



2.5

Economic and financial pillar

2.5.1. Stock market performance

Stock markets and Viscofan's performance

In 2023, the world economy has exceeded the initial expectations ⁽⁵⁾, which predicted of a greater slowdown in growth, and is making moderate progress in the recovery after the impacts of the Covid-19 pandemic, the war in Ukraine, and the cost of living crisis.

However, despite this positive surprise, economic growth has slowed down again for another year and the outlook for 2024 points to a continuation of this trend⁽⁶⁾ in a context marked by war and geopolitical tensions, and the impact of inflation and high interest rates on the disposable income of families and companies.

Precisely to reverse these inflationary tensions, the European Central Bank and the Fed in the USA have pursued policies aimed at reducing their balance sheets and raising interest rates.

Price change indicators, which began the 2023 financial year at very high levels, have progressively slowed their increases in this environment of contractionary monetary policies by central banks and as global supply chains have rebalanced after the strong imbalances experienced in previous years.

In terms of exchange rates, the Euro has appreciated against the US dollar after a 2022 revaluation of the North American currency due to its nature as a safe haven currency, which reached parity against the European currency.

The main stock market indices have closed the year 2023 with increases, recovering from the decreases of the previous year, driven largely by better-than-expected global economic growth, and the announcements by the Fed and the European Central Bank of the end of the increases in interest rates due to the slowdown in inflation in the last months of the year. In the United States, the S&P 500 index gained 24.2% in 2023, and in Europe the Euro Stoxx 600 gained 12.7%, the German DAX gained 20.3%, and in Spain the Ibex 35 gained 22.8%.

In particular, the food sector, of which Viscofan is a member both in Spain (Consumer Goods segment, Food subsector) and in Europe (Euro Stoxx Food and Beverage), has decreased by -3.2% and - 3.0%, respectively, impacted by the inventory reduction movement in part of the sector and uncertainty of demand due to the impact on households' disposable income of inflation and interest rate increases.

The casings industry and Viscofan have not been immune to this trend, which has resulted in a decline in market volumes, leading to Viscofan lowering its growth prospects in the publication of its third quarter results, in a year also marked by the high energy cost in the income statement. As a result of the above Viscofan's share price closed 2023 at €53.60, a decrease of 11.0%, and of 8.2% if the payment of dividends is considered.

(5) In its October 2022 report, the IMF report anticipated global GDP growth of +2.7% in 2023 compared to the +3.0% forecast in its October 2023 report.
(6) According to the IMF, global growth will moderate from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, well below the historical average (2000-19) of 3.8%.

