



January - June 2021

Results



29 July 2021

Interim Management Report

Main highlights of the April-June 2021 results:

- €237.5 million in revenue, 5.6% higher than in the previous year, and 9.5% in like-for-like¹ terms.
- €63.8 million in EBITDA², a growth of 9.5% compared to the previous year and of 18.4% higher in like-for-like terms.
- EBITDA margin in reported terms improves by 1.0 p.p. compared to the previous year up to 26.9%.
- €33.9 million in net profit, up 13.2% on the previous year.
- €6.1 million of net bank debt³ in June 2021, a decrease of 84.2% compared to €38.2 million in December 2020 thanks to the strength of the operating results.
- Payment of a final dividend of €0.29 per share on June 3, 2021, a total distribution of €13.4 million.
- José Domingo de Ampuero y Osma, Chairman of the Viscofan Group:

"The results achieved in the first half of the year place us in a good position to meet our targets set for the year, with revenue growth, improved profitability and cash generation.

We continue to strengthen our position in the casings market with a business model that has allowed us to benefit from market growth, especially in Asia, and to counteract an adverse environment of currency and inflation in energy costs and some raw materials.

The main investment projects are progressing as planned, not only in the operational initiatives, which include the expansion of fibrous capacity and the technological update in collagen in the United States - expected in the second half of 2021 -, but also in our leadership in the sustainability projects with the installation of a new co-generation engine with green hydrogen capacity in Cáseda. "

¹ Like-for-like: The like-for-like growth excludes the variation impact of the different Exchange rates in 2021.

² EBITDA = Operating income (EBIT) + Depreciation and amortization.

³ Net bank debt = Non-current and current bank borrowings – Cash and equivalents.

Business performance

Selected figures. Viscofan Group income statement ('000 €)

	Jan-Jun' 21	Jan-Jun' 20	Change	Like-for-like*	Apr-Jun' 21	Apr-Jun' 20	Change	Like-for-like*
Revenue	465,838	447,028	4.2%	9.9%	237,466	224,923	5.6%	9.5%
EBITDA	121,419	110,267	10.1%	22.8%	63,810	58,282	9.5%	18.4%
EBITDA Margin	26.1%	24.7%	1.4 p.p.	2.9 p.p.	26.9%	25.9%	1.0 p.p.	2.1 p.p.
Operating profit	85,050	73,561	15.6%		45,663	40,255	13.4%	
Net profit	64,128	57,344	11.8%		33,949	29,982	13.2%	

* Like-for-like results exclude the impact of foreign exchange rate changes in 2021. There are no non-recurring impacts in 1H21 or 1H20.

Revenue:

Following the growth acceleration in the casing market in 2020, in the first half of 2021 the sector maintains a growth rate in line with its long-term historic evolution, highlighting the Asian region and the recuperation of collagen casings in Europe.

With this environment, Viscofan has achieved volume growth in all product families thanks to its positioning -developed throughout the MORE TO BE strategic plan-, characterized by customer proximity, a broad product portfolio, and the leadership in service, technology, and cost.

The growth in casings volumes and the improvement in the sales price/mix offset the strong negative impact of changes in exchange rates (mainly due to the depreciation of the BRL and the USD) against the EUR.

In the first half of the year, revenue was €465.8 million, an increase of 4.2% compared to 1H20. This growth is significant considering that in March and April of the previous year there was a peak in demand driven by the supply needs of essential ingredients for the food industry.

Out of the revenue growth, +9.8 p.p. corresponded to like-for-like casing sales, +0.1 p.p. to higher like-for-like energy sales, compared to the decrease of -5.7 p.p. due to the variation of the exchange rates. In like-for-like terms, the revenue in 1H21 increased 9.9% vs. 1H20.

Of the total amount of the 1H21 revenue, €446.1 million correspond to casing sales (+4.4 vs. 1H20) and €19.7 million to revenue of energy sales (+0.3% vs. 1H20).

The geographical breakdown⁴ of revenue in 1H21 is as follows:

- Europa and Asia Pacific (55.5% of the total): The reported revenue was €258.6 million, 7.6% higher than 1H20 and 9.1% in like-for-like terms, driven by the good performance in China and Southeast Asia.
- North America (30.5% of the total): Revenue amounted to €141.9 million revealing a growth of 1.0% compared to 1H20 despite the weakness of the US\$ against the Euro. In like-for-like terms, the revenue grew 9.2%.
- Latin America (14.0% del total): Revenue was €65.4 million, a decrease of 1.3% versus 1H20 due to the weakness of the Brazilian Real against the Euro. Nevertheless, in like-for-like terms revenue of the region rose by 14.6% compared to 1H20.

