Viscofan

Reshaping food and wellbeing.
For many, for long.

January - December 2022
Results

28 February 2023

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

Results report

Main highlights of the January-December 2022 results:

- Growth in the main financial figures leading revenue and EBITDA above the guidance[1] set for the full year 2022, and in line in terms of Net Profit, despite a more adverse than expected cost environment.
- €1,201.0 million in revenue, 23.9% higher than in the previous year.
- €267.2 million in EBITDA[2], growth of 8.3% vs 2021.
- €139.4 million in Net Profit, an increase of 4.8% vs 2021.
- €101.3 million of net bank debt[3] at December 2022, above €1.8 million at December 2021 with a strong pace of investment activity in the year, bringing the cumulative CapEx at December 2022 to €125.6 million, an all-time high of investment reflecting progress on the capacity increase and transformation plans set out in the Beyond25 strategic plan.
- €1.95 per share of total shareholder remuneration proposed in the 2022 profit distribution, an increase of 6.0% compared to €1.84 per share in the previous year.
- José Domingo de Ampuero y Osma, Chairman of the Viscofan Group:

  "I would like to highlight the extraordinary performance of the 5,300 people who work at Viscofan, with record results in revenue, EBITDA and Net profit despite having faced one of the most adverse contexts in our history with an unprecedented inflation of production inputs.

  The energy crisis in Europe, disruptions in supply chains, the persistence of COVID-19, and the war in Ukraine have tested the strength and flexibility of our business model, as well as our ability to adapt through commercial discipline, service assurance, operational optimisation, and cost control.

  In parallel, we have boosted our investment activity, and we have carried out on time and budget the main investment projects planned in the first year of the Beyond25 Strategic Plan and accelerating others to respond to the higher demand for casings.

  Thus, we face 2023 with optimism and we foresee growth in the main financial figures."

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[1] 2022 Guidance: Revenue between €1,047 million and €1,065 million, EBITDA between €257 million and €263 million, and Net profit between €139 million and €144 million with an investment of €100 million.

[2] EBITDA = Operating profit (EBIT) + depreciation of PP&E items.

[3] Net bank borrowings = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.

Business performance

Market

The 2022 financial year has been characterised by a strong demand in the casings industry, with an estimated increase in volumes by around 5%, above the range of 2% to 4% average historical market growth. Within this increase, which has occurred in all major casing technologies, collagen casings stand out significantly.

This performance is driven by the growing interest of meat processors who find in casings a suitable solution to increase their productivity and guarantee their service against other alternatives in a context of high inflation and supply chain disruptions.

Geographically, there is momentum in Southeast Asia, where the adoption of animal protein and the industrialisation of food processors is gaining traction, as well as strength in Continental Europe, North America and Latin America. In China, the persistence of the COVID-19 pandemic and population confinements have led to a weak casings market.

Beyond25 strategy assessment

Viscofan has started the Beyond25 strategic period inspired by a new purpose *"Reshaping food and wellbeing. For many, for long"*, that foresees an acceleration in the Group's revenue growth with a differentiated strategy to capture growth opportunities in the Traditional Business and to boost the activities of the New Business division.

The first year of this plan has been characterised by a high investment effort. Firstly, a plan to increase capacity in collagen casings has been carried out with the installation of new extrusion lines in five different countries to respond to the historic opportunity to replace animal casings, with a very ambitious goal of replacing between 5 and 7% of the animal casing market by 2025. To this end, production lines have been installed and started up in the plants in Spain, Serbia, China and Germany, and it is planned to do so in the USA at the beginning of 2023.

In addition, one of the objectives is to improve the profitability of the US operations. In this regard, in the last quarter of the year, the first cellulose casing lines were commissioned at the Danville plant using a new technology: this is a specific development for the plant based on the technological improvements in cellulose achieved by the Group in recent years and whose objective is to automate production with more reliable technology and with better handling, and at the same time to increase production output with better product quality.

In terms of capacity increases to boost the development of New Businesses, the installation and start-up of the collagen hydrolysates plant at the Weinheim (Germany) facilities stands out, which means a five-fold increase in production capacity to respond to a market with very positive growth prospects.

