries where the Group conducts business:

Thousands of euros				
	2024		2023	
	+ 5%	- 5%	+ 5%	- 5%
US dollar	11,015	-10,647	10,695	-8,847
Czech Koruna	4,759	-4,306	3,903	-3,531
Brazilian Real	2,796	-2,530	3,367	-3,047
Chinese Yuan Renmimbi	5,031	-4,552	5,274	-4,772

21.2. Credit risk

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

The Group's credit risk relates mainly to trade receivables. Amounts reflected on the consolidated balance sheet, net insolvency provisions, estimated based on experiences gleaned from prior years, age, and valuation in the current economic environment. This would be the maximum amount of exposure to this type of risk.

There is no significant concentration of credit risk within the Group; its exposure is spread among a large number of counterparties and customers. No clients or associated group companies represented sales and amounts receivable higher than 10% of total risk.

The Group has a credit policy, with exposure risk managed as part of its normal course of business. Credit evaluation of clients is performed in all cases where amounts exceed a set limit. It is habitual practice of Group companies to partially cover non-payment risk through contracting loan guarantee and sureties covering approximately 90% of each client's debt. For countries at risk, coverage is reduced to 80%. In Countries without insurance coverage, guarantees such as advances and deposits on account are mandatory.

Credit risk arising from liquid funds and derivative financial instruments is limited due to the fact that counterparties are banking institutions with high credit ratings assigned by international agencies.

The Directors consider that at 31 December 2024 there were no significant assets that could be impaired with respect to their net carrying amount.

21.3. Liquidity risk

The Group has a prudent policy to cover its liquidity risks which is focused on having sufficient cash and marketable securities as well as the ability to draw down sufficient financing through its existing borrowing facilities to settle the market positions of its short-term investments. Given the dynamic nature of its underlying business, the Group aims to be flexible with regard to financing through drawdowns on its contracted credit lines.

The Group adequately monitors each month expected collections and payments to be made in the coming months and analyses any deviations from expected cash flows in the previous month to identify any possible deviations which might affect liquidity.

The following ratios show the level of liquidity at 31 December 2024 and 2023:

	Thousands of euros	
	2024	2023
Current assets	761,665	764,023
Current liabilities	-346,661	-339,309
Working capital	415,004	424,714
Current liabilities	346,661	339,309
Working capital/current liabilities ratio	119.71%	125.17%
Cash and cash equivalents	55,143	51,996
Available on line of credit (Note 15)	157,484	105,944
Treasury + credit availability and discounting	212,627	157,940
Cash + credit availability and discounting/current liabilities ratio	61.34%	46.55%

The amounts available on credit and discount lines do not include confirming lines or multi-risk policies which are described in Note 15.

In 2024 and 2023 there were no defaults or other noncompliance of the principal, interest, or repayments of debts with credit entities. No defaults are foreseen for 2025.

21.4. Interest rate risks in cash flows and fair value

The Group manages interest rate risk by maintaining a balanced portfolio of fixed and floating rate loans and credits. At 31 December 2024, approximately 33% of the Group's loans accrued interest at a fixed rate (2023: 33%).

The Group does not own significant remunerated assets.

At 31 December 2024 and 2023, the structure of financial liabilities subject to interest rate risk, once hedges through the derivatives arranged have been taken into account, is as follows:

	Thousands of euros	
	2024	2023
Payable to credit institutions	201,997	189,959
Other financial liabilities (*)	24,365	16,188
Total financial debt	226,362	206,147
Fixed interest rate	67,198	56,688
Variable interest rate	159,164	149,459

(*) Excluding fixed asset suppliers and lease liabilities

In 2024 and 2023, the floating interest rates on loans are linked to Euribor and Libor dollar.

The Group is likewise exposed to changes in the interest rates used to calculate the pension plan obligations (Note 13.1).

