



Viscofan

*Reshaping food and wellbeing.
For many, for long.*

Annual Report **2025**

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



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*Reshaping food and wellbeing.
For many, for long.*

Consolidated Financial
Statements for the year ended
December 31, 2025

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Audit Report: Annual
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Consolidated Management
Report



Consolidated Statement of Financial Position

(Thousands of euros)	Notes	Year	
		2025	2024
Intangible assets other than goodwill	5.1	25,978	21,594
Goodwill	5.2	13,612	10,785
Property, plant and equipment	6	541,776	553,876
Right-of-use assets	7.1	12,341	11,906
Other non-current financial assets	10	7,509	8,097
Deferred tax assets	17	58,024	39,190
Other non-current assets	9	834	–
Non-current assets		660,074	645,448
Inventories	8	386,859	398,954
Trade and other receivables	9	321,044	305,643
Current tax assets	17	8,557	869
Other current financial assets	10	974	945
Current derivatives	16	1,278	111
Cash and cash equivalents	11	62,790	55,143
Current Assets		781,502	761,665
Total Assets		1,441,576	1,407,113

Consolidated Statement of Financial Position

(Thousands of euros)	Notes	Year	
		2025	2024
Issued capital	12.1	32,550	32,550
Share premium	12.2	12	12
Other reserves	12.3	781,218	810,234
Own shares	12.4	-23,641	-35,045
Result of the year		159,917	157,019
Interim dividend	12.6	-22,344	-26,844
Valuation adjustments	12.5	-82	-706
Minority interests		5,422	4,551
Equity		933,052	941,771
Deferred income		4,425	3,381
Non-current provisions for employee benefits	13.1	20,989	19,145
Other non-current provisions	13	48	48
Non-current financial liabilities	15	53,067	63,776
Long-term debts for right-of-use assets	7.2	7,512	7,535
Deferred tax liabilities	17	28,634	24,796
Non-current liabilities		114,675	118,681
Current financial liabilities	15	251,008	174,229
Short-term debts for right-of-use assets	7.2	4,731	4,314
Current derivatives	16	–	3,199
Trade creditors and other accounts payable	14	103,388	126,164
Current tax liabilities	17	14,013	17,731
Other current provisions	13.2	20,709	21,024
Current Liabilities		393,849	346,661
Total Liabilities		508,524	465,342
Total Equity & Liabilities		1,441,576	1,407,113

Consolidated Income Statement

(Thousands of euros)	Notes	Year	
		2025	2024
Sales and provision of services	19.1	1,251,983	1,203,994
Changes in inventories of finished goods and work in progress		2,421	-19,939
Consumption of raw materials and consumables		-411,636	-370,472
Other operating income	19.2	21,740	13,850
Personnel expenses	19.3	-292,369	-274,278
Other operating expenses	19.4	-282,797	-267,402
Amortization expense of intangible assets	5.1	-5,737	-4,587
Depreciation of property, plant and equipment	6	-73,956	-73,364
Depreciation of right-of-use assets	7.1	-5,503	-5,843
Impairment and gain/loss on disposal of fixed assets		648	-419
Operating profit		204,794	201,540
Financial income	19.5	1,945	2,535
Financial expenses	19.5	-9,868	-10,370
Impairment losses on non-trade receivables	19.5	-480	-248
Exchange rate differences	19.5	-20,137	12,981
Profit before tax		176,254	206,438
Income tax expense	17	-17,784	-49,105
Profit for the year from continuing operations		158,470	157,333
Profit for the year		158,470	157,333
Profit attributable to the parent company		159,917	157,019
Profit attributable to minority interests		-1,447	314
Earnings per Share			
	Notes	2,025	2,024
Basic earnings per share		3.50	3.45
Basic profit (loss) from continuous operations	20	3.50	3.45
Diluted earnings per share		3.52	3.44
Diluted earnings (loss) per share from continuing operations	20	3.52	3.44

Consolidated Statement of Comprehensive Income

(Thousands of euros)	Notes	Year	
		2025	2024
Result of the year		158,470	157,333
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods, before tax			
Other comprehensive income, before tax, actuarial pension gains and losses	13.1	1,745	819
Total other comprehensive income that will not be reclassified in the result, before tax		1,745	819
Other comprehensive income that will be reclassified to profit or loss in subsequent periods, before tax			
Exchange rate differences in conversion			
Losses or gains on currency exchange differences from foreign transactions, before taxes	12.3	-25,970	-27,520
Other comprehensive income, before taxes, is exchange rate differences due to conversion		-25,970	-27,520
Cash flow hedges			
Gains (losses) from cash flow hedges, before taxes	12.5	890	-3,820
Other comprehensive income, before tax, cash flow differences		890	-3,820
Total other comprehensive income that will be reclassified in the result, before tax		-25,080	-31,340
Total other comprehensive income before taxes		-23,335	-30,521
Income tax relating to components of other comprehensive income that will not be reclassified into profit or loss			
Income tax related to new measurements of defined benefit plans included in other comprehensive income	13.1	-433	-362
Aggregate income tax relating to the components of other comprehensive income that will not be reclassified in the result		-433	-362
Income tax related to cash flow hedges included in other comprehensive income			
Income tax related to cash flow hedges included in other comprehensive income	12.5	-266	1,088
Aggregate income tax relating to the components of other comprehensive income that will be reclassified in the result		-266	1,088
Other comprehensive income		-24,034	-29,795
Comprehensive income		134,436	127,538
Comprehensive income attributed to the parent company		136,013	127,224
Comprehensive income attributed to minority interests		-1,577	314

2025		Consolidated Statement of Changes in Equity								
		Equity								
(Thousands of euros)	Capital (Note 12.1)	Share premium (Note 12.2)	Reserves (Note 12.3)	Own shares (Note 12.4)	Profit for the year attributed to the parent company	Interim dividend (Note 12.6)	Valuation adjustments (Note 12.5)	Total parent company	Minority interests	Total
Opening balance as at January 1, 2025	32,550	12	810,234	-35,045	157,019	-26,844	-706	937,220	4,551	941,771
Changes in assets										
Total recognized income (expenses)	—	—	-24,528	—	159,917	—	624	136,013	-1,577	134,436
Distribution of dividends	—	—	—	—	—	-22,344	—	-22,344	—	-22,344
Distribution of the previous year's profit	—	—	52,262	49,113	-157,019	26,844	—	-28,800	—	-28,800
Purchase of own shares	—	—	-232	-93,752	—	—	—	-93,984	—	-93,984
Delivery of treasury shares (Flexible dividend)	—	—	-48,394	48,394	—	—	—	—	—	—
Other distributions of treasury shares (Employee remuneration)	—	—	-9,449	7,649	—	—	—	-1,800	—	-1,800
Transactions with non-controlling stakes	—	—	—	—	—	—	—	—	2,448	2,448
Expenses related to share-based payments	—	—	1,247	—	—	—	—	1,247	—	1,247
Other changes	—	—	78	—	—	—	—	78	—	78
Total increase (decrease) in equity	—	—	-29,016	11,404	2,898	4,500	624	-9,590	871	-8,719
Final balance as at December 31, 2025	32,550	12	781,218	-23,641	159,917	-22,344	-82	927,630	5,422	933,052

2024

Consolidated Statement of Changes in Equity

	Equity									Total
	Capital (Note 12.1)	Share premium (Note 12.2)	Reserves (Note 12.3)	Own shares (Note 12.4)	Profit for the year attributed to the parent company	Interim dividend (Note 12.6)	Valuation adjustments (Note 12.5)	Total parent company	Minority interests	
(Thousands of euros)										
Opening balance as at January 1, 2024	32,550	12	868,456	-21,671	140,962	-64,563	2,026	957,772	–	957,772
Changes in assets										
Capital subscriptions (Additions/Deletions)	–	–	–	–	–	–	–	–	–	–
Total recognized income (expenses)	–	–	-27,063	–	157,019	–	-2,732	127,224	314	127,538
Distribution of dividends	–	–	–	–	–	-26,844	–	-26,844	–	-26,844
Distribution of the previous year's profit	–	–	4,692	38,488	-140,962	64,563	–	-33,219	–	-33,219
Purchase of own shares	–	–	–	-90,716	–	–	–	-90,716	–	-90,716
Delivery of own shares	–	–	-38,192	38,192	–	–	–	–	–	–
Other deliveries of own shares	–	–	–	662	–	–	–	662	–	662
Transactions with non-controlling stakes	–	–	–	–	–	–	–	–	4,237	4,237
Expenses related to share-based payments	–	–	2,603	–	–	–	–	2,603	–	2,603
Other changes	–	–	-262	–	–	–	–	-262	–	-262
Total increase (decrease) in equity	–	–	-58,222	-13,374	16,057	37,719	-2,732	-20,552	4,551	-16,001
Final balance as at December 31, 2024	32,550	12	810,234	-35,045	157,019	-26,844	-706	937,220	4,551	941,771

Consolidated Statement of Cash Flows

(Thousands of euros)	Notes	Year	
		2025	2024
Profit from the year after taxes		158,470	157,333
Adjustments for income tax expense	17	17,784	49,105
Adjustment for reduction (increase) in inventories		-709	35,919
Adjustment for reduction (increase) in accounts receivable		-24,319	-41,828
Adjustment for (reduction) increases in accounts payable		-24,905	-2,953
Adjustment for amortization expenses		85,196	83,794
Variation in provisions		-3,289	-6,590
Adjustment for impairment of fixed assets	6	-708	—
Adjustment for impairment of financial instruments	19.5	480	—
Interest income adjustment	19.5	-1,945	-2,535
Adjustment for interest expense	19.5	9,868	10,370
Net exchange differences	19.5	20,137	-12,981
Share-based payments		6,775	2,001
Other adjustments		46	-41
Adjustments to reconcile the result before tax with net cash flows		84,411	114,261
Net cash flows from (used in) operations		242,881	271,594
Income tax payments	17	-46,366	-34,821
Contributions and other payments, corresponding to pension plans		-1,146	-951
Net cash generated from operating activities		195,369	235,822
Acquisition of subsidiaries, net of cash acquired	2.1	-8,948	-7,213
Payments for the acquisition of PP&E and intangible fixed assets		-80,447	-75,027
Collections from sales of fixed assets		81	625
Interest charged		1,944	2,535
Net cash from investing activities		-87,370	-79,080
Proceeds from borrowings	12.1	218,477	170,879
Repayment of borrowings	12.1	-153,962	-158,841
Acquisition of own shares		-93,984	-90,716
Dividends paid to shareholders of the parent company		-51,144	-60,063
Interest paid	12.1	-8,881	-9,726

Lease payments for right-of-use assets	12.1	-5,503	-5,843
Other financial liabilities (net)		-1,163	1,597
Net cash from financing activities		-96,160	-152,713
Net increase (decrease) in cash and cash equivalents before the effect of exchange rate changes		11,839	4,029
Effect of exchange rate variations on cash or cash equivalents		-4,192	-882
Net increase (decrease) in cash and other equivalent liquid assets		7,647	3,147
Cash and other liquid assets equivalent to January 1	11	55,143	51,996
Cash and cash equivalents as at December 31	11	62,790	55,143

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1. Nature and Main Activities

Viscofan, S.A. (hereinafter the Company or the Parent Company), was incorporated in Spain as a Public Limited Company, for an indefinite period, on October 17, 1975 with the name of Viscofan, Industria Navarra de Envolturas Celulósicas, S.A. The General Shareholders' Meeting dated June 17, 2002 changed its name to the current one.

For the purposes of the provisions of Articles 73 et seq., in relation to Article 71, of Law 3/2009, of April 3, on structural modifications of corporate enterprises, the Board of Directors of Viscofan, S.A. and the Board of Directors of Viscofan España, S.L.U., on February 25, 2021, proceeded to draft and sign a joint segregation project by virtue of which the Company segregated a part of its assets that constitutes an autonomous economic unit and transferred it en bloc to Viscofan España S.L.U., which became the universal successor to those assets and liabilities.

Prior to the spin-off and contribution of the business line described above, the company's main activity consisted of the manufacture, distribution, and sale of all types of food-grade packaging and films; collagen-based products for food and bioengineering applications; and the production of electricity for sale to third parties through cogeneration systems. Following the spin-off, the company's main activity is the acquisition, holding, enjoyment, general management, and sale of all types of securities and other marketable instruments.

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

The Company is also the head of a group of companies (the Viscofan Group or the Group) that carry out their activity mainly in the manufacture, distribution and marketing of all types of casings and films for food use; collagen-based products for food use and bioengineering; and the production of electricity for sale to third parties through cogeneration systems.

All of Viscofan, S.A.'s shares have been admitted to trading since 1986 and are traded on the continuous market.

The Consolidated Financial Statements of the Group for 2024 were approved by the General Shareholders' Meeting held on April 29, 2025.

The Directors of the Parent Company estimate that these consolidated financial statements for 2025, which were prepared on February 26, 2026, will be approved by the General Shareholders' Meeting without any modification.

2. The Viscofan Group

2.1. Business Combinations

- In 2025

In February 2025, Viscofan do Brasil, soc. com. e ind. Ltda. acquired 51% of Pet Mania Comércio Internacional Ltda, a Brazilian company dedicated to the production and marketing of “pet treats” (animal-based treats for pets), for a cash amount of 34 million Brazilian reais (5,575 thousand euros), of which 28 million Brazilian reais were contributed to the Brazilian company.

The amounts recognized following the valuation process carried out by an independent expert at the acquisition date of the assets, liabilities and contingent liabilities at their fair value have been the following:

Thousands of euros	<i>Pet Mania Comercio Internacional Ltda</i>
Intangible fixed assets (Note 5.1)	2,299
Property, plant and equipment (Note 6)	3,152
Inventories	2,128
Other financial assets	7
Debtors	6,311
Cash and cash equivalents	1,858
Total assets	15,755
Provisions	–
Non-current financial liabilities	1,448
Current financial liabilities	2,775
Accounts payable	5,263
Deferred tax liabilities	1,288
Total liabilities	10,774
Total identifiable net assets (51%)	2,540
Purchase price	5,575
Goodwill (Note 5.2)	3,035

The main addition of intangible fixed assets relates to the brand (2,209 thousand euros, Note 5.1) with an estimated useful life of 8 years.

The amount of the minority interest in Pet Mania Comércio Internacional Ltda recognized on the acquisition date is 2,448 thousand euros based on the proportional valuation criterion.

The net assets identified after the valuation process are presented after the contribution of 28 million Brazilian reais to the company and their partial use. The cash acquired in the transaction is 235,000 euros.

For the period between 1 March 2025 and 31 December 2025, the acquired business contributed revenue of €7,697 thousand and a net loss of €1,334 thousand to the Group, of which €654 thousand corresponds to minority shareholders. Had the acquisition taken place on 1 January 2025, revenue would have been €10,306 thousand and the net loss contributed €2,783 thousand, of which €1,364 thousand would have corresponded to minority shareholders, for the year ending 31 December 2025.