**Average daily
market price**

€60.48

per share

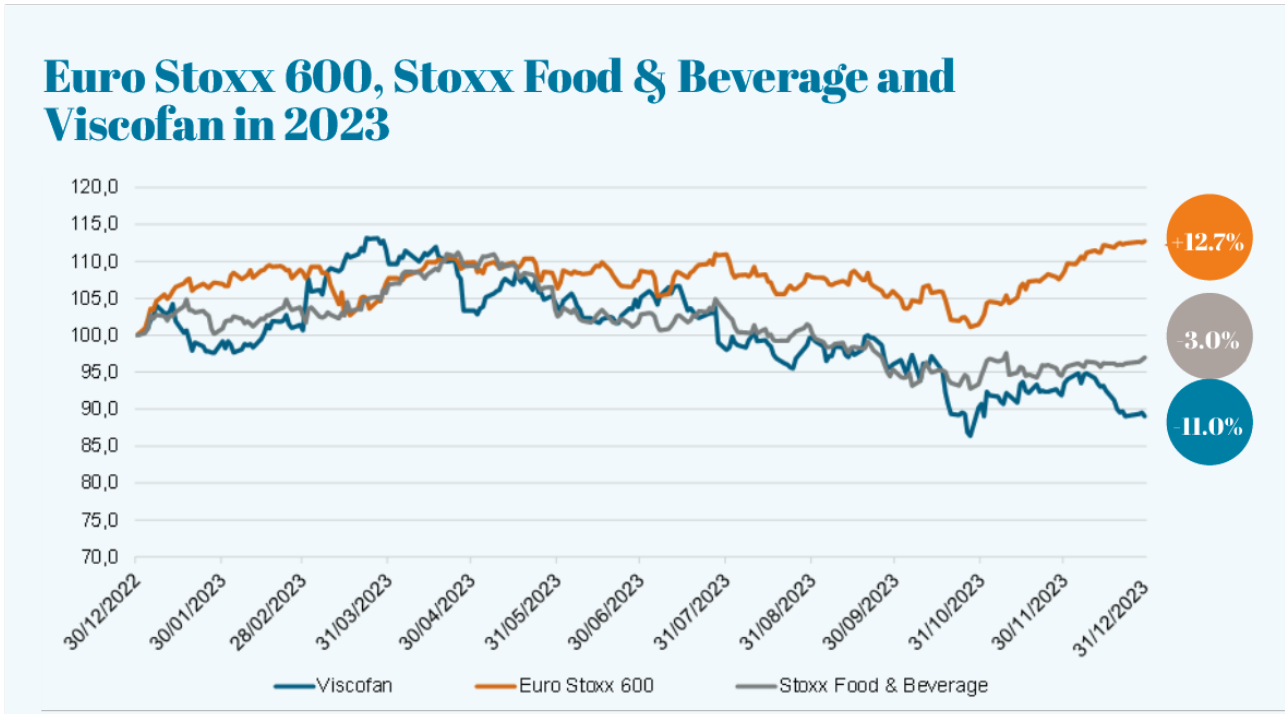
Capitalisation

€2,492

million at the end of
2023

The average daily market price in the year was €60.48 per share and Viscofan's market capitalisation stood at €2,492 million at the end of 2023.

In addition, nearly 11 million Viscofan shares were traded on the Spanish continuous market during the year, with cash traded of €663 million, equivalent to a daily average of €2.6 million.



Viscofan shares

Viscofan's share capital consisted of 46,500,000 shares of €0.70 par value each, of the same class and fully paid-in.

Viscofan's shares are admitted to trading on the Spanish stock markets, listed on the continuous market, since the company's exit from the stock market in December 1986.

It is listed on the Madrid Stock Exchange General Index (IGBM) and forms part of the Consumer Goods segment, within the Food subsector, the Ibex Mid Cap and at European level to the Euro Stoxx Food and Beverage index and the Stoxx Europe 600 index.

Since October 2023, Viscofan has been part of the IBEX ESG, the family of indices launched by BME (Spanish Stock Exchanges and Markets) to promote sustainability.