In parallel, Viscofan's commercial activity has been geared towards reinforcing the assurance of service to customers and maintaining a strategy of commercial discipline that combines support for customers with the necessary sales price increases to guarantee sustainable returns. Accordingly, the increase in selling prices at the beginning of the year was reinforced by a further price increase in the second half of the year, which partially offset the impact of the higher cost of production inputs (mainly raw materials and energy).

The Sustainability Action Plan continues to progress in line with the objectives set for 2030:

- In climate change mitigation projects, in 2022, the supply of electricity from renewable sources has been increased, along with efficiency improvements in energy and productive output reducing by 14.5% Scope 1 and 2 emissions intensity over metres of extruded casings compared to 2021, close to the targets foreseen for 2030.

- In addition, Viscofan has pioneered the use of green hydrogen as a fuel in one of the co-generation engines at the Cáseda plant. After the tests carried out, the unit is ready for use when the conditions are suitable for constant supply.

- Permits have also been obtained at this plant to install an energy production centre using biomass from our cellulose waste as fuel.

Main financial results:

The 2022 financial year has seen a marked investment, operational and commercial dynamism for the Group. In addition, Viscofan has responded to the increased demand for casing volumes and the opportunities arising in new businesses while facing and adapting to one of the most adverse contexts in the Group's recent history, marked by high inflation in production inputs.

The strength of the business model has enabled the Viscofan Group to reach new all-time highs in revenue, EBITDA, and Net Profit. Revenue stood at €1,201.0 million, up +23.9% year-on-year, EBITDA was €267.2 million, up +8.3% year-on-year, and net profit was €139.4 million, 4.8% higher than 2021.

These results are above the expectations announced in February 2022[1] of revenue and EBITDA and in line in terms of Net profit.

Investments for the whole of 2022 amount to €125.6 million, an all-time annual high for the Viscofan Group, higher than initially planned due to the anticipation of projects in the second half of the year to meet higher demand for casings and in the search for energy diversification. These investments in industrial equipment have been accompanied by increased investment in working capital to ensure service to the market in a context of accelerating demand, supply chain tightening and expansion plans. This, together with a growing dividend payment, translates into a net bank debt of €101.3 million at December 2022, up from €1.8 million at December 2021.

The Board of Directors has approved to propose a final dividend of €0.54 per share to be paid on 8 June 2023. This proposed distribution of profits will continue to increase shareholder remuneration, with a total remuneration on account of the 2022 profit of €1.95 per share, 6.0% higher than the total remuneration for 2021.

Viscofan Group income statement ('000 €)

	Full year				Fourth Quarter			
	Jan-Dec' 22	Jan-Dec' 21	*Change*	*Like-for-like**	Oct-Dec' 22	Oct-Dec' 21	*Change*	*Like-for-like**
Revenue	1,201,028	969,237	23.9%	16.2%	327,669	257,825	27.1%	20.0%
EBITDA	267,173	246,670	8.3%	-4.4%	76,555	61,143	25.2%	11.5%
EBITDA margin	*22.2%*	*25.4%*	-3.2 p.p.	-4.5 p.p.	*23.4%*	*23.7%*	-0.3 p.p.	-1.7 p.p.
Operating profit	189,026	174,389	8.4%		56,203	43,139	30.3%	
Net profit	139,430	132,997	4.8%		34,332	33,245	3.3%	

Revenue breakdown ('000 €)

	Jan-Dec' 22	Jan-Dec' 21	*Change*	Oct-Dec' 22	Oct-Dec' 21	*Change*
Traditional Business	963,089	808,057	19.2%	260,864	214,414	21.7%
New Business	144,465	117,070	23.4%	39,887	31,010	28.6%
Other revene from energy	93,474	44,110	111.9%	26,918	12,401	117.1%
Revenue	1,201,028	969,237	23.9%	327,669	257,825	27.1%

By geographical area	Jan-Dec' 22	Jan-Dec' 21	*Change*	Oct-Dec' 22	Oct-Dec' 21	*Change*
Europe, Middle East and Africa (EMEA)	507,404	407,778	24.4%	144,344	111,400	29.6%
Asia Pacific (APAC)	168,837	145,525	16.0%	47,429	41,774	13.5%
North America	369,815	294,629	25.5%	95,013	75,159	26.4%
South America	154,972	121,305	27.8%	40,883	29,492	38.6%
Revenue	1,201,028	969,237	23.9%	327,669	257,825	27.1%

*Like-for-like: For comparative purposes, like-for-like growth excludes the impact of the different exchange rates in 2022.

