

## 17. Derivative financial instruments

The breakdown of balances, which include the values of the derivative financial instruments at 31 December 2023 and 2022, is as follows:

	Thousands of euros							
	2023				2022			
	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	292	0	50	3
Raw material hedges	0	0	0	0	0	0	0	0
<b>Non-current financial instruments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>292</b>	<b>0</b>	<b>50</b>	<b>3</b>
Exchange rate insurance	1,348	0	782	43	2,789	0	262	450
Raw material hedges	2,2	0	0	0	425	0	0	0
Interest rate hedges	0	0	0	0	0	0	0	0
<b>Current financial instruments</b>	<b>3,548</b>	<b>0</b>	<b>782</b>	<b>43</b>	<b>3,214</b>	<b>0</b>	<b>262</b>	<b>450</b>
<b>Total</b>	<b>3,548</b>	<b>0</b>	<b>782</b>	<b>43</b>	<b>3,506</b>	<b>0</b>	<b>312</b>	<b>453</b>

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	782	3,548	4,33	4,33
<b>Total Financial Assets as at 31 December 2023</b>	<b>782</b>	<b>3,548</b>	<b>4,33</b>	<b>4,33</b>
Non-current derivatives	0	0	0	0
Current derivatives	43	0	43	43
<b>Total Financial Liabilities as at 31 December 2023</b>	<b>43</b>	<b>0</b>	<b>43</b>	<b>43</b>

	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	50	292	342	342
Current derivatives	262	3,214	3,476	3,476
<b>Total Financial Assets as at 31 December 2022</b>	<b>312</b>	<b>3,506</b>	<b>3,818</b>	<b>3,818</b>
Non-current derivatives	3	0	3	3
Current derivatives	450	0	450	450
<b>Total Financial Liabilities as at 31 December 2022</b>	<b>453</b>	<b>0</b>	<b>453</b>	<b>453</b>

### 17.1. 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.

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.

During fiscal year 2023, the Company entered into gas hedging contracts for the period from February 2024 to January 2025 for a total of 285,000 MWh.

The Group did not enter into any gas hedging contracts in 2022.

## **17.2. 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 2023 and 2022. 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 2023 and 2022 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 2023 and 2022, is as follows:

	Thousands of euros	
	2023	2022
US dollar	49,5	104,25
Pounds Sterling	—	750
Canadian Dollar	—	3
Brazilian Real	—	5,25