⁴ Revenue per sales origin.

In the second quarter of 2021, revenue stood at €237.5 million, +5.6% over 2Q20. Of this, like-for-like sales of casings contributed +9.2 p.p. to growth, and like-for-like energy sales +0.3 p.p., counteracting the decrease of -4.0 p.p. due to the variation of exchange rates. In like-for-like terms, revenue in 2Q21 grew 9.5% vs. 2Q20.

From the Group's quarter revenue figure, €227.6 million was related to casing sales (+5.5% vs. 2Q20) and €9.9 million to energy sales that grew by +7.2%.

The geographical breakdown of the revenue in 2Q21 is as follows:

- Europe and Asia Pacific (56.6% of the total): Revenue amounted to €134.4 million, 10.4% higher than 2Q20 and 11.8% in like-for-like terms.
- North América (30.4% of the total): Revenue was €72.2 million revealing a growth of 3.6% compared to 2Q20 and of 11.4% in like-for-like terms.
- Latin America (13.0% of the total): Revenue stood at €30.8 million, a decline of 7.8% compared to 2Q20 in a context of higher competition in the region and weakness of the Brazilian real. In like-for-like terms, revenue decreased 2.5%.

Operating expenses

Consumption costs⁵ of the first half grew by 4.4% to €129.6 million, and in the second quarter by 4.2% up to €65.6 million, mainly due to the higher sales volume.

The commercial discipline, the elevated efficiencies reached the first half of 2021, the sourcing strategy and the decrease of the hide costs allows to offset the increase in the raw material prices (primarily polyamides and glycerin) and energy.

As a result, the gross margin⁶ stood at 72.2% in 1H21 (72.2% in 1H20) and at 72.4% in 2Q21 (72.0% in 2Q20).

In a growth context, Viscofan is incorporating staff to increase production and successfully complete the capacity expansion projects in Cáseda (Spain) and Suzhou (China), among others. As a result, with 5,101 people, the average accumulated workforce increased by 4.0% compared to the same period of the last year.

Personnel expenses rose by 1.7% in 1H21 vs. 1H20 to €116.2 million. The savings in the average personnel expense⁷ is mainly due to the currencies' weakness against the Euro. The second quarter of 2021 contributes €57.8 million, 1.3% above 2Q20.

Other operating costs of the first half amounted to €103.3 million, 2.6% above 1H20 with energy supply expenses growing 9.2% versus last year.

In quarterly terms, other operating costs in 2Q21 rose to €52.9 million, 10.7% over 2Q20. This increase is mainly due to higher energy supply costs (+22.9% vs. 2Q20) and transportation costs (+21.4% vs. 2Q20). In addition, travel expenses are starting to increase once the restrictions on the mobility of people because of the pandemic have been reduced.

⁵ Cost of consumption = Net purchases +/- Change in inventories of finished and unfinished products.

⁶ Gross margin= (Revenue- Cost of consumption)/ Revenue

⁷ Average personnel expenses = Personnel expenses / average workforce

Operating profit

Higher revenue, cost control and the efficiencies achieved in the production plants offset currencies' weakness. In this way, the reported EBITDA in 1H21 was up by 10.1% vs. 1H20 to €121.4 million with an EBITDA margin of 26.1% (+1.4 p.p. vs. 1H20).

In the second quarter, reported EBITDA grew 9.5% to €63.8 million with an EBITDA margin of 26.9% (+1.0 p.p. vs. 2Q20).

In like-for-like terms, that is, excluding the impact in the exchange rate variation, the EBITDA of 1H21 was 22.8% higher than in 1H20, with a like-for-like EBITDA margin of 27.6% (+2.9 p.p. vs. 1H20).

In the second quarter, like-for-like EBITDA increased 18.4% with a margin of 28.0% (+2.1 p.p. vs. 2Q20).

Depreciation and amortization expense of 1H21 stood at €36.4 million, 0.9% less than 1H20. In the second quarter, depreciation and amortization expense was €18.1 million, +0.7% vs. 2Q20.

As a result, the Group obtained an operating profit of €85.1 million in the first half of the year (+15.6% vs. 1H20), with the second quarter contributing €45.7 million (+13.4% vs. 2Q20).