In October 2025, Pet Mania Comércio Internacional Ltda constituted Petcofan USA, Inc., registered in the state of Delaware, USA, whose corporate purpose is the import, distribution, and sale of pet treats. The contributed capital is 1,991 US dollars.

In November 2025, Viscofan CZ, s.r.o. acquired Průmyslová s.r.o., a company specializing in the rental of real estate, including apartments and non-residential premises. The purchase price was 10,000 Czech koruna.

- In 2024

On June 5, 2024, the legal liquidation of Jupiter PTY LTD was registered with the Australian Securities & Investments Commission.

On September 19, 2024, through its subsidiary Viscofan do Brasil, soc. com. e ind. Ltda., the purchase of 60% of Brasfibra Industria e Comercio de Derivados do Couro Ltda. and Master Couros Industria e Comercio de Derivados do Couro Ltda. was finalized for 88 million Brazilian Reais (14.4 million euros), with 25% due at the end of 2025 and 50% due at the end of 2024. Both companies are located in São Sebastião do Paraíso, Brazil. Brasfibra is dedicated to the production of high-quality bovine collagen products (collagen hydrolysates, collagen fiber, and products for the animal feed sector). Master Couros specializes in the processing of bovine hides, which it supplies to Brasfibra.

The amounts recognized after the valuation process carried out by an independent expert of the assets, liabilities and contingent liabilities, as well as the provisional amounts recognized in the financial statements for 2024 and the difference due to the restatement of the balances as at December 31, 2024 in accordance with accounting standards, have been the following:

Thousands of euros	Master Couros Industria e Comercio de Derivados do Couro Ltda.		Brasfibra Industria e Comercio de Derivados do Couro Ltda		Difference
	31.12.24 restated	31.12.24 (*)	31.12.24 restated	31.12.24 (*)	
Intangible fixed assets (Note 5.1)	592	—	2,880	—	3,472
Property, plant and equipment (Note 6)	412	54	6,281	1,614	5,025
Inventories	78	78	136	136	—
Other financial assets	—	—	—	—	—
Accounts receivable	1,246	1,246	2,711	2,204	507
Cash and cash equivalents	38	38	383	383	—
Total assets	2,366	1,416	12,391	4,337	9,004
Provisions	—	—	—	—	—
Non-current financial liabilities	—	—	—	—	—
Current financial liabilities	—	—	—	—	—
Accounts payable	1,206	1,047	934	934	159
Deferred tax liabilities	201	—	1,204	—	1,405
Total liabilities	1,407	1,047	2,138	934	1,564
Total identifiable net assets (60%)	575	221	6,152	2,042	7,440
Purchase price	1,639	1,639	12,788	12,788	—
Goodwill (Note 5.2)	1,064	1,418	6,636	10,746	-4,464

(*) Amounts provisionally included in the Consolidated Financial Statements for 2024.

The main additions of intangible fixed assets are those relating to customer portfolio (1,294 thousand euros), brand (910 thousand euros) and know-how (1,268 thousand euros), with useful lives of 12, 8 and 10 years, respectively (Note 5.1).

The amount of the minority interest in Brasfibra Industria e Comercio de Derivados do Couro Ltda. and Master Couros Industria e Comercio de Derivados do Couro Ltda. recognized on the acquisition date is 3,875 and 362 thousand euros, respectively, based on the proportional valuation criterion.

For the period between 1 October 2024 and 31 December 2024, the acquired business contributed ordinary income of €2,437 thousand and net profit of €785 thousand to the Group, of which €314 thousand was attributable to minority shareholders. Had the acquisition taken place on 1 January 2024, ordinary income would have been €9,158 thousand and net profit €3,120 thousand, of which €1,248 thousand would have been attributable to minority shareholders, for the year ending 31 December 2024.

VISCOFAN, S.A. AND SUBSIDIARIES

Consolidated Financial Statements for the year ended December 31, 2025

2.2. Viscofan Group Details as at December 31, 2025

Group companies	Percentage of ownership		Activity	Registered Office
	Direct	Indirect		
Koteks Viscofan, d.o.o.	100.00	–	Manufacturing, marketing and distribution of casings and films	Novi Sad (Serbia)
Viscofan DE GmbH	100.00	–	Manufacturing, marketing and distribution of casings and films	Weinheim (Germany)
Supralon Verpackungs AG	–	100.00	Industrial machinery rental (to the Group)/Other services	Chur (Switzerland)
Supralon Produktions und Vertriebs GmbH	–	100.00	Manufacturing, marketing and distribution of casings and films	Alfhausen (Germany)
Viscofan France SARL	–	100.00	Marketing and distribution of casings and films	Courcouronnes (France)
Vector Europe NV.	100.00	–	Marketing and distribution of casings and films	Hasselt (Belgium)
Vector Packaging Europe NV.	–	100.00	Manufacturing, marketing and distribution of casings and films	Hasselt (Belgium)
Viscofan Canada Inc.	–	100.00	Marketing and distribution of casings and films	Quebec (Canada)
Viscofan Centroamérica Comercial, S.A.	99.50	0.50	Marketing and distribution of casings and films	San José (Costa Rica)
Viscofan CZ, s.r.o.	100.00	–	Manufacturing, marketing and distribution of casings and films	České Budějovice (Czech Republic)
Průmyslová s.r.o.	–	100.00	Rental of real estate, apartments and non-residential premises	České Budějovice (Czech Republic)
Viscofan España SLU	100.00	–	Manufacturing, marketing and distribution of casings and films	Tajonar, Navarre (Spain)
Viscofan Globus Australia PTY Ltd	100.00	–	Marketing and distribution of casings and films	Bankstown (Australia)
Viscofan Globus New Zealand Ltd	100.00	–	Marketing and distribution of casings and films	Lower Hutt (New Zealand)
Viscofan Japan GK	100.00	–	Marketing and distribution of casings and films	Tokyo (Japan)
Viscofan de México S.R.L. of C.V.	99.99	0.01	Manufacturing, marketing and distribution of casings and films	San Luis Potosí (Mexico)
Viscofan do Brasil, soc. com. e ind. Ltda.	100.00	–	Manufacturing, marketing and distribution of casings and films	Sao Paulo (Brazil)
Brasfibra Industria e Comercio de Derivados do Couro Ltda.	–	60.00	Manufacturing and marketing of bovine collagen products	Sao Sebastiao do Paraíso (Brazil)
Master Couros Industria e Comercio de Derivados do Couro Ltda.	–	60.00	Treatment of bovine hides	Sao Sebastiao do Paraíso (Brazil)
Pet Mania Comércio Internacional Ltda	–	51.00	Production and marketing of “pet treats” (animal-based treats for pets),	Jundiaí, São Paulo (Brazil)
Petcofan USA, Inc.	–	51.00	Import, distribution and sale of pet treats	Delaware (USA)
Viscofan (Thailand) Co. Ltd.	100.00	–	Marketing and distribution of casings and films	Bangkok (Thailand)
Viscofan Technology (Suzhou) Co. Ltd.	100.00	–	Manufacturing, marketing and distribution of casings and films	Suzhou (China)
Viscofan UK Ltd.	100.00	–	Marketing and distribution of casings and films	Seven Oaks (United Kingdom)
Viscofan Uruguay, S.A.	100.00	–	Manufacturing, marketing and distribution of casings and films	Montevideo (Uruguay)
Viscofan USA Inc.	100.00	–	Manufacturing, marketing and distribution of casings and films	Montgomery, Alabama (USA)
Zacapu Power S.R.L. de C.V.	–	100.00	Electricity distribution	Zacapu, Michoacán (Mexico)

VISCOFAN, S.A. AND SUBSIDIARIES

Consolidated Financial Statements for the year ended December 31, 2025

2.3. Viscofan Group Details as at December 31, 2024

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

3. Basis of presentation

The consolidated financial statements for 2025 have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), in order to present a true and fair view of the consolidated equity and consolidated financial position of Viscofan, S.A. and subsidiaries as at December 31, 2025 and 2024 and of the consolidated results of its operations, its consolidated cash flows and the consolidated recognized income and expenses for the year then ended.

The consolidated financial statements have been prepared based on the accounting records of Viscofan, S.A. and the companies included in the Group. However, given that the accounting principles and valuation criteria applied in these consolidated financial statements differ from those used by the Group companies (where the regulations in force in each country apply), the consolidation process has included the necessary adjustments and reclassifications to adapt these principles and criteria to the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

The Group adopted the IFRS-EU on 1 January 2004 and applied IFRS 1 "First-time Adoption of International Financial Reporting Standards" on that date.

3.1. New and amended rules and interpretations

The accounting policies used in the preparation of these consolidated financial statements are the same as those applied in the consolidated financial statements for the year ended December 31, 2024.

The following amendment came into effect in 2025:

- IAS 21 (Amendment) "Lack of convertibility"

This modification has not had significant impacts on the Group's Consolidated Financial Statements.

The following modifications came into effect in 2024:

- IAS 1 (Amendment) "Classification of liabilities as current or non-current"
- IAS 1 (Amendment) "Non-current liabilities with conditions ("covenants")"
- IAS 7 and I 7 (Amendment) "Supplier Financing Arrangements"
- IAS 16 (Amendment) "Lease liability in a sale and leaseback"

These amendments did not have significant impacts on the Group's Consolidated Financial Statements.

3.2. Published standards not applicable

The Group intends to adopt the standards, interpretations and amendments issued by the IASB that are mandatory in the European Union at the date of preparation of these consolidated financial statements, when they come into force, if applicable.

3.3. Criteria used by the Group in those cases where the rule allows several options

International Financial Reporting Standards sometimes allow for more than one accounting treatment of a transaction. The criteria adopted by the Group for the most relevant transactions in this situation are as follows:

Capital grants can be recorded by reducing the cost of the assets for which they were granted or as deferred income, an alternative applied by the Group. They are recognized in profit or loss under "Other income".

Certain fixed assets may be valued at their market value or at their historical cost less, where applicable, depreciation and impairment losses. The latter is the criterion applied by the Viscofan Group.

3.4. Comparison of information

The consolidated financial statements present, for comparative purposes, with each of the items of the Consolidated Statement of Financial Position, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the Notes to the Consolidated Financial Statements, in addition to the consolidated figures for 2025, those corresponding to the previous year, except where an accounting standard specifically establishes that it is not necessary.

The Consolidated Statement of Financial Position, Consolidated Statement of Profit and Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for 2024 have been restated to reflect the final accounting treatment of the valuation process of assets, liabilities, and contingent liabilities carried out on the acquisition of Brasfibra Industria e Comercio de Derivados do Couro Ltda. and Master Couros Industria e Comercio de Derivados do Couro Ltda., see Note 2.1.

3.5. Accounting estimates and relevant assumptions and judgments in the application of accounting policies

The preparation of consolidated financial statements in accordance with IFRS-EU requires the application of relevant accounting estimates and the making of judgments, estimates and assumptions in the process of applying the Group's accounting policies.

The following describes the key assumptions regarding the future, as well as other key sources of uncertainty in the estimates as at the closing date, which carry a significant risk of requiring adjustments to the carrying amounts of assets and liabilities during the next reporting period. The Group based its assumptions and estimates on the parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future events may change due to market changes or circumstances beyond the Group's control. Such changes are reflected in the assumptions when they occur.

(a) Taxes

The subsidiary companies that make up the Group are individually responsible for their tax obligations in their respective countries.

The two companies in Navarre have been taxed under a consolidated tax regime since January 1, 2021.

The Group analyzes potential audits by the tax authorities of the respective countries and establishes provisions based on its best estimate. The amount of these provisions is based on various factors, such as experience from previous tax audits and differing interpretations of tax regulations by the Group and the relevant tax authority. These differences in interpretation can arise on a variety of issues depending on the conditions in the country where the affected Group company has its registered address. The Group's policy and guiding principle, which applies to all subsidiaries, is to apply conservative criteria in interpreting the different regulations in each country.

Deferred tax assets are recognized for all tax losses carried forward and other taxable temporary differences where a taxable benefit is probable. Determining the amount of deferred tax assets that can be recognized requires judgment by management, based on the probable timing and level of future taxable benefits, along with future tax planning strategies.

The limitation period for tax audits varies according to the tax legislation of each country, and the declarations cannot be considered final until their limitation period expires or their acceptance by the tax authorities.

The Directors of the parent company consider that the settlements of the aforementioned taxes have been properly carried out, so that, even if discrepancies arise in the interpretation of the current regulations regarding the tax treatment given to the operations, any resulting liabilities, if they materialize, would not significantly affect the consolidated financial statements as a whole.

Note 17 includes more detailed information about taxes.

(b) Pension benefits

The cost of defined benefit pension plans and other obligations, and the present value of pension obligations, are determined through actuarial valuations. Actuarial valuations involve making assumptions that may differ from actual future events. These include determining the discount rate, future wage increases, mortality rates, and future pension increases. Due to the complexity of the valuation and its long-term nature, the calculation of the obligation is sensitive to changes in the assumptions.

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

Details about the assumptions used and a sensitivity analysis are given in Note 13.1.

(c) Provisions for litigation and contingent assets and liabilities

The estimate of the amount to be provisioned for potential assets and liabilities arising from open litigation is based on the professional opinion of the contracted legal representatives handling the matters in question and the internal assessment carried out by the Group's Legal Department.

Details of the main contingent assets and liabilities that could give rise to the recognition of assets or liabilities in the future are described in Note 13.3.

(d) Fair value of share-based remuneration

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

(e) Other accounting estimates and assumptions

- Assessment of potential impairment losses of certain assets and goodwill: See Notes 4.7, 4.12, 4.13 and 4.15.
- Useful life of intangible and tangible assets: See Notes 4.12 and 4.13.
- Valuation of derivatives: See Note 4.23.
- Fair value of business combinations: The fair value of assets, liabilities and contingent liabilities acquired in business combinations is determined based on the work performed by independent third parties, considering the financial statements of the acquired businesses as well as their projections, see Notes 2.1 and 4.11.

3.6. Ukraine - Russia Conflict

The Group has no relevant exposure in relation to this conflict and continues to have no fixed assets owned in either Ukraine or Russia.

In June 2024, the Council of the EU (Regulation 2024/1745) amended Regulation (EU) No 833/2014 containing restrictive measures against Russia, allowing the competent authorities of the Member States to authorise the sale, supply, transfer or export of goods registered under CN code 3917 10 on the grounds that such goods are sold, supplied, transferred or exported for the production of food for human consumption in Russia.

Based on this, the competent authorities have authorized the sale and export of the goods included in the aforementioned code 3917 10 and throughout the year commercial transactions have been carried out with Russia through Viscofan España, S.L.U. and Viscofan CZ s.r.o.

3.7. Regulation of energy generating companies

Viscofan España, S.L.U., a company within the Viscofan Group, operates a cogeneration power plant. Therefore, the Group closely monitors regulatory developments affecting cogeneration plants and, more generally, plants operating under the RECORE regime (renewables, cogeneration, and waste).