Revenue:

In the fourth quarter, Viscofan's revenue reached €327.7 million, 27.1% above than 4Q21, driven by higher volumes, price increases, co-generation sales and the strength of trading currencies against the €. On a like-for-like basis, i.e. excluding the impact of foreign exchange rate changes, consolidated revenue grew 20.0% in 4Q22 vs 4Q21.

In the Traditional Business, revenue grew by 21.7% to €260.9 million, accelerating compared to previous quarters thanks to good volume performance in all casing technologies and additional price increases in the second half of the year. Inflation in the main production inputs, higher than expected at the beginning of the year, has made necessary a commercial discipline strategy that combines support for customers in an adverse cost environment with the necessary increases in selling prices to partially offset this impact.

In New Businesses, revenue increased by 28.6% to €39.9 million, highlighting the growth in value-added plastics.

Furthermore, energy sales amounted to €26.9 million, 117.1% higher than 4Q21 due to the higher electricity sales price in Spain.

In the fourth quarter, all geographic reporting regions[4] showed year-on-year growth:

- EMEA (44.0% of the total): Reported revenue amounted to €144.3 million (29.6% higher than 4Q21 and 27.6% on a like-for-like basis) thanks to growth in the traditional business supported by the increase in capacity and higher electricity sales in Spain.

[4] Revenue by origin of sales: EMEA (European companies), North America (Canada, Costa Rica, Mexico, and the United States), APAC (Australia, China, Japan, New Zealand and Thailand), South America (Brazil and Uruguay).

- North America (29.0% of the total): Revenue amounted to €95.0 million, an increase of 26.4% versus 4Q21. On a like-for-like basis, revenues increased by 14.0% in a context of strong market growth in cellulose and collagen technologies and with the drive of New Business.

- APAC (14.5% of the total): Reported revenue of €47.4 million, 13.5% higher than 4Q21 and 10.3% on a like-for-like basis despite the moderation of the market in China due to COVID-19-related policies.

- South America (12.5% of the total): Revenue amounted to €40.9 million, up 38.6% vs 4Q21 and 19.9% in like-for-like terms, driven by the commercial recovery in Brazil and the increase in casings demand in the region.

In the year to December 2022, revenue increased by 23.9% to €1,201.0 million. Of this, revenue from the Traditional Business contributed €963.1 million (+19.2% vs 2021) driven by volume growth in all casing technologies and a higher price mix, and revenue from New Business contributed with €144.5 million, +23.4% year-on-year. Furthermore, energy sales amounted to €93.5 million, +111.9% compared to 2021.

On a like-for-like basis, revenue increased 16.2% vs 2021, i.e. excluding the positive contribution of +7.7 p.p. from currency changes, mainly due to the appreciation of the US$ against the Euro.

The geographical breakdown of revenue in 2022 is as follows:

- EMEA (42.2% of the total): Reported revenue amounted to €507.4 million, 24.4% higher than in 2021 and 22.0% higher on a like-for-like basis.

- North America (30.8% of the total): Revenue amounted to €369.8 million, an increase of 25.5% with respect to 2021 and of 12.5% in like-for-like terms.

- APAC (14.1% of the total): Reported revenue of €168.8 million, 16.0% higher than in 2021 and 9.9% higher on a like-for-like basis.

- South America (12.9% of the total): Revenue amounted to €155.0 million, a growth of 27.8% compared to 2021 and 13.0% on a like-for-like basis.