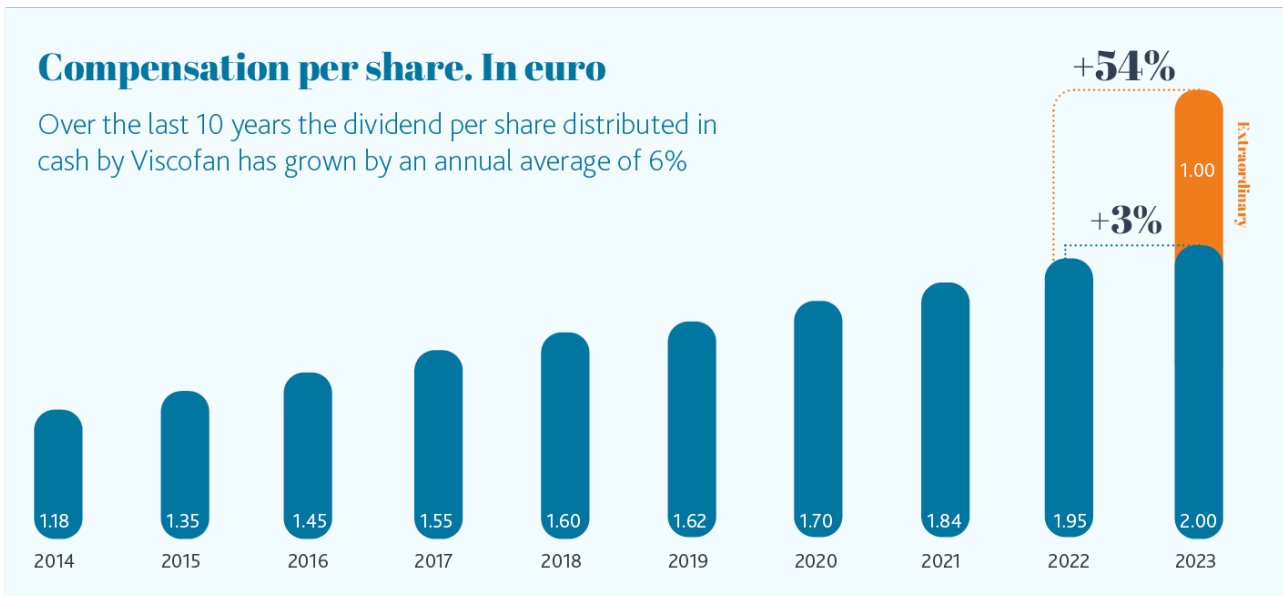
Dividend

Throughout the different strategic plans, the Viscofan Group has built a sound and flexible business model. This characteristic entails the creation of cash flows that allow investment projects to be carried out in order to improve value creation, which is shared with shareholders in cash and at the same time maintaining a sound balance sheet structure. In this respect, the Board of Directors of the Viscofan Group has resolved to propose to the General Shareholders' Meeting a profit distribution equivalent to a remuneration of €3.00 per share. Of which €2.00 per share - equivalent to the distribution of 65.6% of net profit - is of an ordinary nature, and €1.00 per share is of an extraordinary nature after completion of the first half of the Beyond25 strategic plan with higher than expected operating cash flows. Shareholder remuneration consists of:

- An interim dividend of €1.40 per share (paid on 20 December, 2023).
- The proposed ordinary final dividend of €0.59 per share and extraordinary final dividend of €1.00 per share under the optional dividend system in cash or shares "Viscofan Flexible Remuneration" in a lump sum payment expected in June 2024.
- A bonus of €0.01 per share for attending the General Shareholders' Meeting.

The proposed total and ordinary distribution are 53.8% and 2.6% higher than the previous year's remuneration of €1.95 per share, respectively.

Likewise, in terms of ordinary remuneration, over the last 10 years the dividend per share distributed in cash by Viscofan has grown by an annual average of 6% from €1.12 in 2013 to the €2.00 proposed by the Board of Directors against 2023 results. In terms of yield, the proposed ordinary dividend for 2023 represents 3.7% of the closing share price for the year.



Viscofan, its shareholders and investors

One of Viscofan's objectives, through its Department of Investor and Shareholder Relations, is to create value for the investor community by improving accessibility, the transparency of information and providing shareholders with relevant information of a financial and non-financial nature, on its strategy and on its operations to gain a better understanding of the company.

To ensure this information flow and to grant certainty to shareholders, markets and other stakeholders on the transparency and access to information, Viscofan has a Communication policy with shareholders, institutional investors, advisors on voting and economic-financial, non-financial and corporate information, defined in conformity with the good governance practices and recommendations applicable to listed companies.

Communication channels

Viscofan provides the investment community with a multitude of communication channels: presentations at seminars and events organised by the financial community, roadshows with institutional investors promoted by the company or by brokers, earnings presentations, the General Shareholders' Meeting, organised visits to Viscofan's head office, telephone calls to a dedicated investor and shareholder helpline, a special e-mail address, notifications and regular public information submitted to the CNMV (Spanish National Securities Market Commission).

Also, the information published on the website www.viscofan.com:

- In the Investor Relations section in which Viscofan makes the latest news, reports and quarterly presentations of results, annual report, share price performance and other information of interest, etc., available to the public.
- The Sustainability section details information on Viscofan's main commitments to the Sustainable Development Goals, sustainability indicators and the 2030 commitments set out in the Group's Sustainability Action Plan.
- Viscofan's Corporate Governance section publishes the information relating to the Board of Directors, committees, policies and regulations and other related information of interest.

Viscofan also maintains fluid communication with the financial markets, so that at the end of 2023 a total of 15 analysis companies, both national and international, are covering the company.