The company complies with all applicable regulations for energy generating companies, as set out in the initial 2013-2016 framework (Royal Decree-Law 9/2013, New Law 24/2013 of the Electricity Sector, RD 413/2014 and Order IET/1345/2015) as well as in the subsequent updates of 2021 and 2022 (Order TED/260/2021 and subsequent ones relating to the update of the remuneration for operation (Ro) and, in some cases, the remuneration parameters of standard facilities), the reforms to the adjustment for pool price deviations during 2023, the new methodology of 2024 (Order TED/353/2024 and Order TED/526/2024) and Order TED/1252/2025.

4. Accounting Principles and Valuation Standards Applied

The consolidated financial statements have been prepared in accordance with the accounting principles and valuation standards contained in the International Financial Reporting Standards (IFRS) and their interpretations (IFRIC) adopted by the European Union (IFRS-EU).

A summary of the most significant ones is presented below:

4.1. Changes in accounting policies

The changes in regulations that occurred in 2025 and 2024 have not affected the accounts for this year or those of the previous year.

The Group intends on adopting the applicable European Union regulations, interpretations, and amendments as they come into force, if applicable. Based on analyses performed to date, the Group estimates that there will be no significant impact on the consolidated financial statements.

4.2. Going concern principle

Having assessed the financial situation, liquidity, and obligations incurred, the directors of the parent company conclude that there are no events or conditions that cast doubt on the Group's ability to continue as a going concern, and therefore the consolidated financial statements have been prepared under this principle.

4.3. Consolidation criteria

Control is obtained when the Group is exposed to, or has rights to, variable returns arising from its involvement in a subsidiary and has the ability to influence those returns through the exercise of its power over the subsidiary. Specifically, the Group controls a subsidiary if, and only if, the Group has:

- Power over the subsidiary (existing rights that grant the power to direct the relevant activities of the subsidiary)
- Exposure, or rights, to variable returns derived from its involvement in the subsidiary
- It can influence those returns by exercising its power over the subsidiary

Generally, there is a presumption that a majority of voting rights implies control.

The Group applied the exception provided for in IFRS 1 "First-time Adoption of International Financial Reporting Standards," so only business combinations carried out on or after 1 January 2004, the date of transition to EU IFRS, have been recorded using the acquisition method. Acquisitions of entities carried out before that date were recorded in accordance with the previous GAAP, after considering the necessary corrections and adjustments at the date of transition.

The subsidiary companies have been consolidated using the full consolidation method, so all assets, liabilities, equity, income, expenses and cash flows arising from transactions between Group companies are eliminated in full during the consolidation process.

The financial statements of the subsidiaries used in the consolidation process use the same presentation date as those of the Parent Company, and are adapted to the accounting policies of the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, and the consolidated statement of changes in equity.

4.4. Effects of variations in foreign currency exchange rates

(a) Transactions and balances in foreign currency

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

Each Group company determines its own functional currency and the items included in the financial statements of each company are valued using that functional currency.

Foreign currency transactions are converted to the functional currency by applying the spot exchange rates between the functional currency and the foreign currency on the dates the transactions take place.

Monetary assets and liabilities denominated in foreign currency have been translated into the functional currency using the exchange rate at year-end, while non-monetary assets and liabilities measured at historical cost have been translated using the exchange rates in effect on the date of the transaction. Finally, non-monetary assets measured at fair value have been translated into the functional currency using the exchange rate in effect on the date the fair value was determined.

Differences arising from the settlement of foreign currency transactions and the conversion of foreign currency-denominated monetary assets and liabilities into the functional currency are recognized in profit or loss. However, exchange differences arising from monetary items that form part of the net investment in foreign operations are recorded as translation differences on the equity side of the balance sheet.

Exchange rate gains or losses related to monetary financial assets or liabilities denominated in foreign currency are also recognized in profit or loss.

b) Conversion of businesses abroad

Translation differences are shown within the Group's equity. The conversion to euros of foreign operations whose functional currency is not that of a hyperinflationary country is carried out by applying the following criterion:

- Assets and liabilities, including goodwill and adjustments to net assets resulting from the acquisition of businesses, including comparative balances, are translated at the closing exchange rate on the date of each Statement of Financial Position;
- Income and expenses, including comparative balances, are converted at the exchange rates in effect on the date of each transaction; and
- Exchange differences resulting from the application of the above criteria are recognized as translation differences in equity.

The Group has no business in countries considered hyperinflationary.

Translation differences related to foreign operations recorded in equity are recognized in the Consolidated Statement of Profit and Loss when the loss of control of those operations is recognized in profit or loss. If circumstances remain unchanged and the same shareholding is maintained, the accumulated translation differences are not recognized in the Consolidated Statement of Profit and Loss when a dividend is recognized.

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

The Group presents the Consolidated Statement of Financial Position, classifying assets and liabilities as current and non-current. To this end, current assets or liabilities are those that meet the following criteria:

- Assets are classified as current when they are expected to be capitalized, sold, or consumed within the Group's normal operating cycle, are held primarily for trading purposes, are expected to be capitalized within twelve months of the closing date, or are cash or cash equivalents, except where they cannot be exchanged or used to settle a liability within at least twelve months of the closing date. All other assets are classified as non-current.
- Liabilities are classified as current when they are expected to be settled within the Group's normal operating cycle, are held primarily for trading, are due to be settled within twelve months of the closing date, or the Group does not have an unconditional right to defer settlement of the liabilities for more than twelve months after the closing date. The Group classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.6. Calculation of fair value

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

- in the primary market for the asset or liability, or
- In the absence of a primary market, in the most advantageous market for the transaction of those assets or liabilities.
- The main or most advantageous market must be an accessible market for the Group.

The fair value of an asset or liability is calculated using the assumptions that market participants would use when making an offer for that asset or liability, assuming that those market participants are acting in their own economic interest. The calculation of the fair value of a non-financial asset takes into account the ability of market participants to generate economic benefits from the best and highest use of that asset or from its sale to another market participant who could make the best and highest use of that asset.

The Group uses appropriate valuation techniques in the circumstances and with sufficient information available for the calculation of fair value, maximizing the use of relevant observable variables and minimizing the use of unobservable variables.

All assets and liabilities for which fair value calculations or breakdowns are made in the financial statements are categorized within the fair value hierarchy described below, based on the lowest-level variable needed to calculate the fair value as a whole:

- Level 1 - List prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Assessment techniques for which the lowest level variable used, which is significant for the calculation, is directly or indirectly observable
- Level 3 - Assessment techniques for which the lowest level variable used, which is significant for the calculation, is not observable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether there have been transfers between the different levels of hierarchy by reviewing their categorization (based on the lowest level variable that is significant for the calculation of fair value as a whole) at the end of each financial year.

The Group estimates that cash, trade receivables and other receivables, trade payables and other payables, and public debtor and creditor entities have a fair value very close to their book value due in large part to their short-term maturities.

The fair values of the remaining financial assets and liabilities are detailed in Notes 10 and 15 respectively.

4.7. Financial instruments - Initial recognition and subsequent measurement

(a) Classification

The Group classifies its financial assets into the following valuation categories:

- those that are subsequently valued at fair value (either through profit or loss or through other comprehensive income), and
- those that are valued at amortized cost.

The classification depends on the entity's business model for managing financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will be recognized in profit or loss or other comprehensive income. For investments in equity instruments not held for trading, this will depend on whether the Group made the irreversible decision upon initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when it changes its business model for managing those assets.

(b) Account recognition and removal

Conventional purchases and sales of financial assets are recognized on the trade date, the date on which the Group commits to buy or sell the asset. Financial assets are derecognized when they expire or the rights to receive cash flows from the financial assets are assigned and the Group has transferred substantially all the risks and rewards incidental to ownership.

(c) Assessment

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset other than fair value through profit or loss (FV), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets measured at fair value through profit or loss are recognized as expenses in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely the payment of principal and interest.

- **Debt instruments**

The subsequent valuation of debt instruments depends on the Group's business model for managing the asset and the characteristics of the asset's cash flows. The Group divides its debt instruments into three valuation categories:

- Amortized cost: Assets held to collect contractual cash flows, where those cash flows represent only principal and interest payments, are measured at amortized cost.

Interest income from these financial assets is included in finance income applying the effective interest method.

Any gain or loss arising from their derecognition is recognized directly in profit or loss and presented in other profit or loss (together with exchange gains and losses). Impairment losses are presented as a separate line item in the statement of profit and loss.

- Fair value through other comprehensive income: Assets held to collect contractual cash flows and to sell financial assets, where the cash flows from the assets represent only principal and interest payments, are measured at fair value through other comprehensive income.

Changes in the carrying amount are recognized in other comprehensive income, except for the recognition of impairment gains or losses, interest income, and exchange gains or losses, which are recognized in profit or loss.

When the financial asset is derecognized, the accumulated gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other profit or loss.

Interest income from these financial assets is included in finance income applying the effective interest method. Exchange gains and losses are presented in other profit or loss, and impairment expense is presented as a separate line item in profit or loss.

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

A gain or loss on an investment in debt that is subsequently recognized at fair value through profit or loss is recognized in profit or loss and is presented net in the statement of profit and loss within other profit or loss in the period in which it arises.

- **Equity instruments**

The Group subsequently values all equity investments at fair value. When the Group's management has decided to present gains and losses on the fair value of equity investments in other comprehensive income, there is no subsequent reclassification of the fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

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

(d) Impairment losses

The Group assesses, on a prospective basis, the expected credit losses associated with its assets at amortized cost and fair value through other comprehensive income. The methodology applied for calculating impairment depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires that expected losses over their lifetime be recognized from the initial recognition of the receivables; see Note 9 for further details.

4.8. Impairment losses on non-financial assets subject to amortization or depreciation

The Group periodically looks for any signs of impairment on consolidated assets not considered financial assets, inventories, deferred tax assets and non-current assets classified as held for sale, in order to determine whether their recoverable amount is less than their carrying amount (impairment loss).

(a) Calculation of recoverable value

The recoverable amount of an asset is either its fair value less costs to sell or its value in use, whichever is higher. The determination of the asset's value in use is based on the expected future cash flows that will arise from the asset's use, expectations about possible variations in the amount or timing of those flows, the time value of money, the price to be paid to bear the uncertainty related to the asset, and other factors that market participants would consider in valuing future cash flows related to the asset.

The recoverable amount must be calculated for an individual asset, unless the asset does not generate cash inflows that are largely independent of those of other assets or groups of assets. In the case of assets that do not generate cash flows independently, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

(b) Reversal of impairment losses

Impairment losses on assets other than goodwill are only reversed if there has been a change in the estimates used to determine the recoverable amount of the asset.

The reversal of impairment losses is recognised in the form of a credit to the Consolidated Statement of Profit and Loss, up to the limit of the book value that the asset would have had, net of amortization, if the impairment had not been recorded.

The amount of the reversal of the impairment loss of a CGU is distributed among its assets, excluding goodwill, prorated according to its book value and taking into account the reversal limit referred to in the previous paragraph.

4.9. Recognition of ordinary income

Revenue from the sale of goods or services is recognized at the fair value of the consideration received or receivable. Revenue is presented net of value-added tax and any other taxes or amounts that substantially correspond to sums received on behalf of third parties. Volume discounts or other discounts, the disbursement of which is considered probable at the time the revenue is recognized, are recorded as a reduction in revenue.

Before recognizing ordinary revenue, the Group proceeds to:

- identify contracts with clients
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price among the separate performance obligations
- Recognize ordinary revenue when each performance obligation is satisfied.

The Group acts as principal in transactions with third parties, assuming the risks and obtaining the benefits derived from such transactions.

(a) Sale of casings and films

The Group manufactures and sells wraps and films for food use and other applications. Sales are recognized when control of the products has been transferred, meaning when the products are delivered to the customer, the customer has full discretion over the product, and there are no outstanding obligations that could affect the customer's acceptance of the products. Delivery occurs according to the agreed terms with the customer (Incoterms), and it is at this point that the risks of obsolescence and loss have been transferred to the customer, and the Group has evidence that all acceptance criteria have been met.

The products are often sold with discounts based on aggregate sales over a 12-month period. Revenue from these sales is recognized at the price specified in the contract, net of estimated volume discounts. Experience is used to estimate and provision for discounts using the expected value method, and revenue is recognized only to the extent that a significant reversal is highly probable. No financing element is considered to exist since sales are made on credit terms of 45–90 days, which is consistent with market practice.

An account receivable is recognized when the transfer of goods occurs, since this is the moment in time when the consideration is unconditional because only the passing of time is required before the payment is due.

(b) Energy sales

Energy sales are recognized as the energy is produced and made available to the customer. At that point, no outstanding obligations are considered to exist. These sales are made at regulated rates for each location. No financing element is considered to exist, as the sales are made with a 60-day credit term.

The Viscofan Group recognizes the revenue from electricity generated from cogeneration, including the market rate received, as well as the energy generation premiums in accordance with regulations as it is generated and marketed.

Electricity production sales are recognized as the energy generated in the cogeneration systems is produced and delivered, applying the tariffs in force.

4.10. Earnings per share

Basic earnings per share are calculated as the ratio between the net profit for the period attributable to the ordinary shares of the Parent Company and the weighted number of ordinary shares outstanding during that period, excluding the average number of shares of the Parent Company, Viscofan, S.A., held by any company in the Group.

Diluted earnings per share are calculated as the ratio between the net profit for the period attributable to the ordinary shares of the Parent Company and the weighted average number of ordinary shares that would be issued if all potential ordinary shares were converted into ordinary shares of Viscofan, S.A.

4.11. Business combinations and goodwill

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

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

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

Acquisition-related costs are recognized as expenses when incurred.

The excess of the following is recorded as Goodwill:

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

If the fair value amounts of the net assets acquired and the liabilities assumed are higher, the difference is recognized directly in profit or loss as a bargain purchase.

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

Contingent consideration is classified as equity or a financial liability. Amounts classified as a financial liability are subsequently revalued at fair value, with changes in fair value recognized in profit or loss.

If the business combination is carried out in stages, the carrying amount at the acquisition date of the previously held equity interest of the acquiree is reassessed at its fair value at the acquisition date, recognizing any resulting gain or loss in profit or loss.

4.12. Intangible assets

(a) Goodwill

Goodwill related to acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized, but it is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it may be impaired, and is recorded at cost less accumulated impairment losses. Gains and losses on the sale of an entity include the carrying amount of goodwill related to the entity sold.

For the purpose of assessing impairment, goodwill is allocated among the cash-generating units. The allocation is made among those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that gave rise to the goodwill (Note 5).

b) Development costs

Development costs incurred in a project are recognized as intangible assets if the project is technically and commercially viable, sufficient technical and financial resources are available to complete it, the costs incurred can be reliably determined, and it is likely to generate profits.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Development costs that are capitalized are amortized on a straight-line basis over their estimated useful life for each project, not exceeding 5 years.