The following table shows the sensitivity of profit (loss) for the year to a possible 1% variation in discount and/or interest rates:

	Thousands of euros			
	2024		2023	
	+ 1%	- 1%	+ 1%	- 1%
Pension plan obligations				
Germany	-144	141	-132	135
US	-225	211	-246	236
Plans in other countries	-20	21	-21	20
Financial debt				
Euribor	-1,539	1,547	-1,902	1,728

21.5. Fuel price risk (gas and other oil derivatives)

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

The Group policy is to set the prices for main fuels through the arrangement of year-long contracts with suppliers, or by using hedging policies (Note 16.1). It thus attempts to mitigate the impact of price variations on the consolidated income statement.

The following table reflects the sensitivity to a possible gas price fluctuation on 10% of operating results.

	Thousands of euros	
	2024	2023
+ 10%	-5,075	-8,461
- 10%	5,073	8,461

21.6. Emission rights price risk

In accordance with the 2013-2020 National Emission Allowance Assignment Plan, and after applying the inter-sectoral adjustment factors outlined in Appendix II to EU Decision 2013/448/EU to non-electricity generators, and the annual 1.74% annual reduction in electricity generators, in accordance with Articles 9 and 9 bis of EC Directive 2003/87/EC, the Group was assigned emission allowances equivalent to 356,915 tonnes.

In accordance with that described in Note 8, the consumption of emission rights for 2024 amounted to 272,095 tonnes (294,406 tonnes in 2023), generating an expense of 17,068 thousand euros (22,605 thousand euros in 2023).

The sensitivity faced with a possible variation in the average price of the consumption of emission rights of 10% of operating results, would be as follows:

Thousands of euros		
	2024	2023
+ 10%	-1,707	-2,260
- 10%	1,707	2,260

22. Information on the Board of Directors of the Parent and Key Group Personnel

22.1. Directors

Directors' remuneration is outlined in article 29.3 of the articles of association and remuneration policies approved by the Annual General Meeting.

The breakdown for Board remuneration in 2024 and 2023 is as follows:

Thousands of euros								
	Salary	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration membership Committees	Other items	Total
José Domingo de Ampuero y Osma		655	30		1,031		1,312	3,028
José Antonio Canales García	775	80		347	1,193		57	2,452
José María Aldecoa Sagastasolola		35	12				8	55
Jaime Real de Asúa Arteche		97	30				37	164
Agatha Echevarría Canales		80	30				30	140
Santiago Domecq Bohórquez		80	30				25	135
Laura González Molero		80	28				54	162
Cristina Henríquez de Luna Basagoiti		80	30				30	140
Andrés Arízcorreta García		80	30				65	175
Javier Fernández Alonso		80	30				30	140
Verónica Pascual Boé		80	28				19	127
Total 2024	775	1,427	278	347	2,224	298	1,369	6,718

Changes in the remuneration of directors in their capacity as such are due to changes in the composition of the Board and its Committees and in directors' performance during the year. The remuneration of the director Jose María Aldecoa Sagastasolola for his duties as lead director until his resignation as director on the at the General Meeting of Shareholders in April 2024 has been indicated in Fixed remuneration; since that date, he has been replaced by Jaime Real de Asúa Arteche, who earns remuneration as lead director.

	Thousands of euros							
	Salary	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration membership Committees	Other items	Total
José Domingo de Ampuero y Osma	656	160		188			26	1,030
José Antonio Canales García	506	80		145			55	786
José María Aldecoa Sagastasoloa (*)		105	30			25		160
Jaime Real de Asúa Arteche		80	30			38		148
Agatha Echevarría Canales		80	30			30		140
Santiago Domecq Bohórquez		80	30			25		135
Laura González Molero		80	28			45		153
Carmen de Pablo Redondo		80	27			30		137
Cristina Henríquez de Luna Basagoiti		80	30			30		140
Andrés Arizcorreta García		80	30			25		135
Javier Fernández Alonso		80	30			30		140
Verónica Pascual Boé		7	3					10
Total 2023	1,162	992	268	333	0	278	81	3,114

(*) The fixed remuneration of the director José María Aldecoa includes 80,000 euros as fixed remuneration for membership on the Board and 25,000 euros for remuneration corresponding to its function as Coordinating Director, as established in the Board of Directors' Remuneration Policy.