Operating expenses

Consumption costs[5] in the fourth quarter grew by 36.6% to €111.2 million and by 37.5% in 2022 compared to 2021 to €389.3 million, mainly due to the sharp increase in the price of raw materials, natural gas used in co-generation, CO_2 emission allowances, and the strength of currencies against the €.

The gross margin[6] in 4Q22 was 66.1%, a decline of -2.3 p.p. vs 4Q21. In cumulative terms, the gross margin was 67.6%, a decrease of -3.2 p.p. vs 2021.

The average accumulated workforce to December 2022 is 5,317 people, 4.6% higher than in the same period of the previous year due to the hiring of personnel associated with the new production capacity.

This increase in headcount is accompanied by higher wage costs and the appreciation of the main currencies against the euro, bringing personnel expenses to €66.5 million in 4Q22 (up 15.4% vs. 4Q21) and to €262.2 million in 2022 (+13.4% vs 2021).

[5] Consumption costs = Net purchases +/- Changes in inventory of finished goods and work in progress.
[6] Gross margin = (Revenue - Consumption costs) / Revenue.

Other operating expenses in 4Q22 increased by 25.3% to €74.2 million, moderating compared to previous quarters, with a lower increase in energy supply expenses (+15.7% vs 4Q21) and transport expenses (+24.0% on 4Q21).

In cumulative terms, other operating expenses amounted to €291.0 million, an increase of 33.1% compared to 2021. Of this, energy supply expenses increased by 52.6% vs 2021 and transport expenses by 38.7% vs 2021.

Operating profit

Quarterly EBITDA grew by 25.2% to €76.6 million, setting a quarterly record high thanks to volume growth, higher selling prices, cogeneration in Spain, and favourable forex evolution, offsetting the rise in production costs. The EBITDA margin for the quarter was 23.4% (23.7% in 4Q21).

Stripping-out exchange rate changes, like-for-like EBITDA in 4Q22 grew by 11.5%.

In FY2022, reported EBITDA grew by 8.3% to €267.2 million with an EBITDA margin of 22.2% vs 25.4% in 2021. Excluding exchange rate changes, comparable EBITDA in 2022 declines by -4.4% vs 2021.

Depreciation and amortisation expense in 4Q22 increased by 13.0% vs 4Q21 to €20.4 million and in 2022 by 8.1% to €78.1 million due to the higher level of tangible assets brought on stream in the last two years.

As a result, Operating Profit for the fourth quarter increased by 30.3% to €56.2 million, leading the cumulative figure to December 2022 to €189.0 million (+8.4% vs 2021).

Financial result

In the fourth quarter of 2022, the net Financial Result was negative with -€10.7 million due to negative exchange rate differences of -€10.6 million from the impact of forex changes, mainly due to the sharp appreciation of the € against the US$ in December. This compares to a positive net financial result of +€2.0 million in 4Q21, a period in which exchange rate differences were positive with +€2.0 million.

Thus, in the cumulative period to 2022, the net financial result was negative with -€5.2 million with negative exchange rate differences of -€5.0 million, which compares to a positive net financial result of +€2.0 million in 2021, a period in which exchange rate differences were positive with +€2.2 million.

Net profit

In cumulative terms, Profit before tax at December 2022 stands at €183.8 million with a corporate income tax expense of €44.4 million (+2.2% vs. 2021), placing the effective tax rate at 24.1% (24.6% in the same period of the previous year).

Reported net profit in the fourth quarter grew by 3.3% to €34.3 million and in the year to December by 4.8% to €139.4 million.

Investment

A total of €125.6 million (€92.0 million in 2021) has been invested in projects to expand production capacity and to improve service to the market to meet the expected increase in demand.

During the year, new collagen casing production lines were installed at the plants in Spain, Serbia, China, Germany, and the US. In parallel, the upgrade of cellulose technology at the Danville plant in the US to improve the operation's production efficiencies is progressing according to plan, and in New Businesses, the new collagen hydrolysates capacity has been commissioned by the end of 2022 in line with the growth targets for this product.