When there are reasonable doubts about the technical success or the economic-commercial profitability of the active projects, the amounts recognized in the asset are directly charged to losses of the year.

Costs related to research activities are recorded against the Consolidated Statement of Profit and Loss as they are incurred.

(c) Other intangible assets

Intangible assets are presented in the Consolidated Statement of Financial Position at their cost value less the amount of accumulated amortization and impairment losses.

Software maintenance costs are recognized as an expense when incurred.

(d) Useful life and depreciation

The Group assesses whether each intangible asset acquired has a finite or indefinite useful life. For these purposes, an intangible asset is considered to have an indefinite useful life when there is no foreseeable limit to the period during which it will generate net cash inflows. As at December 31, 2025 and 2024, the Group does not hold any intangible assets with an indefinite useful life, except for the Goodwill discussed in Note 5.2.

Intangible assets with finite useful lives are amortized by systematically distributing the amortizable amount using the straight-line method over the following estimated useful life years:

	<i>Estimated useful life in years</i>
Development costs	5
Industrial property and rights of use	5-10
Land use rights in China	50
Computer applications	5

For these purposes, the amortizable amount is understood to be the acquisition cost or attributed cost less its residual value.

The Group reviews the residual value, useful life, and amortization method of intangible assets at the end of each financial year. Changes to the initially established criteria are recognized as a change in estimate.

4.13. Property, plant and equipment

(a) Initial recognition

Property, plant and equipment are recognized at cost, less accumulated depreciation and, where applicable, accumulated impairment losses. The cost of assets constructed by the Group is determined following the same principles as if it had acquired the assets, also considering the criteria established for determining production costs. Production costs are capitalized by crediting the costs attributable to the asset to accounts under "Other Income" in the Consolidated Statement of Profit and Loss.

The cost of those assets that need a substantial period to be ready for use includes the financial expenses accrued before the fixed assets that meet the requirements for capitalization are ready for operation.

The Group employed the relative exemption for revalued assets in accordance with the relevant legislation, as deemed cost of IFRS 1 "First-time Adoption of International Financial Reporting Standards" on 1 January 2004.

(b) Depreciation

The depreciation of property, plant and equipment is carried out by systematically distributing their depreciable amount over their useful life. For these purposes, the depreciable amount is understood to be the acquisition cost less its residual value. The Group determines the depreciation expense independently for each component of a tangible fixed asset that has a significant cost in relation to the total cost of the asset.

The depreciation of property, plant and equipment is determined by applying the straight-line method over the following estimated useful life years:

	<i>Estimated useful life in years</i>
Constructions	30
Technical facilities and machinery	10
Other facilities, equipment and furniture	5 - 10
Other property, plant and equipment	3 - 15

The Group reviews the residual value, useful life, and depreciation method of its property, plant and equipment at the end of each financial year. Changes to the initially established criteria are recognized as a change in estimate.

(c) Subsequent recognition

After the initial recognition of an asset, only those costs incurred that will generate probable future economic benefits are capitalized, provided their amount can be reliably measured. In this respect, the costs arising from the ordinary maintenance of property, plant and equipment are recorded in profit or loss as they are incurred.

Replacements of property, plant and equipment eligible for capitalization result in a reduction of the carrying amount of the replaced assets. In cases where the cost of the replaced assets has not been depreciated separately and it is not practical to determine their carrying amount, the replacement cost is used as an indicator of the cost of the assets at the time of their acquisition or construction.

4.14. Rights of use

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

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

- fixed payments (including fixed substance payments), less any rights of use incentives to be collected
- variable payments for rights of use that are pegged to an index or rate, initially valued according to the index or rate at the commencement date
- amounts that the Group is expected to pay as guarantees of the residual value
- the exercise price of a call option if the Group has reasonable certainty that it will exercise that option, and
- payment of penalties for termination of rights of use, if the term of the right of use reflects the exercise by the Group of that option.

Payments for rights of use to be made under reasonably certain extension options are also included in the valuation of the liability.

Payments for rights of use are discounted using the interest rate implicit in the usage right.

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

Payments for rights of use are allocated between principal and finance costs. The finance costs are charged to profit or loss over the rights of use period so as to generate a constant periodic interest rate on the remaining balance of the liability for each period.

Right-of-use assets are valued at cost comprising the following:

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

Right-of-use assets are generally amortized on a straight-line basis over the useful life of the asset or the end of the lease term if that occurs earlier.

The Group applies the recognition exemption to leases with a term of twelve months or less from the commencement date that do not include a purchase option, and to leases where the underlying asset is of negligible value. The payment for these leases is recognized as an expense over the lease term.

4.15. Inventories

Inventories include the non-financial assets that consolidated companies hold for sale in the ordinary course of business.

The cost of inventories includes all costs related to their acquisition and transformation, as well as other costs incurred in bringing them to their present condition and location.

The costs of transforming inventories include the costs directly related to the units produced and a systematically calculated portion of the indirect costs, both variable and fixed, incurred during the transformation process. The allocation of fixed indirect costs is based on normal production capacity or actual production.

The amount of fixed overhead allocated to each unit of production is not increased due to low production levels or idle capacity. Unallocated overhead costs are recognized as expenses in the period in which they are incurred. During periods of abnormally high production, the amount of overhead allocated to each unit of production is reduced to prevent inventory from being valued above cost. Variable overhead costs are allocated to each unit of production based on the actual level of utilization of production resources.

The method applied by the Group in determining the cost used for each type of inventory is as follows:

- Raw materials, other supplies and commercial products: at weighted average cost.
- Finished and semi-finished products: at the weighted average cost of raw material consumption and other materials, incorporating the applicable part of direct and indirect labor and manufacturing overhead.

Volume discounts granted by suppliers are recognized as a reduction in the cost of inventory when the conditions that trigger them are likely to be met. Early payment discounts are recognized as a reduction in the cost of purchased inventory.

The cost of inventories is adjusted against profit or loss when its cost exceeds its net realizable value. For these purposes, net realizable value is defined as:

- Raw materials and other supplies: the Group only makes adjustments in cases where it is expected that the finished products into which the raw materials and other supplies are incorporated will be sold for a value lower than their production cost;
- Merchandise and finished products: their estimated selling price, less the costs necessary for the sale;
- Work in progress: the estimated selling price of the corresponding finished products, less the estimated costs to complete their production and those related to their sale;

Adjustments to inventory valuation and their reversals are recognized in the Consolidated Statement of Profit and Loss for the period. The reversal of negative adjustments only occurs when the circumstances that led to their recognition no longer exist or when there is clear evidence justifying an increase in net realizable value as a result of a change in economic circumstances. The reversal of the value reduction is limited to the lower of cost and the new net realizable value of the inventories. The reversal of reductions in inventory value is recognized by means of a credit under "Change in inventories of finished goods and work in progress" and "Consumption of raw materials and consumables."

4.16. Emission rights

The Viscofan Group registers emission rights when it owns them under "Inventories".

In the case of rights allocated free of charge to each facility within each national allocation plan, their initial valuation corresponds to their market value on the date of their grant, which is recorded as a credit under "Deferred Income" (Note 4.20) on the Consolidated Statement of Financial Position. Rights acquired from third parties are recorded at their acquisition cost.

The valuation of these assets is carried out using the cost method, looking for any signs of impairment in their book value at the reporting date.

Emission allowances are removed from the Statement of Financial Position upon their sale to third parties, delivery, or expiration. If the allowances are delivered, their removal is recorded against the provision recorded at the time the CO2 emissions occurred, using the FIFO (first-in, first-out) method.

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

The Group classifies assets whose carrying amount will be recovered primarily through their sale, rather than through their continued use, under "Non-current assets held for sale" when they meet the following requirements:

- They are available in their current condition for immediate sale, subject to the usual and customary terms and conditions for their sale.
- Their sale is highly likely.

Non-current assets held for sale are measured either at their carrying amount or their fair value less costs to sell, whichever is lower, except for deferred tax assets, employee benefits, and financial assets other than investments in group, multi-group, and associated companies, which are measured according to their specific standards. Where necessary, appropriate valuation adjustments are made so that the carrying amount does not exceed the fair value less costs to sell.

Disposal groups held for sale are valued using the same rules as outlined in the preceding paragraph. Once this valuation has been performed, the group of items as a whole is valued at either its carrying amount or its fair value less costs to sell, whichever is lower.

Related liabilities are classified under "Liabilities held for sale and discontinued operations".

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

- It represents a line of business or a geographical area that is significant and independent of the rest.
- It forms part of an individual and coordinated plan to sell or otherwise dispose of a line of business or a geographical area of the operation that is significant and can be considered separately from the rest.

Discontinued operations are presented in the Consolidated Statement of Profit and Loss separately from the income and expenses of continuing operations, in a single line as Profit after tax from discontinued operations.

4.18. Cash and other cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in credit institutions. This category also includes other highly liquid short-term investments, provided they are readily convertible into known amounts of cash and have an original maturity date not exceeding three months.

4.19. Dividends

The interim dividends approved by the Board of Directors during 2025 and 2024 are included as a reduction of the equity of the Viscofan Group.

4.20. Government grants

Government grants are recognized when there is reasonable assurance of compliance with the conditions associated with their granting and collection.

(a) Capital grants

Government grants in the form of a transfer of a non-monetary asset are recognized at the fair value of the asset as a credit under "Deferred Income" on the Consolidated Statement of Financial Position and are charged to accounts under "Other Income" of the Consolidated Statement of Profit and Loss as the corresponding financed assets are amortized.

Subsidies related to emission allowances received free of charge are initially recognized at their market value on the grant date under "Deferred Income" and are recognized in profit or loss as these allowances are used. This recognition is recorded under "Other Income" in the Consolidated Statement of Profit and Loss.

(b) Operating subsidies

Operating subsidies are recognized as a credit under "Other income" on the Consolidated Statement of Profit and Loss.

Grants received as remuneration for expenses or losses already incurred, or for the purpose of providing immediate financial support unrelated to future expenses, are recognized as a credit under "Other income" on the Consolidated Statement of Profit and Loss.

(c) Interest rate subsidies

Financial liabilities that incorporate implicit aid in the form of below-market interest rates are initially recognized at their fair value. The difference between this value and the amount received is recorded as an official grant, taking into account the nature of the grant awarded.

4.21. Employee remuneration

(a) Obligations for pension plans and other benefits

The Group includes in defined benefit plans those financed by the payment of insurance premiums in which there is a legal or implicit obligation to directly pay employees the benefits committed at the time when they are due or to proceed to the payment of additional amounts in the event that the insurer does not make the disbursement of the benefits corresponding to the services provided by the employees during the year or in previous years.

The defined benefit liability recognized in the Consolidated Statement of Financial Position corresponds to the present value of the defined benefit obligations existing at the closing date, less the fair value of the assets related to said benefits.

The expenditure corresponding to defined benefit plans is recorded under "Staff Expenses" on the Consolidated Statement of Profit and Loss and is obtained as a result of adding the net amount of the cost of services for the current year, plus the effect of any reduction or settlement of the plan.

Interest on the net defined benefit liability (asset) is calculated by multiplying the net liability (asset) by the discount rate and is recorded in the financial result under "Financial Expenses".

Following initial recognition, the revaluation, which comprises actuarial gains and losses, the effect of the asset limit (excluding amounts included in net interest), and the returns on plan assets (excluding amounts included in net interest), is recognized immediately in the statement of financial position with a corresponding charge or credit to reserves through other comprehensive income in the period in which it occurs. These changes are not reclassified to profit or loss in subsequent periods.

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

b) Severance pay

Severance payments made or payable for terminations not related to ongoing restructuring processes are recognized when the Group is demonstrably committed to discontinuing the employment relationship before the normal retirement date. The Group is demonstrably committed to terminating existing employment relationships with its employees when it has a formal detailed plan and generates valid expectations among those affected that the process will be carried out, without any realistic possibility of withdrawing or modifying the decisions made. Severance payments to be disbursed over a period exceeding 12 months are discounted at an interest rate determined based on market rates for high-quality corporate bonds and debentures.

c) Employee remuneration

Remuneration earned by Group staff is recorded as employees provide services. The amount is recorded as an employee remuneration expense and as a liability after deducting any amounts already paid. If the amount paid exceeds the accrued expense, an asset is recognized only to the extent that it will result in a reduction of future payments or a cash refund.

The Group recognizes the expected cost of remuneration in the form of paid leave, the rights to which accrue as employees provide the services that entitle them to receive it.

The Group recognizes the expected cost of profit sharing or employee incentive schemes when there is a present, legal or constructive obligation as a result of past events and a reliable estimate of the value of the obligation can be made.

d) Share-based payments

Certain employees receive share-based remuneration benefits through the Long-Term Employee Incentive Plan, an employee equity participation scheme. Information about these plans is provided in footnote 22.3.

The fair value of shares granted under the Long-Term Employee Incentive Plan that are settled by delivery of shares is recognized as an employee benefits expense on the equity side of the balance sheet. The total amount to be recognized as an expense is determined by reference to the fair value at the grant date of the shares granted.

- including market performance conditions (e.g., the entity's share price)
- excluding the impact of conditions for the irrevocability of the concession that are service- or performance-related and not market-based (e.g., accident rates, waste reduction targets)

The total expenditure is recognized during the irrevocability period, which is the period during which all the specified conditions for the irrevocability of the concession must be met. At the end of each financial year, the entity revises its estimates of the number of shares it expects to be vested based on non-market-related service and irrevocability conditions. The impact of the revised original estimates, if any, is recognized in profit or loss, with a corresponding adjustment to equity.

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

4.22. Provisions

(a) General criteria

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event and there is a greater likelihood that an outflow of resources in the form of future profit will occur to settle that obligation than otherwise, and a reliable estimate of the amount of the obligation can be made.

The amounts recognized in the Consolidated Statement of Financial Position represent the best estimate at the closing date of the disbursements required to settle the present obligation, taking into account the risks and uncertainties related to the provision and, where significant, the financial effect of the discount, provided that the disbursements to be made in each period can be reliably determined. The discount rate is determined before tax, considering the time value of money, as well as specific risks not considered in the future cash flows related to the provision.

The financial effect of the provisions is recognized as a financial expense in the Consolidated Statement of Comprehensive Income.

Receivables from third parties to settle the provision are recognized as a separate asset when their collection is virtually certain. The income related to the reimbursement is recognized, if applicable, in the Consolidated Statement of Profit and Loss as a reduction in the expense associated with the provision, up to the amount of the provision.

Provisions are reversed against earnings when the likelihood of an outflow of resources in the form of future profits to settle the obligation is lower than the likelihood of such an outflow. The reversal is made against the line item in the Consolidated Statement of Profit and Loss where the corresponding expense was recorded.