At the same meeting of the Board of Directors on 20 December 2023, adopted a resolution to change the model from an executive chairmanship to a non-executive chairmanship, effective from 1 January 2024, including the appointment of a Chief Executive Officer.

Consequently:

- José Domingo de Ampuero y Osma, with effect from 1 January 2024, ceases to hold his executive functions in the Company and the Group, continuing his tenure as non-executive Chair of the Board of Directors and, consequently, moving to the category of "other external directors".
- José Antonio Canales García, current Director-Managing Director, has been appointed CEO of Viscofan, also with effect from 1 January 2024.

José María Aldecoa Sagastasoloa reached a total of 12 uninterrupted years as a director of Viscofan during the 2024 financial year. To ensure that independent directors continue to account for at least 50% of the composition of the Board, Mr Aldecoa, preceded by a letter dated 25 January 2024 addressed to the Chair and the entire Board of Directors, tendered his resignation, effective from the date of the 2024 Annual General Meeting as a director and member of the various committees on which he sat before the end of his bylaw-mandated term due to expire in 2026. The resignation became effective on 18 April 2024. The aforementioned General Meeting also resolved to reduce the number of directors from eleven to ten.

The Executive director, José Antonio Canales, earned a variable compensation totalling EUR 347 thousand in the short-term (2023: EUR 145 thousand euros in the short-term). This was calculated based on EBIDTA, net profit, sales, and share price values which were determined in accordance with the annual plan as well as personal performance.

The remuneration of the Long-Term Incentive Plan will amount to a total of EUR 2,224 thousand. For the Chief Executive Officer, this means the recognition and accrual (before tax withholding) of 14,054 shares and a cash amount of €336,048; for the Chairman of the Board, due to the recognition of the proportional part of the Long-Term Incentive Plan or Three-Year Bonus 2022-2024 which as executive director was recognised until he ceased his executive duties, the recognition and accrual of 12,147 shares and a cash amount: €290,434. The delivery of shares and the amount will be payable after the 2025 Annual General Meeting in the first six months of the year (EUR 661 thousand recognised as liabilities and equity at 31 December 2023).

"Other items" includes 57 thousand euros (81 thousand euros in 2023; in this year, with two executive directors) in respect of life and accident insurance premiums, health care policies and company cars.

Further, the Chairman of the Board of Directors, with effect from 1 January 2024, at the request of the Company, has ceased his executive duties, and agreement was reached to terminate the commercial contract for rendering of services between the Executive Chairman and the Company. In application of the provisions of the Policy and the aforementioned contract, the right to an indemnity equivalent to two annuities of the Chairman's salary, in the amount of EUR 1,312 thousand included in this item, which was paid in the financial year 2024.

The Company has arranged civil liability insurance for both executive and non-executive directors (D&O insurance), as well as for executives of the Company and the Group's subsidiaries. In this insurance, the directors will be considered as the insured parties, due to the liabilities that may arise as a consequence of the performance of their activities. During 2024, amounts were paid for insurance premiums covering the civil liability of its directors and executives for damage caused in the exercise of their functions, amounting to 96 thousand euros (63 thousand euros in 2023).

At 31 December 2024 and 2023, no advances or loans had been granted to the Viscofan Group, nor did the Group have any pension commitments or other non-current savings plans. Likewise, no type of guarantee was granted on behalf of any present or former members of the Board of Directors, related individuals or entities. In 2024 and 2023, the members of the Board of Directors and related individuals or entities did not perform any transactions with the Company or with Group companies other than in the ordinary course of business or on terms other than on an arms' length basis.