At the same time, Viscofan encourages direct or remote contact through face-to-face meetings with investors, both shareholders and non-shareholders interested in the company. In 2023, Viscofan held a total of 183 face-to-face or video-call meetings with investors – shareholders or otherwise – in the framework of seminars and events held by the financial community. In 2022, there were 253 meetings of this type.

The communication effort carried out throughout all these years has been recognised by the investment community. In 2023, Viscofan was recognised by Institutional Investor, in its Developed Europe Executive Team awards, as Best Investor Relations Professional and Best Investor Relations (IR) Team, within the Small/Mid Cap category of the Paper & Packaging sector. It was also mentioned in the top 3 for Best IR and ESG Programmes. In the All Caps category of the same sector, Viscofan came second in the awards for Best IR Professional and Best IR Team and came third in the awards for Best IR Programme.

Bidirectional communication is important, since the questions and concerns of the financial community are taken into account and transmitted within the company, such as financial, strategy, sustainability and corporate governance matters.

In 2023, the most frequently asked questions have been related to the impact of inventory reduction by customers, energy cost inflation, the evolution of New Businesses, sustainability projects at Viscofan, and shareholder remuneration, among others.



Key stock market data developments

	Period Beyond25	Period MORE TO BE					
	2022	2021	2020	2019	2018	2017	2016
Share price €							
Year-end	60,20	56,90	58,05	47,10	48,12	55,01	46,85
Maximum in the year	63,65	61,45	64,35	56,55	66,20	56,33	56,06
Minimum in the year	48,92	53,25	43,28	40,12	46,20	46,75	41,84

Viscofan's performance on the continuous market	Year-end 2022	Year-end 2021	Year-end 2020	Year-end 2019	Year-end 2018	Year-end 2017	Year-end 2016
% ann. change Viscofan	5,8%	-2,0%	23,2%	-2,1%	-12,5%	17,4%	-15,8%
% annual change IGBM	-4,8%	7,1%	-15,4%	10,2%	-15,0%	7,6%	-2,2%
% annual change IBEX 35	-5,6%	7,9%	-15,5%	11,8%	-15,0%	7,4%	-2,0%
% Annual Change Euro STOXX 600	-12,9%	22,2%	-4,0%	23,2%	-13,2%	7,7%	-1,2%
% Annual change IBEX Medium Cap	-7,4%	8,6%	-9,7%	8,4%	-13,7%	4,0%	-6,6%
% annual change Sub-Sector Food and Beverages IGBM	-0,7%	-1,6%	10,6%	1,8%	-8,4%	5,2%	-5,4%

Stock exchange trading data	2022	2021	2020	2019	2018	2017	2016
Capitalisation at year-end (Mn €)	2.799,3	2.645,9	2.699,3	2.190,2	2.242,6	2.563,7	2.183,4
Continuous market traded cash (Mn €)	763,3	1.135,8	1.561,8	1.230,5	1.669,1	1.995,2	2.707,1
Average per session (€Mn)	3,0	4,4	6,1	4,8	6,5	7,8	10,5
Traded shares	13.893.544	19.626.412	28.338.888	25.815.115	29.807.220	38.658.041	54.701.597
Daily average of traded shares	54.060	76.666	110.268	101.236	116.891	151.600	212.022

Ratios per share	Year-end 2022	Year-end 2021	Year-end 2020	Year-end 2019	Year-end 2018	Year-end 2017	Year-end 2016
Shares admitted to trading	46.500.000	46.500.000	46.500.000	46.500.000	46.603.682	46.603.682	46.603.682
Basic earnings per share (1)	3,02	2,87	2,63	2,27	2,66	2,62	2,68
Proposed ordinary remuneration per share (2)	1,95	1,84	1,70	1,62	1,60	1,55	1,45

(1) Basic earnings per share are calculated by dividing net earnings by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

(2) Includes the interim dividend, final dividend, return of share premium, return of capital contributions and the bonus for attendance at the General Meeting

2.5.2. Economic and management results



Among the strategic initiatives

include the implementation of a new converting plant in Thailand, which is expected to be commissioned before the end of 2024, and sustainability investments, particularly in the area of decarbonisation in Cáseda (Navarra).