The breakdown by type of investment in 2022 is as follows:

- 40% of the investment was earmarked for investments in capacity and machinery.
- 30% of the investment was earmarked for process improvements and new technology.
- 16% of the investment was earmarked for improvements in sustainability, including energy equipment and the optimisation of the installations in terms of safety, hygiene, and protecting the environment.
- The remaining 14% was spent on ordinary investments.

Investment in 2022 sets an all-time annual high for Viscofan and is above the €100 million guidance due to projects to adapt to the new environment (energy) and the anticipation of plans envisaged in the Beyond25 Strategy. All of this will imply a lower investment requirement in 2023.

Thus, at year-end 2022, the investment commitments are €4.2 million compared to €43.8 million at year-end 2021.

Dividends and Shareholder remuneration

The Board of Directors of Viscofan has agreed to propose to the General Shareholders' Meeting a distribution of profit that includes a final dividend of €0.54 per share, to be paid on 8 June 2023.

This will mean total shareholder remuneration out of 2022 profit of €1.95 per share, equivalent to a distribution of 64.6% of net profit. This is broken down as follows:

- An interim dividend of €1.40 per share (paid on 22 December 2022).
- A proposed final dividend of €0.54 per share (to be paid on 8 June 2023).
- A bonus of €0.01 per share for attending the General Shareholders' Meeting.

This proposal increases ordinary remuneration by 6.0% as compared to the €1.84 per share approved in the previous year.

Equity

The Group's equity at 2022 year-end amounted to €906.9 million, up 10.2% on the end of the previous year, due to the increased net profit and the decrease in the negative translation differences, originating from the consolidation of the subsidiaries whose currencies have appreciated significantly against the euro in 2022 (mainly Brazil and Mexico).

Treasury shares

At 31 December 2022, the company had 321,684 treasury shares representing 0.69% of the voting rights valued at €16.2 million.

During 2022, 129,811 treasury shares were delivered to Viscofan staff within the framework of the company's variable remuneration plans. Also in 2022, the Company acquired 234,500 treasury shares under the authorisation granted by the General Shareholders' Meeting on 25 May 2018.

At 31 December 2021, the company held a total of 216,995 treasury shares representing 0.47% of its voting rights, for a value of €10.5 million.

Financial liabilities

Net bank debt at December 2022 is €101.3 million, up from €1.8 million at December 2021 due to increased investments, shareholder remuneration, and higher working capital as a result of acceleration in revenue, higher raw material sourcing, and safety inventory increases in a context of tightening supply chains and start-up of investment projects.

The new accounting standard IFRS 16 entered into force on 1 January 2019 and stated that the majority of non-cancellable minimum operating leases should be recorded in the balance sheet as a right-of-use asset and a liability for the future payments to be made.

So, the breakdown for net financial debt is as follows:

	`Dec 2022	`Dec 2021	*Change*
Net Bank Debt *	101,264	1,754	5673.3%
Debts related to right-of-use assets	*10,490*	*13,892*	*-24.5%*
*Other net financial liabilities***	*29,859*	*22,806*	*30.9%*
Net Financial Debt	141,613	38,452	268.3%

* Net bank debt = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.
** Other net financial liabilities mainly consist of loans with an interest rate subsidised by entities like the CDTI and the Ministry of Economy, debt with fixed asset providers minus other current financial assets.

The net financial debt is the equivalent of 15.6% of the equity, with a leverage level that is sufficient to be able to attend to all Viscofan's liquidity needs.

Outlook for 2023

The Viscofan Group faces 2023 with growth prospects in the main financial figures, in revenue to grow between 9% and 12%, in EBITDA between 6% and 9% and in Net profit by between 10% and 15% supported by an investment of €75 million. Given the current currency situation, Viscofan has considered the average exchange rate of 1.07 US$/€.