Viscofan's directors have communicated that insofar as article 229 of the Spanish Corporate Enterprises Act is concerned they do not have any conflicts of interest with the Company. With regard to the transactions entered into with Banca March S.A., consisting of the renewal of a credit line by Viscofan España SLU, the directors linked to the same, under the terms of article 231 of the Corporate Enterprises Act, and in accordance with the provisions of article 228 c) of the Corporate Enterprises Act, have abstained from participating in the deliberation and voting on the corresponding resolutions or decisions (meeting of the Audit Committee of 24 January 2024 and of the Board of Directors of 25 January 2024).

Viscofan Group has a contract with its executive director which includes golden parachute clauses. The termination of this contract in certain objective circumstances not attributable to these board members, may entitle them to indemnification worth twice their fixed remuneration, comprising two years of non-competition.

At the meeting of the Board of Directors of Viscofan S.A. held on 20 December 2023, Carmen de Pablo Redondo, independent external director, resigned as a member of the Company's Board of Directors and its Audit Committee.

To fill the vacancies left by Carmen de Pablo Redondo, and at the proposal of the Appointments, Remuneration and Sustainability Committee, the Board of Directors appointed Verónica Pascual Boé as an external independent director, a position she accepted, and Andrés Arizkorreta García as a member of the Audit Committee.

22.2. Senior management

The breakdown of parties holding executive positions during at 31 December 2024 is as follows:

Corporate governance at 31 December 2024

Luis Bertoli	SAM Geographical Area General Manager (South America)
Andrés Díaz	EMEA (Europe, Middle East and Africa) Geographical Area General Manager
Gabriel Larrea	NAM Geographical Area General Manager (North America)
Juan Negri	General Manager Geographical Area Asia Pacific
Oscar Ponz	General Manager New Business Division
María Carmen Peña	Chief Financial Officer
Jesús Calavia	Chief Operating Officer
Ignacio Goñi	Chief Commercial Officer
José Angel Arrarás	Director General for R&D and Quality
Armando Ares	Director of Investor Relations, Communication and Sustainability
Borja López	Head of Digital Transformation
Alejandro Bergaz	Head of Internal Audit
José Antonio Cortajarena	Secretary to the Board of Directors and Head of Legal
José Ignacio Recalde	Head of Diversification and Technology
Domingo González	Head of Strategy
Beatriz Sesma	Human Resources Director

In 2024, Domingo González was appointed Head of Strategy of the Viscofan Group, with the aim of driving the strategic transformation in the second phase of the Beyond25 strategic plan.

Also in 2024, Armando Ares was appointed Head of Sustainability to meet the growing demand for sustainability rendering it necessary to promote projects and ensure coordination on this key matter throughout the Group. He combines this position with his duties as Head of Investor Relations and Communication of the Viscofan Group.

In July 2024, Borja López joined the Viscofan Group as Head of Digital Transformation.

In 2024, remuneration received by key management personnel totalled 11,842 thousand euros. In 2023 remuneration amounted to 4,021 thousand euros.

This amount at 31 December 2024 includes the remuneration of the Long-term Incentive Plan, amounting to EUR 6,954 thousand, EUR 1,959 thousand in cash and 81,892 shares valued at the closing price of the share at 31 December 2024, which must be paid after it has been approved by the General Shareholders' Meeting (EUR 1,186 thousand recognised as equity and liabilities at 31 December 2023).

This amount does not include the abovementioned payments made to José Antonio Canales García and José Domingo de Ampuero y Osma, which is reflected further on.

The Company has arranged civil liability insurance for both executive and non-executive directors, as well as for executives of the Company and the Group's subsidiaries, as mentioned in point 23.1.