Business performance

Market

In 2023, the estimated volume size of the casings market has shown a decrease in the region of 4%. The largest decline in the last twenty-four years caused by weak consumption in an environment of slower economic growth, significantly in emerging markets, and by the process of inventory adjustments in the sector.

Development of the Beyond25 strategic plan

In a context of rising energy costs, particularly natural gas in Spain, raw materials and labour costs, the Viscofan Group has implemented a generalised increase in selling prices to partially offset this inflation.

However, after a first few months where the market performed in line with expectations, an unprecedented adjustment process began to take place, which has resulted in a decline in volumes in absolute terms for the industry as a whole.

Viscofan has adjusted quickly to this market environment and, in the face of weak demand, has refocused its priorities on cost containment, production adjustments and inventory control, which has allowed it to improve operating margins and reduce working capital in the last quarter of the year.

This temporary market situation has not prevented the successful completion of major transformation initiatives in the United States with the implementation of new cellulosic casing technology in Danville and collagen in New Jersey. The production results of both projects were even higher than initially expected, although the expected synergies have not yet been achieved due to the lower sales volume as a result of both the market downturn and product adjustment problems during the transition, which have now been resolved.

Other strategic initiatives include the implementation of a new converting plant in Thailand, which is expected to be commissioned before the end of 2024, and sustainability investments, particularly in the area of decarbonisation in Cáseda (Navarra).

All in all, Viscofan closed the 2023 financial year with record highs in the main financial figures. Revenues grew by 2.1% year-on-year, EBITDA by 0.5% and net profit by 1.1%. Net bank debt stood at €138.0 million at year-end, 0.5 times EBITDA.

With the completion of the main organic transformation projects foreseen in the Beyond25 plan, the results have exceeded the achievement of the initially planned operating cash flows. Against this background, and taking into account the financial

strength and the expected expansion of future cash flows, the Board of Directors has approved to submit to the General Shareholders' Meeting a total remuneration of €3.00 per share for the 2023 financial year, an increase of 53.8% in shareholder remuneration compared to the previous year, consisting of an extraordinary remuneration of €1.00 per share, and an ordinary remuneration of €2.00 per share, 2.6% higher than the ordinary remuneration of the previous year, and equivalent to a distribution of 65.6% of the net profit.

Therefore, in addition to the interim dividend of €1.40 paid in December 2023, there will be an ordinary final dividend of €0.59 and an extraordinary final dividend of €1.00 to be paid in June under the optional dividend system in cash or shares "Viscofan Flexible Remuneration", which, together with an attendance bonus of €0.01, corresponds to an expected total remuneration for the financial year 2023 of €3.00 per share.

In turn, the Board of Directors has approved submitting to the General Shareholders' Meeting the possibility of flexible remuneration with which shareholders can decide whether they prefer to obtain new shares in a paid-up capital increase or cash remuneration. Furthermore, in order to avoid dilution of shareholders who do not participate in the capital increase, the Board plans to redeem the treasury shares necessary to keep the number of outstanding shares stable.

Revenue

€1,225.8 →

million

+2.1% vs. 2022

EMEA
43.3%

€531.3 million
+4.7% vs. 2022

APAC
12.9%

€158.5 million
-6.1% vs. 2022

North America
30.2%

€369.3 million
-0.1% vs. 2022

South America
13.6%

€166.7 million
+7.6% vs. 2022

Breakdown by type of business

Traditional Business

€985.3

million
+2.3% vs. 2022



Driven by an increase in the price mix which offset the decline in volumes.

New Businesses

€151.5

million
+4.9% vs. 2022



With functional solutions and value-added plastic packaging performing particularly well.

Energy sales

€89.0

million
-4.8% vs. 2022



This decrease is due to lower electricity sales prices, and limitations on the sale to the grid of electricity from cogeneration engines in specific periods of high electricity production in the Spanish electricity system.

Ebitda

€268.4

million

+0.5%

Net result

€141.0

million

+1.1%



New historical highs with year-on-year growth in terms of revenues, EBITDA and net income.