(b) Provisions for onerous contracts

The amount of provisions for onerous contracts is determined based on the present value of unavoidable costs, which is calculated as either the costs to be incurred in relation to the contract, net of any income that could be obtained, or the costs of compensation or penalties relating to non-compliance, whichever is lower.

(c) Provisions for restructuring

Provisions related to restructuring processes are recognized when the Group has an implicit obligation, due to the existence of a detailed formal plan and the generation of valid expectations among those affected that the process will be carried out, either by having started to execute the plan or by having announced its main features. Restructuring provisions only include expenditures directly related to the restructuring process that are not associated with the Group's continuing operations.

(d) Provision for emission allowances

Expenses related to greenhouse gas emissions are systematically funded by crediting the provision for emission rights, which is cancelled at the time of delivery of the corresponding rights granted by Public Administrations free of charge and those acquired on the market.

4.23. Derivatives and hedge accounting

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

- fair value hedges of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges against a specific risk associated with the cash flows of recognized assets and liabilities and highly probable anticipated transactions (cash flow hedges), or
- hedges of a net investment in a foreign business (net investment hedges).

At the inception of the hedging relationship, the Group documents the economic relationship between the hedging instruments and the hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of the hedged items. The Group documents its risk management objective and its strategy for undertaking its hedging transactions.

The fair values of the derivative financial instruments designated in hedging relationships are broken down in Note 16. The changes in the hedging reserve included in shareholders' equity are shown in Note 12.

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

The effective portion of changes in the fair value of derivatives designated and qualified as cash flow hedges is recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss under other gains/losses.

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

Gains or losses related to the effective portion of changes in the intrinsic value of option contracts are recognized in the cash flow hedge reserve in equity. Changes in the time value of option contracts that are related to the hedged item ("time value aligned") are recognized under other comprehensive income in the hedge cost reserve on the equity side of the balance sheet.

When forward contracts are used to hedge anticipated transactions, the Group generally designates only the change in the fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of forward contracts are recognized in the cash flow hedge reserve in equity. The change in the forward element of the contract related to the hedged item ("aligned forward element") is recognized under other comprehensive income in the hedge cost reserve on the equity side of the balance sheet. In some cases, gains or losses relating to the effective portion of the change in the fair value of the entire forward contract are recognized in the cash flow hedge reserve in equity.

The amounts accumulated in consolidated equity are reclassified in the periods in which the hedged item affects the consolidated profit or loss, as follows:

- When the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedge gains and losses and the deferred time value or deferred forward points, if any, are included in the initial cost of the asset. The deferred amounts are ultimately recognized in profit or loss, as the hedged item affects profit or loss (e.g., through cost of sales).
- The gain or loss relating to the effective part of interest rate swaps that cover variable-rate loans is recognized in profit or loss within finance expense at the same time as interest expense on the covered loans.

4.24. Income Tax

Income tax expense or income includes both current tax and deferred tax.

Current income tax is the amount payable or recoverable for income tax related to the consolidated taxable profit or loss for the year. Current income tax assets or liabilities are measured at the amounts expected to be paid or recovered from the tax authorities, using the tax laws and rates that are enacted or substantially enacted at the closing date.

Deferred tax liabilities are the amounts payable in the future as corporate income tax related to taxable temporary differences, while deferred tax assets are the amounts recoverable as corporate income tax due to deductible temporary differences, offsettable negative tax bases, or deductions pending application. For these purposes, a temporary difference is understood to be the difference between the carrying amount of assets and liabilities and their tax base.

Income tax, whether current or deferred, is recognized in profit or loss unless it arises from a transaction or economic event that has been recognized in the same or a different period, against equity or a business combination.

(a) Recognition of taxable temporary differences

Taxable temporary differences are recognized in all cases with the exception of those that:

- Arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the transaction date, does not affect accounting profit or taxable income, or
- These correspond to differences associated with investments in subsidiaries over which the Group has the ability to control the timing of their reversal and where their reversal is likely to occur in the foreseeable future.

(b) Recognition of deductible temporary differences

Deductible temporary differences are recognized whenever:

- It is probable that sufficient future positive tax bases exist to offset them, except in those cases where the differences arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and at the date of the transaction does not affect either the accounting profit or the taxable base; or
- They correspond to temporary differences associated with investments in subsidiaries to the extent that the temporary differences will be reversed in the foreseeable future and positive future tax bases are expected to be generated to offset the differences;

Tax planning opportunities are only considered in the assessment of the recovery of deferred tax assets if the Group intends to adopt them or is likely to adopt them.

(c) Assessment

Deferred tax assets and liabilities are valued at the tax rates that will be applicable in the periods in which the assets are expected to be capitalized or the liabilities settled, based on the regulations and rates that are approved or practically approved at the date of the Consolidated Statement of Financial Position and after considering the tax consequences that will result from the way in which the Group expects to recover the assets or settle the liabilities.

At the end of the year, the Group reviews the carrying amount of deferred tax assets in order to reduce that amount to the extent that it is not probable that there will be sufficient future positive tax bases to offset them.

Deferred tax assets that do not meet the above conditions are not recognized in the Consolidated Statement of Financial Position. The Group reconsiders at year-end whether the conditions for recognizing previously unrecognized deferred tax assets are met.

(d) Offsetting and classification

The Group only offsets current income tax assets and liabilities if there is a legal right before the tax authorities and it intends to settle the resulting liabilities for their net amount or capitalize the assets and settle the liabilities simultaneously.

The Group only offsets deferred income tax assets and liabilities if there is a statutory offsetting right before the tax authorities and the assets and liabilities arise from income tax payable to the same tax authority, relate to the same taxpayer, or to different taxpayers who intend to settle or capitalize the current tax assets and liabilities on a net basis or capitalize the assets and settle the liabilities simultaneously in each of the future periods in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Deferred tax assets and liabilities are recognized in the Consolidated Statement of Financial Position as non-current assets or liabilities, regardless of the expected date of capitalization or settlement.

(e) Tax credits

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

4.25. Environment

The consolidated Group carries out operations whose main purpose is to prevent, reduce or repair the damage that its activities may cause to the environment.

Expenses arising from environmental activities are recognized as "Other operating expenses" in the year in which they are incurred.

Property, plant and equipment acquired for long-term use in its activity and whose main purpose is to minimize environmental impact and protect and improve the environment, including reducing or eliminating future pollution from the Group's operations, are recognized as assets by applying valuation, presentation and disclosure criteria consistent with those mentioned in Note 24.

4.26. Related party transactions

Related party transactions are accounted for in accordance with the valuation criteria detailed throughout this Note 4. The only transactions with related parties are described in Note 22 on "Information relating to Directors of the Parent Company and key management staff of the Group."

5. Intangible Assets and Goodwill

5.1. Intangible assets other than goodwill

The composition and changes in the accounts included in other intangible assets during 2025 and 2024 are detailed below:

	Thousands of euros						
	Client portfolio	Computer applications	Industrial Property	Development	Advances	Depreciation	Total
Opening balance as at January 1, 2024	621	57,024	23,057	3,468	397	-67,610	16,957
Conversion differences	–	180	627	–	–	-681	126
Additions (Note 2.1)	1,294	–	910	1,268	–	–	3,472
Registrations	–	3,588	–	1,166	782	-4,586	950
Derecognitions	–	-34	–	–	62	34	62
Transfers	–	1,005	–	–	-978	–	27
Final balance as at December 31, 2024	1,915	61,763	24,594	5,902	263	-72,843	21,594
Conversion differences	-10	-1,113	-1,586	-6	–	2,209	-506
Additions (Note 2.1)	88	2	2,209	–	–	–	2,299
Registrations	–	2,558	–	1,905	3,440	-5,737	2,166
Derecognitions	–	-38	–	–	–	38	–
Transfers (Note 6)	–	653	–	–	-228	–	425
Final balance as at December 31, 2025	1,993	63,825	25,217	7,801	3,475	-76,333	25,978

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The net balances by heading as at December 31, 2025 and 2024 are as follows:

	Thousands of euros					
	December 31, 2025			December 31, 2024		
	Cost	Depreciation	Total	Cost	Depreciation	Total
Client portfolio	1,993	-798	1,195	1,915	-621	1,294
Computer applications	63,825	-52,376	11,449	61,763	-49,094	12,669
Industrial Property	25,217	-19,910	5,307	24,594	-20,473	4,121
Development	7,801	-3,249	4,552	5,902	-2,655	3,247
Advances	3,475	—	3,475	263	—	263
TOTAL	102,311	-76,333	25,978	94,437	-72,843	21,594

A breakdown of the cost of intangible assets that are fully amortized and still in use as at December 31, 2025 and 2024 is as follows:

	Thousands of euros	
	2025	2024
Computer applications	44,591	41,359
Industrial property	13,102	13,425
Fully depreciated assets	57,693	54,784

5.2. Goodwill

The changes that occurred during 2025 and 2024 are presented below:

	Thousands of euros
Opening balance as at January 1, 2024	3,605
Conversion differences	-520
Additions (Note 2.1)	7,700
Final balance as at December 31, 2024	10,785
Conversion differences	-208
Additions (Note 2.1)	3,035
Final balance as at December 31, 2025	13,612

The 2025 additions correspond to the goodwill arising from the acquisition of 51% of Pet Mania Comércio Internacional Ltd through Viscofan do Brasil, soc. com. e ind. Ltda for a purchase price of 34 million Brazilian Reais, with the valuation of the corresponding assets and liabilities being completed during 2025 (Note 2.1). The value of the goodwill as at December 31, 2025, corresponding to Pet Mania Comércio Internacional Ltd is €2,859 thousand.

The inclusion in 2024 corresponds to the goodwill associated with the acquisition of 60% of Brasfibra Industria e Comercio de Derivados do Couro Ltda. and Master Couros Industria e Comercio de Derivados do Couro Ltda. through Viscofan do Brasil, soc. com. e ind. Ltda for a purchase price of 88 million Brazilian Reais after completing the corresponding asset and liability valuation process (Note 2.1), modifying the initially recorded goodwill of 74,194 thousand Brazilian Reais to the final amount of 46,970 thousand Brazilian Reais. 25% of the purchase price was paid in 2025 and the Group maintains 25% of the amount to be paid 2026. Goodwill as at December 31, 2025, corresponding to Brasfibra Industria e Comercio de Derivados do Couro Ltda is 6,262 thousand euros and goodwill corresponding to Master Couros Industria e Comercio de Derivados do Couro Ltda. is 1,003 thousand euros.

The remainder of the amount corresponds to the Supralon Group's SGU (2,680 thousand euros) in the geographical region of "Rest of Europe and Asia", and to the ingredient transfer SGU (808 thousand euros) in the geographical region of "North America".

Impairment test

Below, we detail the calculation of the impairment test for the main goodwill recorded as at December 31, 2025:

(a) UGE Brasfibra and Master Couros

The Goodwill recorded in the Group's consolidated balance sheet as at December 31, 2025 amounts to 7,265 thousand euros (7,301 thousand euros as at December 31, 2024).

The UGE Brasfibra and Master Couros are dedicated to the production of high-quality bovine collagen products (collagen hydrolysates, collagen fiber and products aimed at the animal feed sector), which represents an expansion of the Group's product portfolio.

The planned growth includes a gradual increase in the first years of operation. Five-year projections have been prepared, in which Management has determined the expected revenue figures, broken down by the heads of the Business Unit, supported by market forecasts, competitive analysis, new products already developed, strategic plans for geographic expansion, and available macroeconomic forecasts.

Based on the results of this analysis, the directors consider that as at December 31, 2025, there is no need to make any impairment adjustment.

(b) UGE Pet Mania

As noted in section 2.1, in February 2025, Pet Mania, a Brazilian company dedicated to the production and marketing of pet treats, was acquired. During the process of identifying the price paid in the transaction, no signs of impairment were identified, and the Group's management continues to believe that the goodwill and intangible assets will be clearly recovered through the cash flows generated in future periods. The goodwill associated with this company as at December 31, 2025, amounts to €2,859,000.

6. Property, plant and equipment

The composition and changes in the accounts included in property, plant and equipment during 2025 and 2024 are presented below:

	Thousands of euros							
	Land and Buildings	Technical Facilities and Machinery.	Other facilities, tools and furniture	Other property, plant and equipment	Advances and current assets	Depreciation	Impairment	Total
Opening balance as at January 1, 2024	309,562	1,094,953	125,833	52,141	23,998	-1,049,288	-1,058	556,141
Conversion differences	2,540	-8,440	1,388	736	-690	4,563	4	101
Additions (Note 2.1)	3,171	2,986	25	291	221	—	-1	6,693
Registrations	1,153	18,188	2,231	3,354	40,532	-73,364	-96	-8,002
Disposals	-104	-3,558	-230	-1,588	-71	4,620	-101	-1,032
Transfers	12,127	12,148	3,956	712	-28,825	-143	—	-25
Final balance as at December 31, 2024	328,449	1,116,277	133,203	55,646	35,165	-1,113,612	-1,252	553,876
Conversion differences	-9,426	-29,973	-2,877	-3,018	141	27,548	-3	-17,608
Additions (Note 2.1)	1,271	691	60	49	1,081	—	—	3,152
Registrations	1,657	15,745	1,447	3,944	53,381	-73,956	-16	2,202
Disposals	-54	-533	-131	-561	-4	1,138	724	579
Transfers (Note 5.1)	2,793	34,619	3,335	352	-41,524	—	—	-425
Final balance as at December 31, 2025	324,690	1,136,826	135,037	56,412	48,240	-1,158,882	-547	541,776

The net balances by heading as at December 31, 2025 and 2024 are as follows:

	Thousands of euros					
	December 31, 2025			December 31, 2024		
	Cost	Depreciation and impairment	Total	Cost	Depreciation and impairment	Total
Land and buildings	324,690	-157,175	167,515	328,449	-151,993	176,456
Technical facilities and machinery	1,136,826	-853,345	283,481	1,116,277	-820,344	295,933
Other facilities, equipment and furniture	135,037	-106,214	28,823	133,203	-101,727	31,476
Other property, plant and equipment	56,412	-42,695	13,717	55,646	-40,800	14,846
Advances and current assets	48,240	–	48,240	35,165	–	35,165
TOTAL	1,701,205	-1,159,429	541,776	1,668,740	-1,114,864	553,876

During 2025, the Group invested €76,174,000 in property, plant and equipment. Projects undertaken during the year included a new extrusion line in Serbia, increased plastics production capacity in Mexico and collagen production in the USA, and environmental and safety improvements at various Group plants.

During 2024, investments in property, plant and equipment totaled €65,458,000. Among the projects undertaken during the year, the completion of the cellulose and collagen converting plant in Thailand, a new plastics plant in Mexico, and environmental investments primarily in Spain and Brazil stand out.