Financial Result

In the first half of 2021 the financial result has been negative with -€1.1 million with negative exchange differences of -€0.9 million. This contrast with the positive net financial result of +€2.4 million in 1H20, period in which the exchange differences were also positive with +€2.9 million.

Net profit

Profit before tax for the first half of 2021 amounted to €84.0 million with a corporate income tax expense of €19.8 million (+6.6% vs. 1H20), bringing the cumulative effective tax rate to 23.6% (24.5% in the same period of the previous year).

Finally, reported Net profit in 1H21 increased by 11.8% to €64.1 million, and in 2Q21 by 13.2% to €33.9 million.

Investment

€24.4 million have been invested in 1H21 (€15.1 million in 1H20), in line with the objective to invest €70 million in 2021.

The main investment projects forecasted for the year are progressing as planned. Among those it is remarkable the capacity expansion of fibrous in Cáseda under the new technology, the installation of a new co-generation engine with capacity to use green hydrogen, the capacity expansion of collagen casings in China and the investment for the technological upgrade in the collagen casing plant in the US.

Financial liabilities

The growth in the results and the solid cash generation drive down net bank debt⁸ to €6.1 million from the €38.2 million registered in December 2020, a decrease of 84.2%.

In the period Viscofan has signed two new bilateral loans for a total of €35 million to change part of the traditional financing by sustainable financing. The financial cost of these loans is subject to parameters included in the Group's Sustainability Action Plan, which includes commitments to reduce CO₂ emissions

⁸ Net bank debt = Non-current bank borrowings + Current bank borrowings – Cash and equivalents.

per km of casing produced, the reduction of m³ of water withdrawal per km of casing produced, and the tons of waste sent to landfill per km of casing produced.

Dividends paid in 2021

On June 3, 2021, in accordance with the distribution of 2020 results approved at the General Shareholders' Meeting, a final gross dividend of €0.29 per share was paid, equivalent to a total of €13.4 million. This final dividend, together with the interim dividend paid in December 2020 and the attendance bonus, represents a total distribution of €1.70 per share, 4.9% more than in the previous year.

Change in the organizational structure. Spin-off

The General Shareholders' Meeting held on April 23, 2021 has approved the spin-off by virtue of which Viscofan S.A. transfers with effect from January 1, 2021 the industrial and operating assets in favor of a Limited Liability Company named Viscofan España S.L.U., based in Tajonar (Navarre), wholly owned by Viscofan S.A., which acquires all the rights and liabilities inherent to such activity.

In October 2021, the legal requirements and deadlines are expected to be met. Thus, the spin-off project will become effective.

Appendix 1. Financial tables

Viscofan Group profit and loss account. 1H21 ('000 €)

	Jan-Jun' 21	Jan-Jun' 20	Change
Revenues	465,838	447,028	4.2%
Other operating income	4,482	2,133	110.1%
Self-constructed assets	125	147	-15.0%
Variation in stocks of finished products and work-in-progress	7,800	18,311	-57.4%
Net purchases	-137,357	-142,443	-3.6%
Personnel expenses	-116,185	-114,248	1.7%
Other operating expenses	-103,275	-100,640	2.6%
Capital grants	193	260	-25.8%
Impairments	-14	-179	-92.2%
Results coming from disposals of non-current assets	-188	-102	84.3%
Other results	0	0	n.s.
EBITDA	121,419	110,267	10.1%
<i>EBITDA margin</i>	<i>26.1%</i>	<i>24.7%</i>	<i>1.4 p.p.</i>
Amortization and depreciation	-36,369	-36,706	-0.9%
Operating profit	85,050	73,561	15.6%
<i>Operating profit margin</i>	<i>18.3%</i>	<i>16.5%</i>	<i>1.8 p.p.</i>
Financial incomes	173	226	-23.5%
Financial expenditures	-400	-742	-46.1%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	-861	2,903	c.s.
Impairment and results coming from disposals of financial assets	0	0	n.s.
Financial results	-1,088	2,387	c.s.
Profit from associated companies	0	0	n.s.
Profit before taxes	83,962	75,948	10.6%
Taxes	-19,834	-18,604	6.6%
Profit after taxes from continued operations	64,128	57,344	11.8%
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	64,128	57,344	11.8%
a) Net profit attributable to the parent company	64,128	57,344	11.8%
b) Net profit attributable to minority interests	0	0	n.s.