22.3. Long-term Incentive Plan

The Board of Directors of Viscofan, in a meeting held on 24 February 2022, at the proposal of the Appointments, Remuneration and Sustainability Committee, approved a Long-Term Incentive Plan for 2022-2024 intended for the Company's executive directors, managers and other key staff of the Viscofan Group which, subject to compliance with its objectives, will result in a cash payment and a payment in Company shares. In accordance with article 219 of the consolidated Spanish Corporate Enterprises Act approved by Legislative Royal Decree 1/2010, of 2 July, and article 29.2 of Viscofan's Articles of Association, the Plan will be submitted, with regard to the Company's executive directors, for approval by the Annual General Meeting, under the terms provided for in the current legislation and in the Directors' Remuneration Policy.

The Plan consists of an extraordinary, multi-year and mixed incentive, payable in cash and in Company shares which, after the application of certain ratios, based on the degree of attainment of certain targets in the evaluation period (2022-2024), determines in favour of the beneficiaries: (i) the payment of a cash amount and, (ii) on the basis of an initial number of assigned shares, the effective delivery of shares in Viscofan S.A. on the scheduled payment date.

The parameters to be taken into account during the measurement period were:

- Total shareholder return
- Creating sustainable environmental value
- Creating sustainable social value

Based on 152 initial beneficiaries, due to the new recruits and employment mobility, the final number of Plan beneficiaries was 147, with respect to the maximum authorised limit both in terms of cash and shares.

Upon the proposal of the Appointments, Remunerations and Sustainability Committee, at its meeting of 13 February 2025, the Company's Board of Directors determined a degree of attainment of the Triennial Plan 2022-2024, global for the whole of the parameters and metrics of 105.4% (total shareholder return, accident reduction, environmental sustainability; social sustainability).

In line with the terms of the Plan, the delivery of the shares and the payment of the consolidated amount is expected to take place following the holding of the 2025 General Shareholders' Meeting.

Hence, the Plan will represent a total amount of 19,551 thousand for the Group in the consolidated accounts, including 232,527 shares. At 31 December, the recognised liability amounted to 16,396 thousand, of which 6,508 thousand were recognised under Equity.

The amounts and number of shares for the executive directives are as follows:

- For the Executive Chairman, EUR 290 thousand and 12,147 shares
- For the Chief Executive Officer, EUR 336 thousand and 14,054 shares

23. Transactions and balances with related parties

The operations with directors and members of senior management are detailed in Note 22. No material transactions have been carried out with the Company or its group of companies that were outside the ordinary course of business of the company or were not carried out under normal market conditions.

Pursuant to article 231 of the Corporate Enterprises Act, none of the companies forming part of the Viscofan Group have performed transactions with related parties.

However, in 2024, the Group had dealings with Banca March, S.A., a financial institution linked to Corporación Financiera Alba, S.A., which held 14.25% of the Company's shares at 31 December 2024 (14.25% at 31 December 2023). In January 2024, the credit account opened in 2023 with a limit of EUR 10 million was rolled over. The account may be rolled over annually until January 2026. In addition, in 2023, the company signed a gas hedging contract for 100,000 MWh, of which nothing remained open at year-end. During 2024 and 2023, no additional services were provided by companies related to the shareholder: All transactions took place in normal market conditions.

24. Environmental information

In the double materiality assessment of the Viscofan Group described in the Consolidated Statement of Non-Financial Information and Sustainability Information (section 1.1.4.), which forms an integral part of the Consolidated Management Report, the following have been identified as material aspects in relation to the Environment, climate change, pollution, resource use and the circular economy.

For the proper management and mitigation of risks within the framework of the general sustainability policy and in line with the Sustainable Development Goals of the United Nations, Viscofan has an environmental policy that addresses, among others, these aspects, supplemented by specific climate change policies, and a pollution control and reduction policy.

Viscofan's climate change policy focuses on the adoption of measures that enable reduction of greenhouse gas emissions, as well as the promotion of practices that favour energy efficiency and the use of renewable energies. Further, the pollution control and reduction policy advocates the implementation of clean technologies and the adoption of industrial practices that minimise polluting emissions. The environmental policy, for its part, encompasses a series of guidelines, the most important of which are those aimed at promoting the minimisation of waste generation.