A breakdown of the cost of fully depreciated property, plant and equipment in use as at December 31, 2025 and 2024, is shown below:

	Thousands of euros	
	2025	2024
Constructions	71,930	71,966
Technical facilities and machinery	562,909	549,742
Other facilities, equipment and furniture	75,761	72,255
Other property, plant and equipment	30,661	28,280
Fully depreciated assets	741,261	722,243

As a result of the annual investment plan, at year-end 2025, commitments to acquire fixed assets worth 52,005 thousand euros remain, highlighting the investment in the new plant in the Czech Republic, a new collagen line in the USA, environmental investments in Spain and investments in continuous improvement and process optimization throughout the Group.

Viscofan CZ, s.r.o. and the South Bohemian Region have reached an agreement whereby the regional government will acquire Viscofan CZ, s.r.o.'s current land and facilities in the second half of 2027 for a total of CZK 600 million. This transaction will allow the city of České Budějovice to allocate the area to new residential and urban developments.

As part of this initiative, Viscofan CZ will acquire a 7.7-hectare plot of land near České Budějovice Airport—twice the size of its current site—where it will build a new factory. This new plant will match the current production capacity, overcoming the space and design limitations of the existing facility.

The total estimated investment for the acquisition of the land and the construction of the new factory amounts to 1.25 billion CZK.

At year-end 2024, commitments for the acquisition of fixed assets amounted to 13,547 thousand euros, highlighting environmental investments in Spain and investments in continuous improvement and process optimization throughout the Group.

The consolidated Group has insurance policies in place to cover the risks to which its property, plant and equipment are subject. The coverage provided by these policies is considered sufficient.

Impairment test

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

Despite the negative results generated by the investment in the USA in recent years, the EBITDA for 2024 and 2025 is positive, as is the operating profit for 2025. These results stem from the decision by the parent company's management to make certain investments in the American subsidiary with the aim of modernizing production assets and improving the subsidiary's performance in recent years. Following this decision, projections for the coming years maintain the premise of acquiring new assets and optimizing their operation. Due to the favorable performance of the subsidiary, management believes there are no grounds for impairment of the investment.

In order to carry out the analysis of investment impairment, the main hypotheses considered were the following:

- The investments made in the company in recent years have led to a clear improvement in productivity, with an estimated increase for the coming years based on new investments planned.
- The sales considered in the plan are projected to grow in subsequent years in accordance with the capacity increases for each year.
- The current circumstances of raw material and production costs have been taken into account, adapted to the current market conditions and the new investments made
- The EBITDA projection on sales is increasing as new investments, both completed and pending, are refined, achieving reasonable margins within the context of the Group.
- the impact on working capital as a result of the projections made
- The after-tax discount rate used is 8.7%.

Once the aforementioned analysis was performed, the present value of future cash flows is significantly higher than the present value of the investment. However, a sensitivity analysis was conducted on the main variables, identifying a more conservative scenario in the estimates, in which the analysis margin remains significant. Furthermore, the discount rate was increased to 9.7%, without identifying any impairment. Finally, a more aggressive scenario was considered, taking into account both the cash flow and discount rate sensitivities, and in this scenario, no impairment of the investment in the USA was identified either. The very positive performance of the American subsidiary's accounts aligns with the figures calculated in the business plan.

7. Rights of use

This note provides information about rights of use where the Group is the lessee.

7.1. Right-of-use assets

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

	Thousands of euros				
	Constructions	Technical facilities and machinery	Other property, plant and equipment	Depreciation	Total
Opening balance as at January 1, 2024	18,299	1,381	6,558	-14,661	11,577
Conversion differences	-180	-4	-1	188	3
Additions	2,753	2,261	1,405	-5,843	576
Disposals	-1,761	-770	-1,253	3,534	-250
Transfers	—	—	—	—	—
Final balance as at December 31, 2024	19,111	2,868	6,709	-16,782	11,906
Conversion differences	-730	-89	-227	610	-436
Additions	4,031	31	2,432	-5,503	991
Disposals	-7,238	-13	-2,760	9,891	-120
Transfers	—	—	—	—	—
Final balance as at December 31, 2025	15,174	2,797	6,154	-11,784	12,341

The net balances by heading as at December 31, 2025 and 2024 are as follows:

	Thousands of euros					
	December 31, 2025			December 31, 2024		
	Cost	Depreciation and impairment	Total	Cost	Depreciation and impairment	Total
Constructions	15,174	-7,614	7,560	19,111	-12,190	6,921
Technical facilities and machinery	2,797	-1,230	1,567	2,868	-638	2,230
Other property, plant and equipment	6,154	-2,940	3,214	6,709	-3,954	2,755
TOTAL	24,125	-11,784	12,341	28,688	-16,782	11,906

Additions to right-of-use assets during 2025 amounted to 6,494 thousand euros; 6,419 thousand euros in 2024.

7.2. Liabilities for right of use

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

	Thousands of euros	
	2025	2024
Up to 3 months	711	741
Between 3 months and 1 year	4,020	3,573
Current	4,731	4,314
Between 1 year and 5 years	7,244	6,974
More than 5 years	268	561
Non-current	7,512	7,535
Total as at December 31	12,243	11,849

The Group primarily leases various warehouses, offices, and vehicles. Lease agreements are typically for fixed periods but may include optional extensions.

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

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

Deferred tax assets and liabilities (Note 17) associated with these items have been recognized in 2025 and 2024 based on IAS 12, with no effect on the statement of profit and loss.

8. Inventory

The breakdown of inventory as at December 31, 2025 and 2024 is as follows:

	Thousands of euros	
	2025	2024
Raw materials and other supplies	98,413	93,686
Semi-finished products	95,958	94,552
Finished products	167,168	177,334
Goods for resale	11,991	13,337
Greenhouse gas emission rights	9,714	15,289
Advances to suppliers	3,615	4,756
Total Inventories	386,859	398,954

The valuation adjustments for 2025, due to impairment and obsolescence of inventories, have resulted in an expense of 88 thousand euros (an income of 820 thousand euros in 2024) and are recorded under "Consumption of raw materials and consumables" and "Variation of inventories of finished and work-in-process" on the Consolidated Statement of Profit and Loss.

The consumption of emission allowances for 2025 and 2024 amounts to 242,857 and 272,095 tons, respectively.

GHG emissions expenditure for 2025 is listed under "Consumption of raw materials and consumables" for an amount of 15,914 thousand euros (17,068 thousand euros in 2024).

The Group's companies have insurance policies in place to cover the risks to which their inventory is subject. The coverage provided by these policies is considered sufficient.

9. Trade debtors and other accounts receivable

The breakdown of trade debtors and other current accounts receivable as at December 31, 2025 and 2024 is as follows:

	Thousands of euros	
	2025	2024
Customers for sales and provision of services	286,238	271,665
Other trade debtors	5,470	9,771
Employee advances	130	125
Impairment of value	-2,105	-2,415
Total trade debtors	289,733	279,146
Public authorities receivable	24,783	20,886
Accruals	6,528	5,611
Total other debts to be collected	31,311	26,497
Total trade debtors and other accounts receivable	321,044	305,643

As at December 31, 2025 and 2024, the age of trade receivables based on their due date is as follows:

	Thousands of euros					
	Outstanding	Past due				
		Up to 30 days	31-60 days	61-90 days	More than 90 days	Total
2025	262,038	22,610	2,971	1,058	1,056	289,733
2024	244,803	24,693	7,285	1,244	1,121	279,146

The Group maintains credit insurance contracts that cover the collectability of a large part of customer balances.

Commercial debtors do not accrue interest and generally, the usual collection terms are 45 to 120 days.

The breakdown by currency of trade debtors is as follows:

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	Thousands of euros							
	Euros	American dollar	Czech koruna	Brazilian real	Mexican Peso	Chinese Yuan	Other currencies	Total book value
2025	88,425	92,920	1,373	57,697	1,687	26,156	21,475	289,733
2024	100,228	101,367	1,440	40,926	1,096	18,613	15,476	279,146

Changes in the impairment of accounts receivable for sales and services rendered, as well as other trade debtors, are as follows:

	Thousands of euros	
	2025	2024
Opening balance as at January 1	-2,415	-2,228
Conversion differences	-8	201
Provisions	-31	-402
Applications	349	14
Final balance as at December 31	-2,105	-2,415

As at December 31, 2025 and 2024, the outstanding balances held with Public Administrations are as follows:

	Thousands of euros	
	2025	2024
VAT receivables.	19,815	15,429
Withholdings and payments on account receivables	3,159	4,201
Other public authorities	1,809	1,256
Final balance as at December 31	24,783	20,886

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The breakdown by currency is as follows:

	Thousands of euros							
	Euros	American dollar	Czech koruna	Brazilian real	Mexican Peso	Chinese Yuan	Other currencies	Total book value
2025	6,609	874	720	12,246	1,903	39	2,392	24,783
2024	5,781	1,053	560	7,308	2,555	43	3,586	20,886

The amount of 834 thousand euros recorded under of Other non-current assets corresponds to outstanding VAT balances due in 2027.

Impairment losses

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

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

For the determination of expected credit loss, the Group applies the simplified approach provided for under IFRS 9.

To assess expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days overdue.

Expected loss rates are based on sales payment profiles over a 36-month period prior to January 1, 2025, and the corresponding historical credit losses experienced during this period. Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting customers' ability to settle receivables.

The Group makes the necessary valuation adjustments in accordance with an expected loss model, which takes into account historical losses and other external factors.

The impairment loss model used by the Group is based on a historical analysis of average insolvencies in each of the subsidiaries and the claims incurred in the credit insurance policies contracted, considering any non-recoverable amount, as well as the recoveries after the claim, both from the insurance company and from the customers themselves.

Accounts receivable for which an impairment loss has been recognized are written off against the amount of the impairment loss when there is no expectation of recovering additional cash.

Collection flows in 2025 and the flows projected for future years have not changed compared to previous years.

10. Non-current and current financial assets

All financial assets as at December 31, 2025 and 2024 are included in level 2, within the valuation hierarchies: assets and liabilities whose fair value has been determined using valuation techniques that utilize observable assumptions in the market.

The breakdown by category of these financial assets, excluding trade receivables and other receivables as at December 31, 2025 and 2024, is as follows:

	Thousands of euros			
	Valued at		Total book value	Fair value
	Amortized cost	FV through P&L		
Financial investments	5,546	–	5,546	5,546
Deposits and guarantees constituted	1,963	–	1,963	1,963
Non-current financial assets	7,509	–	7,509	7,509
Equity instruments	–	816	816	816
Credits and other receivables	150	–	150	150
Short-term obligations	8	–	8	8
Current financial assets	158	816	974	974
Total as at December 31, 2025	7,667	816	8,483	8,483

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

The value of financial assets classified by maturity is as follows:

Thousands of euros							
	Less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years old	From 4 to 5 years old	More than 5 years	Total
2025	974	509	16	8	123	6,853	8,483
2024	945	536	18	5	134	7,404	9,042

The breakdown by currency is as follows:

Thousands of euros							
	Euros	American dollar	Brazilian real	Mexican Peso	Chinese Yuan	Other currencies	Total book value
2025	6,043	50	1,242	839	138	171	8,483
2024	6,109	85	1,695	834	151	168	9,042

The Group has not recognized any significant impairment in relation to these assets as at December 31, 2025 (or as at December 31, 2024).

11. Cash and Other Cash Equivalents

The heading "Cash and other cash equivalents" as at December 31, 2025 and 2024, corresponds entirely to the balances held by the Group in cash and in credit institutions, including some interest-bearing accounts at market rates. The Group has no bank overdrafts as at the aforementioned dates, and all balances are freely available.

The breakdown by currency is as follows:

	Thousands of euros							
	Euros	American dollar	Czech koruna	Brazilian real	Mexican Peso	Chinese Yuan	Other currencies	Total book value
2025	15,637	11,870	306	10,262	1,725	17,600	5,390	62,790
2024	4,977	17,921	6	5,006	4,271	11,582	11,380	55,143

12. Equity

12.1. Subscribed capital

As at December 31, 2025, the capital of the Parent Company consisted of 46,500,000 bearer shares with a par value of €0.70 each. The total capital value was €32,550,000, the same as on December 31, 2024.

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

All shares enjoy the same voting and economic rights and are officially listed on the Madrid, Barcelona, and Bilbao stock exchanges, and are traded on the continuous market. There are no restrictions on their free transferability.

As at December 31, 2025 and 2024, the Parent Company is aware of the following shareholders whose direct or indirect stake in the Company exceeds 3%:

	% holding	
	2025	2024
Alba Financial Corporation, S.A.	14.250	14.250
APG Asset Management N.V.	n.a.	9.997
Angustias y Sol, S.L.	5.033	5.016
Setanta Asset Management Limited	n.a.	3.955

During this period, APG Asset Management N.V. and Setanta Asset Management Limited have ceased to be shareholders with significant stakes in accordance with applicable regulations.

Additionally, in accordance with Article 32 of Royal Decree 1362/2007, of October 19, on shareholders required to report their shareholding as they reside in a tax haven or in a country or territory of zero taxation or with which there is no effective exchange of tax information, no notification has been received at year-end 2025 and 2024.

In the context of the optional dividend payment "Viscofan Flexible Remuneration" approved at the Annual General Shareholders' Meeting in April 2025, a capital reduction of €557,000 was carried out in June 2025 through the cancellation of 795,636 shares. At the same time, a capital increase was made by the same number of shares with a par value of €0.70 per share, leaving the share capital unchanged. In June 2024, and approved at the Annual General Shareholders' Meeting in April 2024, a similar operation was carried out for €473,000 and 675,954 shares.

Additionally, in December 2025, in the context of the distribution of the optional "Viscofan Flexible Remuneration" dividend approved at the aforementioned Annual General Shareholders' Meeting in April 2025, a capital reduction of €629,000 was carried out, with 898,098 shares being cancelled. At the same time, a capital increase was made for the same number of shares with a par value of €0.70 per share, leaving the share capital unchanged. In December 2024, and approved at the Annual General Shareholders' Meeting in April 2024, a similar transaction was carried out for €464,000 and 662,369 shares.

Capital Management

The Viscofan Group's main objective in relation to capital management is to safeguard its capacity to ensure the continuity of the company, seeking to maximize performance.

To maintain or adjust the capital structure, the Group may adjust the dividends to be distributed among shareholders, reimburse capital to them, carry out capital increases or redeem treasury shares.

Capital is monitored by analyzing the evolution of the leverage ratio, in line with standard practice. This ratio is calculated as net financial debt divided by shareholders' equity. Net financial debt includes total borrowings shown in the consolidated financial statements less cash and cash equivalents, and less liquid financial assets.