Viscofan Group Profit and loss account. 2Q21 ('000 €)

	Apr-Jun' 21	Apr-Jun' 20	Change
Revenues	237,466	224,923	5.6%
Other operating income	2,584	1,169	121.0%
Self-constructed assets	63	75	-16.0%
Variation in stocks of finished products and work-in-progress	4,786	9,810	-51.2%
Net purchases	-70,415	-72,813	-3.3%
Personnel expenses	-57,753	-57,007	1.3%
Other operating expenses	-52,863	-47,767	10.7%
Capital grants	93	130	-28.5%
Impairments	-7	-172	-95.9%
Results coming from disposals of non-current assets	-144	-66	118.2%
Other results	0	0	n.s.
EBITDA	63,810	58,282	9.5%
<i>EBITDA margin</i>	<i>26.9%</i>	<i>25.9%</i>	<i>1.0 p.p.</i>
Amortization and depreciation	-18,147	-18,027	0.7%
Operating profit	45,663	40,255	13.4%
<i>Operating profit margin</i>	<i>19.2%</i>	<i>17.9%</i>	<i>1.3 p.p.</i>
Financial incomes	102	135	-24.4%
Financial expenditures	-193	-378	-48.9%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	-1,844	-100	1744.0%
Impairment and results coming from disposals of financials assets	0	0	n.s.
Financial results	-1,935	-343	464.1%
Profit from associated companies	0	0	n.s.
Profit before taxes	43,728	39,912	9.6%
Taxes	-9,779	-9,930	-1.5%
Profit after taxes from continued operations	33,949	29,982	13.2%
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	33,949	29,982	13.2%
a) Net profit attributable to the parent company	33,949	29,982	13.2%
b) Net profit attributable to minority interests	0	0	n.s.

Consolidated balance sheets ('000 €) - ASSETS

	Jun'21	Dec '20	Change
Intangible assets	18,588	19,268	-3.5%
Goodwill	2,601	2,638	-1.4%
Others intangible asset	15,987	16,630	-3.9%
Tangible assets	473,961	475,293	-0.3%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	0	0	n.s.
Non-current financial assets	2,438	1,940	25.7%
a) At fair value through profit and loss	883	633	39.5%
Of which "Designated upon initial recognition"	883	633	39.5%
b) At fair value with changes in other comprehensive income	0	0	n.s.
Of which "Designated upon initial recognition"	0	0	n.s.
c) At amortized cost	1,555	1,307	19.0%
Non-current derivatives	765	326	134.7%
Cash flow hedges	765	326	134.7%
Others	0	0	n.s.
Deferred tax assets	25,758	26,966	-4.5%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	521,510	523,793	-0.4%
Non-current assets held for sale	0	0	n.s.
Inventories	291,442	273,193	6.7%
Trade and other receivables	208,389	183,473	13.6%
Trade debtors	182,377	166,079	9.8%
Other debtors	18,022	16,629	8.4%
Current tax assets	7,990	765	944.4%
Current financial assets	832	840	-1.0%
a) At fair value through profit and loss	751	751	0.0%
Of which "Designated upon initial recognition"	751	751	0.0%
b) At fair value with changes in other comprehensive income	0	0	n.s.
Of which "Designated upon initial recognition"	0	0	n.s.
c) At amortized cost	81	89	-9.0%
Current derivatives	5,393	4,708	14.5%
Cash flow hedges	3,339	3,088	8.1%
Others	2,054	1,620	26.8%
Other current assets	8,145	2,435	234.5%
Cash and cash equivalents	94,939	51,990	82.6%
CURRENT ASSETS	609,140	516,639	17.9%
TOTAL ASSETS	1,130,650	1,040,432	8.7%