These policies, in conjunction with the 2022-2025 Sustainability Action Plan and the Net Zero Plan approved in December 2024, form the basis for the implementation of specific response plans, aimed at anticipating or mitigating potential future financial impacts. This action plan is structured around a series of specific and measurable objectives, which allow Viscofan to periodically evaluate the degree of compliance with its sustainability commitments.

In accordance with this strategy and the tolerance analysis of possible expected financial effects, no impairment was identified on the current assets and no significant investments were envisaged to meet these risks and the commitments established in the plan.

For further details, see the Consolidated Statement of Non-Financial Information and Sustainability Information for a description of the policies, risks and actions undertaken by Viscofan in these areas.

The cost of PP&E related to the Group's environmental projects maintained at 31 December 2024 was 112,303 thousand euros (December 2023: 94,323 thousand euros), with an accumulated depreciation of 35,815 thousand euros (December 2023: 34,185 thousand euros).

The main investment projects, amounting to EUR 17,980 thousand, have been carried out in installations for the treatment of gases generated in the production process. Investments in environmental management in 2023 amounted to 16,299 thousand euros.

In 2024, the Group incurred in environmental protection and improvement costs amounting to 10,758 thousand euros. In 2023 this amount totalled 10,553 thousand euros.

The Group arranged civil liability insurance coverage for damages to third parties caused by accidental and unintentional contamination; the insurance coverage refers to any possible risk involved and to date no significant claims in environmental matters have been filed.

The Parent's Directors do not deem it necessary to make any provisions to cover environmental contingencies and expenses.

In 2024 and 2023, Viscofan Group had not received any significant environmental penalties.

25. Audit fees

In the years ended 31 December 2024 and 2023, the auditors of the Group's consolidated Financial Statements, PricewaterhouseCoopers Auditores, S.L. and other companies with which the company has one of the links defined in the fourteenth additional disposition of the Law on Measures to Reform the Financial System, have accrued net fees for professional services, with the exception of "Other Services", which are based on their billing date, as follows:

FY 2024	Thousands of euros		
	In the parent company	In the rest of the companies	Total
PwC Auditores, S.L.	131	156	287
PwC Network	0	499	499
Audit services	131	655	786
PwC Auditores, S.L.	124	8	132
PwC Network	0	39	39
Other audit-related services	124	47	171
Total as at 31 December 2024	255	702	957

FY 2023	Thousands of euros		
	In the parent company	In the rest of the companies	Total
PwC Auditores, S.L.	127	151	278
PwC Network	0	548	548
Audit services	127	699	826
PwC Auditores, S.L.	4	11	15
PwC Network	0	38	38
Other audit-related services	4	49	53
Total as at 31 December 2023	131	748	879

The amount of the audit fees with firms other than the main auditor totalled 135 thousand euros (130 thousand euros in 2023).

26. Events after the balance sheet date

On 27 February 2025, the Board of Directors of Viscofan, S.A. resolved to implement a share buyback programme (the "Buyback Programme") in accordance with the powers granted by the Annual General Meeting of held on 27 April 2023 under item eleven of the agenda.

The Buyback Programme is conducted under the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("Regulation 596/2014") and the Commission's Delegated Regulation (EU) 2016/1052 of 8 March 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards regulatory technical standards on conditions for buyback programmes and stabilisation measures ("Regulation 2016/1052").

The Buyback Program will be carried out under the terms indicated below:

Purpose of the Buyback Program. The purpose of the Buyback Programme is to reduce the Company's share capital through the redemption of treasury shares.