Thus, the Viscofan Group's primary objective is to maintain a healthy capital position. The leverage ratios and net debt analysis as at December 31, 2025 and 2024 are as follows:

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	Thousands of euros	
	2025	2024
Cash and cash equivalents (Note 11)	62,790	55,143
Other short-term financial assets (Note 10)	974	945
Financial liabilities (Note 15)	-304,075	-238,005
Debts for right-of-use assets (Note 7.2)	-12,243	-11,849
Total net financial debt	-252,554	-193,766
Total Equity	-933,052	-941,771
Leverage index	27.1 %	20.6 %

	Thousands of euros	
	2025	2024
Cash and cash equivalents (Note 11)	62,790	55,143
Other short-term financial assets (Note 10)	974	945
Financial debt repayable in one year (Notes 15 and 7.2)	-255,739	-178,543
Financial debt repayable over more than one year (Notes 15 and 7.2)	-60,579	-71,311
Net debt	-252,554	-193,766

	Thousands of euros	
	2025	2024
Cash and cash equivalents (Note 11)	62,790	55,143
Other short-term financial assets (Note 10)	974	945
Gross debt at fixed interest rates (Note 21.4)	-84,655	-67,198
Gross debt at variable interest rates	-231,663	-182,656
Net debt	-252,554	-193,766

The change in net debt as at December 31, 2025 and 2024 is as follows:

	Thousands of euros					
	Opening balance as at January 1, 2025	Cash flows	Acquisitions	Other non- monetary changes	Conversion differences	Final balance as at December 31, 2025
Cash and cash equivalents	55,143	11,839	—	—	-4,192	62,790
Other short-term financial assets	945	29	—	—	—	974
Liabilities included in financing activities						
Short-term financial debt	-153,962	-64,515	-9,682	—	744	-227,415
Long-term financial debt	-47,140	—	5,790	—	968	-40,382
Interests	-895	8,881	—	-9,100	18	-1,096
Suppliers Fixed Assets	-11,643	-3,630	-58	—	29	-15,302
Other short-term financial liabilities	-7,729	1,163	-629	—	—	-7,195
Other long-term financial liabilities	-16,636	3,600	356	—	-5	-12,685
Short-term debts for right-of-use assets.	-4,314	5,503	—	-6,090	170	-4,731
Long-term debts for right-of-use assets.	-7,535	—	—	-238	261	-7,512
Total net debt	-193,766	-37,130	-4,223	-15,428	-2,007	-252,554

	Thousands of euros					
	Opening balance as at January 1, 2024	Cash flows	Acquisitions and other non- monetary changes	Change in fair value	Conversion differences	Final balance as at December 31, 2024
Cash and cash equivalents	51,996	4,029	—	—	-882	55,143
Other short-term financial assets	911	26	—	—	8	945
Liabilities included in financing activities						
Short-term financial debt	-158,466	-12,038	16,213	—	329	-153,962
Long-term financial debt	-31,118	—	-16,072	—	50	-47,140
Interests	-375	9,726	-10,245	—	-1	-895
Suppliers Fixed Assets	-15,880	4,043	—	—	194	-11,643
Other short-term financial liabilities	-3,327	1,597	-6,711	—	712	-7,729
Other long-term financial liabilities	-12,861	—	-3,761	—	-14	-16,636
Short-term debts for right-of-use assets.	-4,687	5,843	-5,483	—	13	-4,314
Long-term debts for right-of-use assets	-6,854	—	-677	—	-4	-7,535
Total net debt	-180,661	13,226	-26,736	—	405	-193,766

12.2. Share Premium

The Consolidated Text of the Capital Companies Law expressly allows the use of the share premium for capital increases and does not establish any specific restriction regarding the availability of said balance.

The amount as at December 31, 2025 amounts to 12 thousand euros, as it does as at December 31, 2024.

12.3. Reserves

The changes in this item are as follows:

	Thousands of euros			
	Other reserves	Conversion differences	Share-based payments (Note 22.3)	Total
Opening balance as at January 1, 2024	915,145	-51,104	4,415	868,456
Recognized income / (expenses)	457	-27,520	—	-27,063
Distribution of dividends	—	—	—	—
Transfers between equity items	4,430	—	—	4,430
Transactions with own shares	-38,192	—	—	-38,192
Transactions with minority interests	—	—	—	—
Share-based payments	—	—	2,603	2,603
Final balance as at December 31, 2024	881,840	-78,624	7,018	810,234
Capital reduction	—	—	—	—
Recognized income / (expenses)	8,330	-25,840	-7,018	-24,528
Distribution of dividends	-17,538	17,538	—	—
Transfers between equity items	52,340	—	—	52,340
Transactions with own shares	-48,394	—	—	-48,394
Purchase of own shares	-232	—	—	-232
Other distributions of treasury shares (Employee remuneration)	-9,449	—	—	-9,449
Share-based payments	—	—	1,247	1,247
Final balance as at December 31, 2025	866,897	-86,926	1,247	781,218

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The reclassification recorded for dividend distribution between Other reserves and Exchange differences amounting to 17,538 thousand euros is a consequence of the lower exchange rate recorded in the year relating to dividends received in the Parent Company compared to the historical exchange rate of said reserves in the subsidiaries, mainly Viscofan Brazil.

Other reserves

- Legal reserve

Companies legally registered in Spain, in accordance with the Spanish Companies Act, are required to allocate 10% of their profits each year to a reserve fund until it reaches at least 20% of the share capital. This reserve is not distributable to shareholders and its value as at December 31, 2025 and 2024, amounts to €6,510,000.

- Revaluation reserve

The Parent Company opted for the voluntary revaluation of property, plant and equipment provided for in Regional Law 21/2012 of December 26, amending various taxes and other tax measures. The revaluation was applied to the items eligible for revaluation that appeared in the balance sheet as at December 31, 2012. The effect of this revaluation has not been recognized in the Group's consolidated financial statements.

- Reserve for own shares

In accordance with Article 148 of Royal Legislative Decree 1/2010, of July 2, which approves the consolidated text of the Capital Companies Law, the Parent Company must establish a non-distributable reserve equivalent to the amount of its own shares or stock it holds (see note 12.4). This reserve must be maintained until the shares or stock are sold.

b) Conversion differences

The breakdown of the most significant conversion differences by company for the years ending December 31, 2025 and 2024 is as follows:

	Thousands of euros	
	2025	2024
Viscofan CZ sro	9,567	4,350
Viscofan Technology (Suzhou) Co. Ltd.	-2,038	4,947
Viscofan USA Inc	2,524	12,791
Viscofan de México S.R.L. of C.V.	-7,563	-8,042
Viscofan do Brasil, soc. com. e ind. Ltd.	-75,103	-97,256
Viscofan Uruguay, S.A.	-28,156	-14,883
Other companies in the Group	13,843	19,469
Final balance as at December 31	-86,926	-78,624

12.4. Changes in own shares

At the Ordinary General Meeting of April 27, 2023, the Board of Directors was authorized for a period of 5 years to acquire shares of the Parent Company, directly or through Viscofan Group Companies, within the limits and up to the maximum amount allowed by the Capital Companies Law (arts. 146 and 509) and at a price that may not be less than the nominal value of the share nor more than 15% higher than the share price on the Spanish Stock Exchange Interconnection System at the time the acquisition order is entered.

During 2025, the Parent Company acquired 1,599,709 of its own shares, for an amount of 93,752 thousand euros, under the current authorization granted by the General Shareholders' Meeting of April 27, 2023.

In addition, as reflected in the Consolidated Statement of Changes in Equity, 12,351 treasury shares were delivered under the variable remuneration plan and 145,318 under the long-term incentive plan (Note 22.3).

In June 2025, as part of the "Viscofan Flexible Remuneration" optional dividend payment, 795,636 shares were distributed as a stock dividend, with a value of €49,113,000. Additionally, 33,432 shares were received under this first optional dividend.

Additionally, in December 2025, the number of shares delivered under the "Viscofan Flexible Remuneration" optional dividend was 898,098 shares, valued at €48,394,000. Similarly, 34,068 shares were received under the second optional dividend.

During 2024, the Parent Company acquired 1,560,966 of its own shares, for an amount of 90,716 thousand euros, under the current authorization granted by the General Shareholders' Meeting of April 27, 2023. Likewise, 12,740 of its own shares were delivered within the framework of the variable remuneration plan.

In June 2024, as part of the "Viscofan Flexible Remuneration" optional dividend payment, 675,954 shares were distributed as a stock dividend, with a value of €38,487,000. Additionally, 37,138 shares were received under this first optional dividend.

Additionally, in December 2024, the number of shares delivered under this option within the "Viscofan Flexible Remuneration" optional dividend program was 662,369 shares, valued at €38,192,000. Similarly, 24,659 shares were received under the second optional dividend.

Thus, as at December 31, 2025, Viscofan, S.A. has 506,601 of its own shares representing 1.09% of the voting rights worth 23,641 thousand euros.

As at December 31, 2024, Viscofan, S.A. held a total of 690,795 of its own shares representing 1.49% of the voting rights worth 35,045 thousand euros.

12.5. Valuation adjustments

The changes in this item in the years ending December 31, 2025 and 2024 are as follows:

	Thousands of euros		
	Exchange rate insurance	Commodity derivatives	Total
Opening balance as at January 1, 2024	1,720	306	2,026
Net profit/(loss) after tax	-28	—	-28
Reclassifications of (losses) or gains to the overall Statement of Profit and Loss, net of tax effect	-2,426	-278	-2,704
Final balance as at December 31, 2024	-734	28	-706
Net profit/(loss) after tax	—	—	—
Reclassifications of (losses) or gains to the overall Statement of Profit and Loss, net of tax effect	652	-28	624
Final balance as at December 31, 2025	-82	—	-82

12.6. Distribution of Profits and other shareholder remuneration

The Board of Directors of Viscofan has agreed that it will propose to the General Shareholders' Meeting the payment, charged to the results of 2025 and, where appropriate, to voluntary reserves, of a dividend whose aggregate gross amount will be equal to the sum of the amounts indicated below (the "Dividend").

(a) ratify the payment of 22,344 thousand euros as an optional interim dividend distributed on 17 December 2025 (the "2025 Optional Interim Dividend") which corresponds to 1.483 euros per share multiplied by the number of shares that opted to receive the dividend in cash and that did not have the status of direct treasury shares on the corresponding dates as approved by the Board of Directors (26,844 thousand euros as an optional interim dividend distributed on 19 December 2024 (the "2024 Optional Interim Dividend") which corresponded to 1.437 euros per share multiplied by the number of shares that opted to receive the dividend in cash and that did not have the status of direct treasury shares on the corresponding dates as approved by the Board of Directors); and

(b) the determinable amount that will result from multiplying:

- the gross amount per share that, as a supplementary payment to the dividend corresponding to 2025, will be paid by the Parent Company within the framework of the execution of the optional dividend system "Viscofan Flexible Remuneration" corresponding to 2026 (the "Supplementary Dividend"), for

- the total number of shares for which their holders have opted to receive the dividend in cash under the first execution of the optional dividend system "Viscofan Flexible Remuneration" for 2026.

The remaining shareholders received their remuneration on account of the 2025 results through the "Viscofan Flexible Remuneration" (Scrip Dividend) with a total allocation of 898,098 new ordinary shares.

At the date of preparation of these consolidated financial statements, it is not possible to specify the amount of the supplementary dividend and, consequently, the amount of the dividend charged to profit in 2025.

The payment of the supplementary dividend will be made in conjunction with the execution of a bonus share issue that the Board of Directors will propose to the 2026 Annual General Shareholders' Meeting. This will offer shareholders the option of receiving their remuneration in cash (through the supplementary dividend) or in newly issued bonus shares of the parent company (through the aforementioned bonus share issue). Receiving the supplementary dividend will be one of the alternatives available to shareholders when receiving their remuneration under the "Viscofan Flexible Remuneration" optional dividend system for 2026, which will be implemented through the aforementioned bonus share issue.

Furthermore, the Board of Directors plans to reduce the share capital of the Parent Company by redeeming its own shares, thereby avoiding dilution for those shareholders who choose to receive their dividend in cash.

The Board of Directors estimates that the gross amount of the Final Dividend will be €1.757 per share (€1.653 per share in 2024). Consequently, taking into account the 2025 Interim Dividend of €1.483 per share (€1.437 in 2024) and the attendance bonus for the Annual General Meeting of €0.01 per share (€0.01 in 2024), the total remuneration to be received by shareholders is estimated to be €3.25 per share (€3.135 in 2024). Of the aforementioned estimated amount of 3.25 euros per share, 2.25 euros correspond to the increasing ordinary remuneration that the Board of Directors has been proposing to the General Shareholders' Meeting in recent years (2.135 euros per share charged to 2024), while the additional euro per share to reach the total estimated amount would be of an extraordinary nature in view of the current market conditions and those of the Parent Company.

The proposed ordinary remuneration of 2.25 euros per share is equivalent to the distribution of 65.42% of net profit.

The proposed ordinary distribution exceeds the previous year's remuneration of 2.135 euros per share by 5.4%.

The final amount of the supplementary dividend will be communicated as soon as the Board of Directors (or the body to which it delegates) determines it in accordance with the terms of the dividend distribution and capital increase agreements that the Board of Directors will propose to the General Shareholders' Meeting in relation to the optional dividend system "Viscofan Flexible Remuneration" for 2026. Likewise, once the first execution of the optional dividend system "Viscofan Flexible Remuneration" corresponding to 2026 has been completed, the Board of Directors (with express power of substitution) will proceed to specify the aforementioned distribution proposal, determining the final amount of the dividend and the amount that will be allocated to retained earnings.

The dividend amount is less than the maximum limit established by current legislation, regarding distributable profits since the end of the previous financial year.

The financial statement required by current legislation and prepared by the Directors of the Parent Company in relation to the distribution of the dividend on account of the profits for 2025 is as follows:

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	Thousands of euros
Treasury available as at 15/09/2025	300
For collection from clients and debtors	35,000
For payments to suppliers and creditors	-14,500
For employee payments	-22,050
For interest payments	-1,800
For other payments	-10,000
Operational flows	-13,350
Through dividends	125,000
Due to expansion, Capital USA	-20,000
For the acquisition of goods	-6,000
Investment activity flows	99,000
Variation in bank debt	20,000
For dividend payments	-104,625
Flows of financing activities	-84,625
Liquidity forecast as at 15/09/2026	1,325

With the dividends received from subsidiaries before the interim dividend payment plus the use of available credit lines, the Parent Company had sufficient liquidity to meet said payment.

At the General Shareholders' Meeting held on April 29, 2025, the final amount of the supplementary dividend in relation to the optional dividend system "Viscofan Flexible Remuneration" for 2025 corresponding to the distribution of results for 2024 was agreed, for an amount of 28,800 thousand euros, distributed on June 11, 2025 (33,219 thousand euros distributed on June 24, 2024).

13. Long-term remuneration to employees and other provisions

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

	Note	Thousands of euros	
		2025	2024
Defined benefit		14,878	16,498
Other staff remuneration		6,111	2,647
Long-term employee remuneration	13.1	20,989	19,145
Provisions for other litigation		–	–
Other		48	48
Other long-term provisions		48	48
Provisions for warranties / Returns		2,655	3,301
Provisions for occupational risks		604	660
Provisions for emission allowances		17,433	17,045
Other		17	18
Current provisions	13.2	20,709	21,024

13.1. Long-term employee remuneration

The Group contributes to several defined benefit plans. The most significant plans are located in Germany and the United States.