Investment

€77.5 →

million

Projects during the year included recurring maintenance investments, progress on the construction of a new cellulosic and collagen converting plant in Thailand, and investments in the converting phase in the Czech Republic.

	Accumulated				Fourth Quarter			
	Jan-Dec' 23	Jan-Dec' 22	Change	Like-for-like*	Oct-Dec' 23	Oct-Dec' 22	Change	Like-for-like*
Revenue	1.225.787	1.201.028	2,1%	4,2%	299.579	327.669	-8,6%	-5,5%
EBITDA	268.400	267.173	0,5%	7,9%	75.765	76.555	-1,0%	5,5%
EBITDA margin	21,9%	22,2%	-0,3 p.p.	0,8 p.p.	25,3%	23,4%	0,1 p,9	2,7 p.p.
Operating profit	184.686	189.026	-2,3%		54.194	56.203	-3,6%	
Net profit	140.962	139.430	1,1%		40.165	34.332	17,0%	

Revenue breakdown ('000 €)

	Jan-Dec' 23	Jan-Dec' 22	Change	Oct-Dec' 23	Oct-Dec' 22	Change
Traditional Business	985.305	963.089	2,3%	238.700	260.864	-8,5%
New Business	151.521	144.465	4,9%	35.038	39.887	-12,2%
Other revenue from energy	88.961	93.474	-4,8%	25.841	26.918	-4,0%
Revenue	1.225.787	1.201.028	2,1%	299.579	327.669	-8,6%

By geographical area

By geographical area	Jan-Dec' 23	Jan-Dec' 22	Change	Oct-Dec' 23	Oct-Dec' 22	Change
Europe, Middle East and Africa (EMEA)	531.317	507.404	4,7%	132.753	144.344	-8,0%
Asia Pacific (APAC)	158.467	168.837	-6,1%	44.999	47.429	-5,1%
North America	369.323	369.815	-0,1%	88.872	95.013	-6,5%
South America	166.680	154.972	7,6%	32.955	40.883	-19,4%
Revenue	1.225.787	1.201.028	2,1%	299.579	327.669	-8,6%

*Like-for-like: Like-for-like growth excludes the impact of exchange rate fluctuations in 2023 and the non-recurring operating profit expense of €1.9m due to production stoppages in the US in 3Q23 as a result of power outages caused by the utility company.

Revenue

Traditional Business

€985.3

million

+2.3% vs. 2022

New Businesses

€151.5

million

+4.9% vs. 2022

Energy sales

€89.0

million

-4.8% vs. 2022

Revenue:

In the year to December 2023, net revenues amounted to €1,225.8 million, an increase of 2.1% vs. 2022 and 4.2% excluding the impact of exchange rate changes.

In the Traditional Business, revenues grew by 2.3% to €985.3 million, driven by an increase in the price mix which offset the decline in volumes.

In New Businesses, revenues grew by 4.9% to €151.5 million, with functional solutions and value-added plastic packaging performing particularly well.

Conversely, energy sales, at €89.0 million, are 4.8% lower than in 2022. This decrease is due to lower electricity sales prices in the Spanish market, and limitations on the sale to the grid of electricity from cogeneration engines in specific periods of high electricity production in the Spanish electricity system.

The geographical breakdown of ⁽⁷⁾ net turnover in the year to December 2023 was as follows:

- EMEA (43.3% of the total): Reported revenues amounted to €531.3 million, 4.7% higher than in 2022 and 5.2% higher on a like-for-like basis.
- APAC (12.9% of the total): Reported revenues are €158.5 million, down 6.1% vs 2022 and 0.9% like-for-like, impacted by lower volumes in China and South East Asia.
- North America (30.2% of the total): Revenues amounted to €369.3 million, a decrease of 0.1%, while they grew by 2.8% on a like-for-like basis.
- South America (13.6% of the total): Revenues amounted to €166.7 million, a growth of 7.6% compared to 2022 and 10.1% on a like-for-like basis.

The weakness of the market has been especially significant in the fourth quarter, also impacting the evolution of the Group, whose net turnover in the fourth quarter of the year stood at €299.6 million, 8.6% below 4Q22. In addition to weak consumption in the quarter, particularly in the emerging markets of Brazil and Asia, and inventory reduction initiatives at customers, there were quality problems associated with the assurance plan during the technological migration in the US, which, although they have been resolved, caused the loss of sales in the US.