The Buyback Programme is approved and launched according to the proposal that the Board of Directors intends to submit for approval at the next Annual General Meeting regarding the establishment of a flexible remuneration programme that will allow shareholders to choose between receiving their remuneration in cash (in the payment of the corresponding dividend) or in newly issued bonus shares of the Company (through the corresponding bonus share capital increases to be submitted for approval at the aforementioned General Meeting) (the "Flexible Remuneration Programme").

The Board of Directors also plans to reduce the Company's share capital by redeeming treasury shares, thus avoiding any dilution for shareholders who choose to receive their dividend in cash.

In the event that in the exercise of the Buyback Programme the Company acquires more shares than those needed to avoid the aforementioned dilution, excess shares would remain as treasury shares on a transitory basis and would be redeemed in the next window of the Flexible Remuneration Programme. Should the Annual General Meeting not approve the Flexible Remuneration Programme, the shares acquired under the Buyback Programme would be redeemed in accordance with the terms set forth in the regulations in force.

Maximum monetary amount and maximum number of shares to be acquired. Up to 50 million euros. In no event may the number of shares to be acquired under the Buyback Programme exceed 820,000, or approximately 1.76% of the Company's share capital as at today's date.

Pricing and volume conditions of the Buyback Programme. Shares will be acquired at market price, in accordance with the conditions set out in article 3 of Delegated Regulation (EU) 2016/1052. In particular, Viscofan will not acquire shares at a price higher than the highest of the following: (a) the price of the last independent transaction; or (b) the highest independent bid at that time on the trading venue where the purchase is made. With regard to trading volume, the Company will not purchase more than 25% of the average daily volume of Viscofan shares on the floor of the trading venue where the purchase takes place, this limit applying to the entire Buyback Programme. The average daily volume of the Company's shares for the purposes of the above calculation will be based on the average daily volume traded in the twenty (20) business days prior to the date of each purchase.

Duration of the Buyback Program. the Buyback Program will begin on 28 February 2025 and will remain in effect until 30 June 2025 (both included). However, Viscofan reserves the right to terminate the Buyback Programme if, prior to its expiry date, it has acquired shares under the Programme for an acquisition price that reaches the maximum investment amount or the maximum number of shares authorised, or if other circumstances make it advisable to do so.

The interruption, termination or modification of the Buyback Program, as well as the share purchase operations carried out under it, will be communicated to the Spanish National Securities Market Commission in accordance with the provisions of Regulation 596/2014 and Regulation 2016/ 1052. Said operations will also be published on the Company's website in accordance with said regulations.

The main administrator of the Buyback Programme will be Kutxabank Investment, S.V., S.A., which will carry out the share acquisitions on behalf of Viscofan and will make all purchase decisions independently and without being influenced by Viscofan, always within the parameters described above. Purchases under the Buyback Programme may be made on the Spanish Continuous Market (BME), as well as on other trading venues where securities are traded.

The Board of Directors, at its meeting of 27 February 2025, has resolved to propose to the Annual General Meeting a gross Final Dividend of 1,653 euros per share. Consequently, taking into consideration the amount of the 2024 Interim Dividend of 1,437 euros per share and the 0.01 euros per share bonus for attendance to the Annual General Meeting, the total remuneration for shareholders is 3.10 euros per share. Out of the aforementioned estimated amount of EUR 3.10 per share, EUR 2.10 correspond to the increasing ordinary remuneration that the Board of Directors has been proposing to the Annual General Meeting in recent years (EUR 2,006 euros per share charged to financial year 2023), while the EUR 1.00 per share above this amount is extraordinary in light of the current market and Company conditions.

The proposed total and ordinary distribution exceeds by 4.7% the previous year's remuneration of EUR 2,006 per share.

The Final Dividend is expected to be paid in June 2025.

In February 2025 Viscofan do Brasil Sociedade Comercial e Industrial Ltda. acquired 51% of Pet Mania Comércio Internacional Ltda, a Brazilian company in the business of producing and marketing pet treats, for BRL 34 million in cash.

There are no significant events other than those mentioned above, from year-end to the date of preparation of these financial statements.