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

	Jun'21	Dec '20	Change
Share capital	32,550	32,550	0.0%
Share issue premium	12	12	0.0%
Reserves	811,790	767,960	5.7%
Treasury shares	-5,579	-6,031	-7.5%
Profit for previous years	0	0	n.s.
Received from associates	0	0	n.s.
Net profit of the period attributable to the parent company	64,128	122,513	-47.7%
Less: Interim dividend	0	-64,905	n.s.
Other equity instruments	1,747	1,747	0.0%
SHAREHOLDER'S FUNDS	904,648	853,846	5.9%
Items that are not reclassified to profit or loss for the period	0	0	n.s.
Equity instruments through other comprehensive income	0	0	n.s.
Others	0	0	n.s.
Items that may subsequently be reclassified to profit or loss for the period	-94,495	-117,600	-19.6%
Hedge transactions	3,507	1,031	240.2%
Currency translation differences	-98,002	-118,631	-17.4%
Share in other comprehensive income for investments in joint ventures and others	0	0	n.s.
Debt instruments at fair value through other comprehensive income	0	0	n.s.
Others	0	0	n.s.
ACCUMULATED OTHER COMPREHENSIVE INCOME	-94,495	-117,600	-19.6%
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	810,153	736,246	10.0%
Non-controlling interests	0	0	n.s.
EQUITY	810,153	736,246	10.0%
Grants	840	1,189	-29.4%
Non-current provision	40,706	38,520	5.7%
Non-current financial liabilities	82,376	59,473	38.5%
Bank debt	55,350	32,644	69.6%
Other financial liabilities	27,026	26,829	0.7%
Deferred tax liabilities	19,233	19,274	-0.2%
Non-current derivatives	0	107	n.s.
Cash flow hedges	0	107	n.s.
Others	0	0	n.s.
Other non-current liabilities	0	0	n.s.
NON-CURRENT LIABILITIES	143,155	118,563	20.7%
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	10,400	11,204	-7.2%
Current financial liabilities	56,763	75,803	-25.1%
Bank debt	45,643	57,563	-20.7%
Other financial liabilities	11,120	18,240	-39.0%
Trade and other payable accounts	109,173	96,240	13.4%
Trade creditors	66,529	53,768	23.7%
Other creditors	29,782	33,389	-10.8%
Current tax liabilities	12,862	9,083	41.6%
Current derivatives	152	2,159	-93.0%
Cash flow hedges	152	2,159	-93.0%
Others	0	0	n.s.
Other current liabilities	854	217	293.5%
CURRENT LIABILITIES	177,342	185,623	-4.5%
TOTAL EQUITY AND LIABILITIES	1,130,650	1,040,432	8.7%

Cash flow statement ('000 €)

	Jan-Jun 21	Jan-Jun' 20	Change
Cash flows from operating activities	87,132	69,408	25.5%
Profit for the year before tax	83,962	75,948	10.6%
Adjustments in results	40,993	40,411	1.4%
Amortisation and depreciation	36,369	36,706	-0.9%
Others adjustments in results(net)	4,624	3,705	24.8%
Changes in working capital	-15,129	-29,172	-48.1%
Other cash flows from operating activities	-22,694	-17,779	27.6%
Interest paid	0	0	n.s.
Dividend paid and other payments from others equity instruments	0	0	n.s.
Dividends received	0	0	n.s.
Interests received	0	0	n.s.
Proceeds/ (payments) from income tax	-21,957	-17,403	26.2%
Proceeds/(payments) from operating activities	-737	-376	96.0%
Cash flows from investing activities	-29,104	-19,164	51.9%
Investment payments	-28,891	-19,999	44.5%
Group companies, associated & business units	0	0	n.s.
Acquisition of property, plant and equipment and intangible assets	-28,891	-19,999	44.5%
Other financial assets	0	0	n.s.
Non-current assets and liabilities classified as held-for-sale	0	0	n.s.
Other assets	0	0	n.s.
Cash from disposals	-386	273	c.s.
Group companies, associated & business units	0	0	n.s.
Disposal of property, plant and equipment and intangible assets	-386	273	c.s.
Other financial assets	0	0	n.s.
Non-current assets and liabilities classified as held-for-sale	0	0	n.s.
Other assets	0	0	n.s.
Other cash flows from investing activities	173	562	-69.2%
Dividends received	0	0	n.s.
Interest received	173	562	-69.2%
Proceeds/(Payments) from interrupted operations	0	0	n.s.
Cash flows from financing activities	-17,647	-13,442	31.3%
Proceeds and payments from equity instruments	0	0	n.s.
Proceeds from issue of stock	0	0	n.s.
Cancellation and payments	0	0	n.s.
Acquisition	0	0	n.s.
Disposal	0	0	n.s.
Proceeds and payments from financial liabilities instruments	10,003	38,768	-74.2%
Proceeds from issue of financial liabilities instruments	67,426	77,121	-12.6%
Refund, cancellation and payments	-57,423	-38,353	49.7%
Dividends paid and others payments from others equities instruments	-13,448	-44,506	-69.8%
Others cash flows from financing activities	-14,202	-7,704	84.3%
Interest paid	-470	-906	-48.1%
Others proceeds /(payments) from financing activities	-13,732	-6,798	102.0%
Effect of foreign exchange rate changes on collections and payments	2,568	396	548.5%
Net increase (decrease) in cash and cash equivalents	42,949	37,198	15.5%
Cash and cash equivalents at the beginning of the period	51,990	51,370	1.2%
Cash and cash equivalent at the end of the period	94,939	88,568	7.2%