Excluding the effect of exchange rate movements, comparable revenues fell by 5.5% compared to the same quarter the previous year

Operating expenses

The 2023 financial year was marked by high natural gas prices in Spain, high raw material prices - particularly in the first half of the year - and wage inflation. In this context, operational activity has been focused on cost control in response to lower market demand and high costs.

In the year to December, consumer spending⁽⁸⁾ increased by 8.1% to €421.0 million with a gross margin⁽⁹⁾ of 65.7% (67.6% in 2022). The inflationary trend in raw materials has been reversing throughout the year, with some raw materials such as caustic soda and polyamides generating savings compared to the previous year. However, consumer spending in 4Q23 fell by 5.4% to €105.2 million, leaving the gross margin at 64.9%, down from 66.1% in 4Q22.

On a cumulative basis, personnel expenses for the 2023 financial year increase by 3.0% to €270.1 million, in a period in which the cumulative average headcount rises by 0.6% to 5,346. Personnel expenses in 4Q23 fell by 2.7% to €64.6 million.

Other operating expenses in the year to December were €280.9 million, a decrease of 3.5% compared to 2022. Of this, energy supply costs fell by 1.7% and transport costs by 25.6%. The better cost evolution is visible in the fourth quarter, where other operating expenses decreased by 17.9% to €60.9 million, supported by lower energy supply costs (-11.8% vs 4Q22) and transportation (-42.2% vs. 4Q22), in addition to short-term cost control measures that were implemented in the quarter.

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

(8) Consumption costs = Consumables +/- Changes in inventory of finished goods and work in progress.

(9) Gross margin = (Revenue - Consumption costs)/Revenue.

Geographic breakdown

EMEA

43.3%

€531.3 million

+4.7% vs. 2022

APAC

12.9%

€158.5 million

-6.1% vs. 2022

North America

30.2%

€369.3 million

-0.1% vs. 2022

South America

13.6%

€166.7 million

+7.6% vs. 2022

Operating profit

The reported EBITDA for 4Q23 stands at €75.8 million (-1.0% vs 4Q22) and in 2023 by €268.4 million (+0.5% vs 2022). On a like-for-like basis¹, EBITDA grew 5.5% in the quarter and 7.9% in the year to December.

In the fourth quarter, the reported EBITDA margin improved by +1.9 p.p. to 25.3% and by +2.7 p.p. to 26.1% on a like-for-like basis, reflecting the strength of Viscofan's business model, flexibility and ability to adapt to the adverse environment. In this regard, the improved sales price mix, savings from technological improvements and cost containment plans have offset strong cost inflation, lower operating leverage due to lower volumes and lower revenues from cogeneration energy.

On a cumulative basis, the reported EBITDA margin in 2023 was 21.9%, -0.3 p.p. lower than in 2022, while on a like-for-like basis, it improved by 0.8 p.p. vs the previous year to 23.0%.

Amortisation expense in 2023 increased by 7.1% to €83.7 million, giving rise to an operating result (EBIT) in 2023 of €184.7 million (-2.3% vs. 2022).

Financial position

In the full year 2023, net finance loss was -€15.8 million with negative exchange rate differences of -€9.7 million and with financial expenses increasing to €6.9 million. These figures compare with a net finance loss of -€5.2 million in 2022, a period in which exchange rate differences were negative with -€5.0 million and financial expenses €1.4 million.

Net profit

Profit before tax for the year to December 2023 is €168.9 million and the corporate income tax expense is €27.9 million, bringing the effective tax rate to 16.5%, lower than the 24.1% of the previous year as a result of the special tax deductions associated with the impact of COVID19 in China and the tax change in Brazil, which provides tax benefits for exporting companies.

All in all, the reported Net Profit in the fourth quarter was €40.2 million (+17.0% vs 4Q22) bringing the cumulative Net Profit to December 2023 to €141.0 million (+1.1% vs 2022).