Appendix 1. Financial tables

Viscofan Group profit and loss account. 4Q22 ('000 €)

	Oct-Dec' 22	Oct-Dec' 21	*Change*
Revenues	**327,669**	**257,825**	**27.1%**
Other operating income	523	2,101	-75.1%
Self-constructed assets	106	65	63.1%
Variation in stocks of finished products and work-in-progress	8,162	-1,736	c.s
Net purchases	-119,338	-79,624	49.9%
Personnel expenses	-66,470	-57,576	15.4%
Other operating expenses	-74,169	-59,212	25.3%
Capital grants	47	81	-42.0%
Impairments	23	85	-72.9%
Results coming from disposals of non-current assets	2	-866	c.s
Other results	0	0	n.s.
EBITDA	**76,555**	**61,143**	**25.2%**
EBITDA margin	*23.4%*	*23.7%*	*-0.3 p.p.*
Amortization and depreciation	-20,352	-18,004	13.0%
Operating profit	**56,203**	**43,139**	**30.3%**
Operating profit margin	*17.2%*	*16.7%*	*0.5 p.p.*
Financial incomes	271	218	24.3%
Financial expenditures	-373	-201	85.6%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	-10,614	1,990	c.s
Impairment and results coming from disposals of financials assets	-17	2	c.s
Result from disposal of financial instruments	0	0	n.s.
Financial results	**-10,733**	**2,009**	**c.s**
Profit from associated companies	0	0	n.s.
Profit before taxes	**45,470**	**45,148**	**0.7%**
Taxes	-11,138	-11,903	-6.4%
Profit after taxes from continued operations	**34,332**	**33,245**	**3.3%**
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	**34,332**	**33,245**	**3.3%**
a) Net profit attributable to the parent comany	34,332	33,245	3.3%
b) Net profit attributable to minority interests	0	0	n.s.

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Viscofan Group profit and loss account. 2022FY ('000 €)

	Jan-Dec' 22	Jan-Dec' 21	*Change*
Revenues	1,201,028	969,237	23.9%
Other operating income	7,978	10,900	-26.8%
Self-constructed assets	386	255	51.4%
Variation in stocks of finished products and work-in-progress	38,723	5,506	603.3%
Net purchases	-428,030	-288,724	48.2%
Personnel expenses	-262,188	-231,250	13.4%
Other operating expenses	-290,966	-218,526	33.1%
Capital grants	200	354	-43.5%
Impairments	1	64	-98.4%
Results coming from disposals of non-current assets	41	-1,146	c.s
Other results	0	0	n.s.
EBITDA	267,173	246,670	8.3%
EBITDA margin	*22.2%*	*25.4%*	*-3.2 p.p.*
Amortization and depreciation	-78,147	-72,281	8.1%
Operating profit	189,026	174,389	8.4%
Operating profit margin	*15.7%*	*18.0%*	*-2.3 p.p.*
Financial incomes	1,194	628	90.1%
Financial expenditures	-1,370	-781	75.4%
Changes in reasonable value of financial instruments	0	0	n.s.
Exchange differences	-5,044	2,182	c.s
Impairment and results coming from disposals of financials assets	-17	2	c.s
Result from disposal of financial instruments	0	0	n.s.
Financial results	-5,237	2,031	c.s
Profit from associated companies	0	0	n.s.
Profit before taxes	183,789	176,420	4.2%
Taxes	-44,359	-43,423	2.2%
Profit after taxes from continued operations	139,430	132,997	4.8%
Profit after taxes from interrupted operations	0	0	n.s.
Net profit	139,430	132,997	4.8%
a) Net profit attributable to the parent comany	139,430	132,997	4.8%
b) Net profit attributable to minority interests	0	0	n.s.

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Consolidated balance sheets ('000 €) - ASSETS