Reporting exchange rates (Currency/€)

Average exchange rates (Currency/€)

End period (Currency/€)

	1H21	1H20	% Change	Jun 21	Dec 20	% Change
Euro	1.000	1.000	0.0%	1.000	1.000	0.0%
US Dollar	1.205	1.101	-8.6%	1.188	1.227	3.3%
Canadian Dollar	1.504	1.503	0.0%	1.472	1.563	6.2%
Mexican Peso	24.319	23.854	-1.9%	23.578	24.416	3.6%
Brazilian real	6.490	5.414	-16.6%	5.945	6.381	7.3%
Czech crown	25.857	26.335	1.8%	25.485	26.245	3.0%
British Pound	0.868	0.874	0.7%	0.858	0.899	4.8%
Serbian Dinar	117.576	117.574	0.0%	117.566	117.580	0.0%
Chinese yuan renminbi	7.801	7.743	-0.7%	7.686	8.025	4.4%
Uruguayan Peso	52.421	45.545	-13.1%	51.787	51.955	0.3%
Australian Dollar	1.563	1.677	7.3%	1.581	1.593	0.8%
New Zealand Dollar	1.703	1.761	3.4%	1.698	1.698	0.0%
Thai baht	37.135	34.831	-6.2%	38.118	36.727	-3.6%

Appendix 2. Alternative Performance Measures

The Viscofan Group has included in this report various Alternative Performance Measures (hereinafter APMs), as established in APM Guidelines published by the European Securities and Markets Authority on 5

October 2015 (ESMA/2015/1415es) and adopted by the National Securities Market Commission (the CNMV).

This involves a series of measures designed using the financial information of Viscofan, S.A., and its subsidiary companies, and they are complementary to the financial information drawn up in agreement with International Financial Reporting Standards (IFRS). Under no circumstance should they be assessed separately or considered a substitute.

They are measures used internally in decision making processes and which the Board of Directors decides to report externally as it considers they provide additional information that is useful in the analysis and assessment of the Viscofan Group's results and its financial situation.

The APMs included in this report are as follows:

- The EBITDA, or operating profit before depreciation and amortization, is calculated excluding depreciation and amortization costs from the operating profit. The EBITDA is a measure that is commonly reported and widespread among analysts, investors, and other stakeholders in the casing industry. The Viscofan Group uses this measure to monitor the business' development and to establish operational and strategic objectives in Group companies. However, it is not a defined indicator in IFRS and, therefore, it may not be compared with other similar indicators employed by other companies in their reports.
- Cost of consumption: This is calculated as the net amount of supplies plus the change in finished and unfinished products. Management monitors cost of consumption as one of the main cost components for Viscofan. The weight of net revenue for this cost component on revenue or gross margin is also analyzed to study the operating margin's development. However, it is not a defined indicator in IFRS, and cost of consumption must not be considered a substitute for the different items in the profit and loss account that comprise them. Furthermore, it may not be compared with other similar indicators employed by other companies in their reports.
- Net bank debt: This is calculated as non-current borrowings plus current borrowings netted from cash and cash equivalents. Management considers net bank debt to be relevant to shareholders and other stakeholders as it provides an analysis of the Group's solvency. However, net bank debt should not be considered a substitute for gross bank debt in the consolidated balance sheet, nor other liability or asset items that may affect the Group's solvency.
- Like-for-like revenue and EBITDA: This measure excludes the impact of exchange rate variations on the comparable previous period and the non-recurring impacts of the business in order to present a homogeneous comparison of the Viscofan Group's development. However, like-for-like revenue and EBITDA are not defined indicators in IFRS and, therefore, they may not be compared with other similar indicators employed by other companies in their reports, nor may they be considered a substitute for the business development indicators defined in IFRS.
- Working Capital: This is calculated as the difference between Current Assets and Current Liabilities. Management considers this measure to be relevant for shareholders and other stakeholders because it provides an analysis of the Group's liquidity position in the short term. However, working capital is not an indicator defined in IFRS and therefore may not be comparable with other similar indicators used by other companies in their reporting, nor should it be considered a substitute for the business performance indicators defined in IFRS.

For further information, please contact:

Investor Relations and Corporate Communications Department

Tel: + 34 948 198 436

e-mail: aresa@viscofan.com; beguiristainf@viscofan.com

You can consult all the information corresponding to the results on the web page of the [Viscofan Group](#).

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

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

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