Investment

A total of €77.5 million was invested in 2023, significantly below the €125.6 million in 2022 in response to a slower growth environment. Projects during the year included recurring maintenance investments, progress on the construction of a new cellulosic and collagen converting plant in Thailand, and investments in the converting phase in the Czech Republic.

The breakdown by type of investment in 2023 is as follows:

- 16% of the investment was earmarked for investments in capacity and machinery.
- 3% of the investment was earmarked for process improvements and new technology.
- 26% of the investment was earmarked for improvements in sustainability, including energy equipment and the optimisation of the installations in terms of security, hygiene, and protecting the environment.
- The remaining 55% was spent on ordinary investments.

At year-end 2023, the investment commitments are €28.9 million compared to €4.2 million at year-end 2022.

Dividends and shareholder remuneration

The Board of Directors of the Viscofan Group has resolved to propose to the General Shareholders' Meeting a profit distribution equivalent to a remuneration of €3.00 per share. Of which €2.00 per share - equivalent to the distribution of 65.6% of net profit - is of an ordinary nature, and €1.00 per share is of an extraordinary nature after completion of the first half of the Beyond25 strategic plan with higher than expected operating cash flows. Shareholder remuneration consists of:

- An interim dividend of €1.40 per share (paid on 20 December, 2023).
- The proposed ordinary final dividend of €0.59 per share and extraordinary final dividend of €1.00 per share under the optional dividend system in cash or shares "Viscofan Flexible Remuneration" in a lump sum payment expected in June 2024.

The proposed total and ordinary distribution are 53.8% and 2.6% higher than the previous year's remuneration of €1.95 per share, respectively



Equity

The Group's equity at year-end 2023 amounts to €957.8 million, 5.6% higher than at the end of the previous year, mainly due to the higher net profit for the current year and the increase in reserves due to the distribution of the net profit for the previous year.

Treasury shares

At 31 December 2023, the company had 419,095 treasury shares representing 0.90% of the voting rights valued at €21.7 thousand.

During the 2023, 15,389 treasury shares were delivered to Viscofan staff within the framework of the company's variable remuneration plans. Also in 2023, the Company acquired 112,800 treasury shares under the protection of the authorisation granted by the General Shareholders' Meeting on 27 April 2023.

At 31 December 2022, Viscofan, S.A. held a total of 321,684 treasury shares representing 0.69% of its voting rights, for a value of €16.2 million.

Financial liabilities

The net bank debt⁽¹⁰⁾ at year-end 2023 was €138.0 million, higher than the €101.3 million at year-end 2022 after payment of the interim dividend of €64.6 million in December 2023, and with a cash outflow in the year of €76.9 million for investments in tangible and intangible assets, €90.6 million for working capital and €5.5 million for treasury shares.

In addition, based on IFRS 16, which requires most non-cancellable operating leases to be recorded on the balance sheet as an asset for the right of use and a liability for the future amounts payable, the breakdown of Net Financial Debt is as follows:

(10) Net bank debt = Non-current bank debt + Current bank debt - Cash and cash equivalents.

	Dec 2023	Dec 2022	Change
Net Bank Debt *	137.963	101.264	36,2%
<i>Debts related to right-of-use assets</i>	<i>11.541</i>	<i>10.490</i>	<i>10,0%</i>
<i>Other net financial liabilities**</i>	<i>31.157</i>	<i>29.859</i>	<i>4,3%</i>
Net Financial Debt	180.661	141.613	27,6%

* Net bank debt = Non-current bank debt + Current bank debt - Cash and cash equivalents.

** Other net financial liabilities consisting mainly of loans with an interest rate subsidised by entities like the CDTI and the Ministry of Economy, as well as debt with netted fixed asset providers for other current financial assets.

The net financial debt is the equivalent of 18.9% of the equity, with a leverage level that is sufficient to be able to attend to all Viscofan's liquidity needs.

Outlook for 2024

Viscofan expects to continue to achieve record results with growth in the main financial figures of revenues, EBITDA and net income.

In this context, Viscofan expects to grow revenues by 3% to 5%, EBITDA by 8% to 12% and Net Profit by 10% to 15% in 2024 with an investment volume of around 65.