	Dec'22	Dec '21	Change
Intangible assets	20,886	20,138	3.7%
Goodwill	3,237	2,959	9.4%
Others intangible asset	17,649	17,179	2.7%
Tangible assets	571,824	512,235	11.6%
Real state investments	0	0	n.s.
Investment accounting ussing the equity method	0	0	n.s.
Non-current financial assets	4,344	3,272	32.8%
a) At fair value through profit and loss	1,521	1,121	35.7%
Of which "Designated upon initial recognition"	1,521	1,121	35.7%
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	2,823	2,151	31.2%
Non-current derivatives	342	51	570.6%
Cash flow hedges	342	51	570.6%
Others	0	0	n.s.
Deferred tax assets	26,793	26,639	0.6%
Other non-current assets	0	0	n.s.
NON-CURRENT ASSETS	624,189	562,335	11.0%
Non-current assets held for sale	0	0	n.s.
Inventories	381,788	303,380	25.8%
Trade and other receivables	282,439	205,449	37.5%
Trade debtors	233,558	174,578	33.8%
Other debtors	42,741	28,215	51.5%
Current tax assets	6,140	2,656	131.2%
Current financial assets	1,582	837	89.0%
a) At fair value through profit and loss	736	753	-2.3%
Of which "Designated upon initial recognition"	736	753	-2.3%
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	846	84	907.1%
Current derivatives	3,476	2,258	53.9%
Cash flow hedges	3,214	204	1475.5%
Others	262	2,054	-87.2%
Other current assets	0	3,183	n.s.
Cash and cash equivalents	51,193	91,352	-44.0%
CURRENT ASSETS	720,478	606,459	18.8%
TOTAL ASSETS	1,344,667	1,168,794	15.0%

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

	Dec'22	Dec '21	*Change*
Share capital	32,550	32,550	0.0%
Share issue premium	12	12	0.0%
Reserves	865,485	815,033	6.2%
Treasury shares	-16,181	-10,473	54.5%
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	139,430	132,997	4.8%
Less: Interim dividend	-64,644	-64,880	-0.4%
Other equity instruments	1,388	2,912	-52.3%
SHAREHOLDER´S FUNDS	**958,040**	**908,151**	**5.5%**
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	-51,170	-85,375	-40.1%
Hedge transactions	2,558	467	447.8%
Currency translation differences	-53,728	-85,842	-37.4%
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	-51,170	-85,375	-40.1%
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	906,870	822,776	10.2%
Non-controlling interests	0	0	n.s.
EQUITY	906,870	822,776	10.2%
Grants	800	942	-15.1%
Non-current provision	22,308	29,369	-24.0%
Non-current financial liabilities	54,492	77,360	-29.6%
Bank debt	34,500	53,690	-35.7%
Other financial liabilities	19,992	23,670	-15.5%
Deferred tax liabilities	17,153	19,276	-11.0%
Non-current derivatives	3	0	n.s.
Cash flow hedges	0	0	n.s.
Others	3	0	n.s.
Other non-current liabilities	17,302	0	n.s.
NON-CURRENT LIABILITIES	112,058	126,947	-11.7%
Liabilities linked to non-current assets held for sale	0	0	n.s.
Current provisions	26,201	12,321	112.7%
Current financial liabilities	139,897	53,282	162.6%
Bank debt	117,957	39,418	199.2%
Other financial liabilities	21,940	13,864	58.3%
Trade and other payable accounts	159,191	147,866	7.7%
Trade creditors	99,698	90,379	10.3%
Other creditors	43,283	46,844	-7.6%
Current tax liabilities	16,210	10,643	52.3%
Current derivatives	450	1,342	-66.5%
Cash flow hedges	450	1,342	-66.5%
Others	0	0	n.s.
Other current liabilities	0	4,260	n.s.
CURRENT LIABILITIES	325,739	219,071	48.7%
TOTAL EQUITY AND LIABILITIES	1,344,667	1,168,794	15.0%

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Cash flow statement ('000 €)

	Jan-Dec' 22	Jan-Dec' 21	*Change*
Cash flows from operating activities	**120,729**	**221,300**	**-45.4%**
Profit for the year before tax	**183,789**	**176,420**	**4.2%**
Adjustments in results	**89,159**	**71,258**	**25.1%**
Amortisation and depreciation	78,148	72,281	8.1%
Others adjustments in results(net)	11,011	-1,023	c.s.
Changes in working capital	**-106,103**	**18,294**	**c.s.**
Other cash flows from operating activities	**-46,116**	**-44,672**	**3.2%**
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	-44,012	-43,273	1.7%
Proceeds/(payments) from operating activities	-2,104	-1,399	50.4%
Cash flows from investing activities	**-113,949**	**-94,677**	**20.4%**
Investment payments	**-115,566**	**-95,779**	**20.7%**
Group companies, associated & business units	0	0	n.s.
Acquisition of property, plant and equipment and intangible assets	-115,566	-95,779	20.7%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Cash from disposals	**423**	**474**	**-10.8%**
Group companies, associated & business units	0	0	n.s.
Disposal of property, plant and equipment and intangible assets	423	474	-10.8%
Other financial assets	0	0	n.s.
Other assets	0	0	n.s.
Other cash flows from investing activities	**1,194**	**628**	**90.1%**
Dividends received	0	0	n.s.
Interest received	1,194	628	90.1%
Proceeds/(Payments) from interrupted operations	0	0	n.s.
Cash flows from financing activities	**-48,455**	**-90,936**	**-46.7%**
Proceeds and payments from equity instruments	**-12,231**	**-4,906**	**149.3%**
Proceeds from issue of stock	0	0	n.s.
Cancellation and payments	0	0	n.s.
Acquisition	-12,231	-4,906	149.3%
Disposal	0	0	n.s.
Proceeds and payments from financial liabilities instruments	**58,902**	**1,827**	**3124.0%**
Proceeds from issue of financial liabilities instruments	108,636	59,250	83.4%
Refund, cancellation and payments	-49,734	-57,423	-13.4%
Dividends paid and others payments from others equities instruments	**-84,517**	**-78,328**	**7.9%**
Others cash flows from financing activities	**-10,609**	**-9,529**	**11.3%**
Interest paid	-1,569	-887	76.9%
Others proceeds /(payments) from financing activities	-9,040	-8,642	4.6%
Effect of foreign exchange rate changes on collections and payments	**1,516**	**3,675**	**-58.7%**
Net increase (decrease) in cash and cash equivalents	**-40,159**	**39,362**	**c.s.**
Cash and cash equivalents at the begining of the period	**91,352**	**51,990**	**75.7%**
Cash and cash equivalent at the end of the period	**51,193**	**91,352**	**-44.0%**

Reporting exchange rates (Currency/€)

Average exchange rates (Currency/€)	2022	2021	% Change	End year (Currency/€) Dec 22	Dec 21	% Change
Euro	1.000	1.000	0.0%	1.000	1.000	0.0%
US Dollar	1.054	1.183	12.3%	1.067	1.133	6.2%
Canadian Dollar	1.370	1.483	8.2%	1.444	1.439	-0.3%
Mexican Peso	21.203	23.989	13.1%	20.856	23.144	11.0%
Brazilian real	5.439	6.381	17.3%	5.565	6.321	13.6%
Czech crown	24.560	25.648	4.4%	24.115	24.860	3.1%
British Pound	0.853	0.860	0.9%	0.887	0.840	-5.3%
Serbian Dinar	117.464	117.574	0.1%	117.322	117.582	0.2%
Chinesse yuan remminbi	7.071	7.638	8.0%	7.423	7.220	-2.7%
Uruguayan Peso	43.444	51.532	18.6%	42.740	50.622	18.4%
Australian Dollar	1.517	1.575	3.8%	1.574	1.561	-0.9%
New Zealand Dollar	1.659	1.682	1.4%	1.684	1.658	-1.5%
Thai baht	36.862	37.815	2.6%	36.835	37.653	2.2%

Appendix 2. Alternative Performance Measures

The Viscofan Group has included in this report various Alternative Performance Measures (hereinafter APMs), as established in APM Guidelines published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es) and adopted by the National Securities Market Commission (the CNMV).

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

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

The APMs included in this report are as follows:

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

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

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

- Like-for-like revenue and EBITDA: This measure excludes the impact of exchange rate variations on the comparable previous period and the non-recurring impacts of the business 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.

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You can consult all the information corresponding to the results on the web page of the Viscofan Group.

Disclaimer

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

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

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

The financial statements contained in this document have been prepared under International Financial Reporting Standards (IFRS). This financial statement has not been audited and consequently is susceptible to potential future modifications.