Actuarial valuations are used for all of them.

- **Pension plans in Germany**

Through its subsidiary Viscofan DE GmbH, the company contributes to a defined benefit plan that provides a lifetime pension for employees upon retirement. As at December 31, 2025, the company had 200 employees and 522 retirees and former employees. As at December 31, 2024, the number of employees was 235 and the number of retirees and former employees was 501.

The number of beneficiaries indicated above does not include a group of retirees who, since 2010 and 2013, have been paid through an insurance company. The agreement entered into does not constitute a cancellation or termination, as the obligation ultimately remains with Viscofan DE GmbH. However, the terms of the plan entered into ensure that the value of the assets and liabilities remains constant throughout the contract's term, so that both assets and liabilities are netted out, resulting in a net present value of zero for the obligation.

The net obligation of pension plans amounts to 12,818 thousand euros as at December 31, 2025, its amount being 14,096 thousand euros as at December 31, 2024.

- **Pension plans in the United States**

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

1. Retirement Plan for Hourly Employees. This plan provides a lifetime pension for current and former employees of the company and has a total of 159 beneficiaries (11 active employees and 148 retirees and former employees). The net liability amounts to -€69,000 as at December 31, 2025, because the fund's value exceeds the liability. The capitalization rate is 100.84% of the liability's value.
2. As at December 31, 2024, the net obligation amounted to 228 because the value of the fund was less than the obligation with a capitalization rate of 97.7% of the value of the obligation and 164 beneficiaries (15 of them active and 149 retirees and former employees). This plan has been frozen since December 1, 2010.
3. Retirement Plan for Salaried Employees. This plan provides a lifetime annuity for 122 participants (10 currently employed, 112 retired and former employees). The net liability amounts to €81,000 as at December 31, 2025. The capitalization rate is 99.23% of the liability value. As at December 31, 2024, the net liability amounted to €118,000 with a capitalization rate of 99.01% of the liability value and 124 participants (12 currently employed and 112 retired and former employees). This plan has been frozen since January 31, 2008.

The most significant information about pension plans is:

- a) Amounts recognized in the Statement of Financial Position:

	Thousands of euros	
	2025	2024
Valor actual de la obligación	33,711	38,036
Plans in Germany	12,818	14,096
Plans in the United States	18,845	21,886
Plans in other countries	2,048	2,054
Valor actual de los activos	-18,833	-21,538
Plans in the United States	-18,833	-21,538
Net liability as at December 31	14,878	16,498

b) Changes in the present value of net liabilities:

	Thousands of euros							
	Germany		Plans in the United States		Plans in other countries		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Obligation as of January 1st	14,096	14,400	21,886	21,736	2,054	2,079	38,036	38,215
Cost for services for the current period (Note 19)	132	153	–	–	76	76	208	229
Cost of interest	486	497	1,024	1,018	133	123	1,643	1,638
Benefits paid	-479	-409	-1,746	-1,813	-183	-218	-2,408	-2,440
Actuarial losses (gains)	-1,417	-545	260	-378	11	7	-1,146	-916
Conversion differences	–	–	-2,579	1,323	-58	-13	-2,637	1,310
Transfer of the pension plan to an external insurer	–	–	–	–	15	–	15	–
Present value of the obligation as at December 31	12,818	14,096	18,845	21,886	2,048	2,054	33,711	38,036
Active	3,623	4,766	1,439	2,065	1,066	944	6,128	7,775
Former employees	1,454	1,930	3,708	4,411	–	–	5,162	6,341
Retirees	7,741	7,400	13,698	15,410	982	1,110	22,421	23,920

c) Changes in the fair value of assets affected by the United States plans:

	Thousands of euros	
	2025	2024
Fair value of assets as at January 1	21,538	20,949
Return on assets	1,475	906
Company contribution	52	193
Benefits paid	-1,746	-1,813
Conversion differences	-2,486	1,303
Acquired in business combinations	—	—
Fair value of assets as at December 31	18,833	21,538
Cash	—	—
National investment funds	18,558	21,230
International investment funds	275	308

d) Information relating to the amounts recognized in the Consolidated Statement of Profit and Loss.

The cost of current services for the year is recognised under Staff Expenses.

	Thousands of euros	
	2025	2024
Cost for services for the current fiscal year	208	229
Plans in Germany	132	153
Plans in other countries	76	76
Net financial cost	768	635
Interest costs for plans in Germany	486	497
Interest costs for plans in the United States	149	15
Interest costs for plans in other countries	133	123
Expense (income) recognized in the period	976	864

e) Information relating to the amounts recognized in the Consolidated Statement of Comprehensive Income:

	Thousands of euros	
	2025	2024
Actuarial gains and losses	1,745	819
Resulting from changes in demographic assumptions	880	836
Resulting from changes in financial assumptions	–	18
Resulting from experience	265	62
Return, other than expected return, of the assets affected by the plans	600	-97
Tax effect	-433	-362
Net result recognized in the Consolidated Statement of Comprehensive Income	1,312	457

f) Main actuarial assumptions used in the plans:

- Pension plans in Germany

	2025	2024
Annual discount rate	4.1%	3.5%
Expected type of increase in pensions	2.0%	2.5%
Expected year of employee retirement	65-67	65-67

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

- Pension plans in the United States and Canada

	2025	2024
USA		
Annual discount rate	5.4%	5.1%
Expected rate of return on assets	5.25%-4.5%	5.5%- 4.65%

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

g) Future payments expected to be made in subsequent years:

	Thousands of euros	
	2025	2024
Payments to be made within the next 12 months	2,352	2,603
Payments to be made between 1 and 2 years	2,341	2,580
Payments to be made between 2 and 3 years	2,311	2,579
Payments to be made between 3 and 4 years	2,277	2,548
Payments to be made between 4 and 5 years	2,271	2,513
Payments to be made between 5 and 10 years	10,882	12,155
Payments to be made over more than 10 years	19,734	20,652

h) Sensitivity analysis for each of the main hypotheses.

How would a possible reasonable change in each assumption at the closing date of the year affect the obligation?

	Thousands of euros	
	2025	2024
Discount rate		
50 basis point increase	-2,013	-1,439
50 basis point decrease	2,258	1,556
Pension increase		
50 basis point increase	764	884
50 basis point decrease	-703	-811
Life expectancy		
Increase in 1 additional year	218	710

The sensitivity analysis is based on the change of each of the hypotheses and considering the other constants.

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

The changes as at December 31, 2025 and 2024 are as follows:

	Thousands of euros	
	2025	2024
Balance as at January 1	2,647	8,650
Conversion differences	-37	-74
Transfer to outstanding remuneration	-1,227	-6,347
Provisions	4,795	574
Payments	-67	-156
Balance as at December 31	6,111	2,647

2025 includes €3,447 thousand corresponding to the Long-Term Incentive Plan. In 2024, the amount corresponding to the Long-Term Incentive Plan was transferred to "Outstanding Remuneration", as it was paid in 2025.

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

Additionally, this section includes loyalty bonuses established by the subsidiary Viscofan DE GmbH for its employees. These loyalty bonuses consist of the following: upon reaching 25 years of service, employees receive a bonus of €1,000 and one month's gross salary multiplied by 0.8, plus one day of vacation; upon reaching 40 years of service, a bonus of €1,000 and one month's gross salary multiplied by 1.1, plus one day of vacation; and upon reaching 50 years of service, one day of vacation.

The number of beneficiaries is 487 workers (492 in the previous year), and the total amount of the obligation is €1,397,000 and €1,350,000 as at December 31, 2025 and 2024, respectively. During the year, €56,000 has been paid to the beneficiaries (€132,000 in 2024). The expected amount to be paid in 2026 is €74,000.

The cost of services for the current year and the recognized financial expense amounted to 84 thousand euros and 56 thousand euros, respectively (108 thousand euros and 48 thousand euros, respectively in 2024).

The assumptions used for calculating the obligation have been the same as those used for the pension plan of the same subsidiary described in the previous point.

13.2. Current provisions

(a) Provision for warranties / returns

A provision is recognized for anticipated warranty claims on products sold during the past year, based on past experience with the volume of returns. It is expected that most of these costs will be incurred in the following year.

(b) Provisions for occupational risks

The balance of the provision for workers' remuneration claims covers claims filed against the Group by employees, mostly in the Brazilian subsidiary, related to resignations or terminations of employment (these claims are not exceptional events, but rather standard practice in Brazil). In the opinion of the Directors, after appropriate legal advice, the outcome of these lawsuits is not expected to differ significantly from the amounts provisioned as at December 31, 2025.

(c) Provision for emission allowances

The provision for emission allowances includes the estimated consumption of emission allowances during 2025 and 2024 valued in accordance with the valuation standard described in Note 4.16, for amounts of 17,433 and 17,045 thousand euros, respectively.

13.3. Contingent assets and liabilities

(a) Contingent liabilities

As regards the Brazilian subsidiary Viscofan do Brasil, soc. com. e ind. Ltda., there are various legal claims filed totaling 44,993 thousand Brazilian Reais (6,955 thousand euros; in 2024 they totaled 48,638 thousand Brazilian Reais, 7,500 thousand euros). Provisions exist to cover the risks classified as probable.

In relation to the accident at the Viscofan España, S.L.U. production center in Cáseda (Navarra), which occurred in September 2019, a final acquittal judgment has been issued regarding all the employees of the Group without there being any outstanding civil liabilities.

Regarding its US subsidiary Viscofan USA Inc., in 2023 Sayer Technologies filed a lawsuit against it in the state of New Jersey seeking \$137,309 USD in unpaid invoices. Viscofan USA Inc. opposed the claim based on a prior breach of contract by Sayer Technologies and filed a counterclaim; this process is ongoing in 2025. Viscofan USA Inc. also has a claim against Schombourg & Schombourg for \$722,000 USD (€614,000) for defects in the execution of certain investments in 2022, while Schombourg & Schombourg is in turn claiming \$670,000 USD (€570,000) from Viscofan USA Inc. A significant impact on Viscofan from the resolution of this process is not considered likely.

Regarding the information published on October 14, 2025, in a digital media outlet concerning the operations of the Viscofan USA Inc. plant in Danville, Illinois, no claims or legal actions alleging negative health or environmental impacts have been received. Since 2020, Viscofan USA Inc. has received several Violation Notices from the Federal Environmental Protection Agency and the Illinois Environmental Protection Agency alleging specific violations, as is common in industrial facilities of this size and complexity. All of these matters have been satisfactorily resolved or are pending final administrative resolution, and no material impacts are anticipated.

b) Contingent assets

In relation to the power outage of April 28, 2025, Viscofan España S.L.U. intends to legally claim damages of approximately 1.8 million euros, although the claim is pending the issuance of the required report by the CNMC.

14. Trade creditors and other accounts payable

The breakdown of trade creditors and other accounts payable is as follows:

	Thousands of euros	
	2025	2024
Suppliers	36,156	44,844
Creditors for services rendered and other accounts payable	32,285	37,642
Customer advances	2,678	1,430
Accrued payroll liabilities	19,647	29,175
Trade creditors	90,766	113,091
Payables to public authorities	12,622	13,073
Other accounts payable	12,622	13,073
Final balance as at December 31	103,388	126,164

The breakdown by currency of trade creditors is as follows:

	Thousands of euros							
	Euros	American dollar	Czech koruna	Brazilian real	Mexican Peso	Chinese Yuan	Other currencies	Total book value
2025	41,350	13,277	3,957	10,402	5,266	3,564	12,950	90,766
2024	54,481	24,493	5,103	3,318	6,154	4,657	14,885	113,091

As at December 31, 2025 and 2024, the credit balances held with Public Administrations are as follows:

	Thousands of euros	
	2025	2024
VAT payables.	1,837	1,956
Withholding tax payables	4,970	5,715
Social Security creditor agencies	3,774	3,411
Other public authorities	2,041	1,991
Final balance as at December 31	12,622	13,073

The breakdown by currency is as follows:

	Thousands of euros							
	Euros	American dollar	Czech koruna	Brazilian real	Mexican Peso	Chinese Yuan	Other currencies	Total book value
2025	7,032	129	642	1,808	669	923	1,419	12,622
2024	8,063	140	581	1,600	535	875	1,279	13,073

Information on the average payment period for suppliers in commercial transactions based in Spain

In accordance with the Third Additional Provision, "Duty of Information" of Law 15/2010, of July 5, the information on the average payment period to national suppliers of the Group, in relation to the Spanish companies included in the consolidated group, is as follows:

	Days	
	2025	2024
Average payment period to suppliers	33.9	33.6
Paid-up ratio	34.5	34.8
Ratio of outstanding payments	24.4	22.4

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	Thousands of euros	
	2025	2024
Total payments made	221,890	218,555
Total outstanding payments	10,716	5,774
Monetary volume paid in a period shorter than the maximum established in the late payment regulations	211,183	212,780

	2025	2024
Invoices paid within a period shorter than the maximum established in the late payment regulations	21,574	19,894
Percentage they represent of the total monetary value of payments to their suppliers	95.17 %	97.35 %
Percentage they represent of the total number of invoices	94.29 %	95.92 %

Information on Supplier Financing Agreements

Confirming is offered to Spanish suppliers. Payment is always made on the invoice due date according to the agreed terms, and the supplier decides whether to receive early payment.

The balance as at December 31, 2025 amounts to 6,005 thousand euros (6,787 thousand euros as at December 31, 2024).

15. Non-Current and Current Financial Liabilities

The breakdown of non-current and current financial liabilities, taking into account discounted contractual maturities as at December 31, 2025 and 2024, is as follows:

	Thousands of euros				
	Up to 1 year	Between 1 year and 5 years	More than 5 years	Total book value	Fair value
Borrowings with credit institutions	227,415	40,382	–	267,797	267,797
Accrued interest payable	1,096	–	–	1,096	1,096
Other financial liabilities	22,497	7,763	4,922	35,182	35,182
Total as at December 31, 2025	251,008	48,145	4,922	304,075	304,075

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

As at December 31, 2025, of the €82,645 thousand in loans included in “Borrowings with credit institutions,” €61,667 thousand are sustainable (€36,833 thousand in 2024).

Additionally, the company has €340,501 thousand in credit lines, of which €164,000 thousand are sustainable loans (€302,339 thousand and €125,000 thousand, respectively, as at December 31, 2024). The amount drawn down is €185,152 thousand, of which €122,347 thousand are sustainable (€144,855 thousand and €73,166 thousand, respectively, as at December 31, 2024).

Interest rates are linked to the performance of indicators with an annual review period.

The established sustainability parameters are one or a combination of the following: reduction of CO2 emissions, reduction of m3 of water intake, and tons of waste sent to landfill, all referenced to km of packaging produced.

As can be seen in the table above, the book value of financial liabilities coincides with the fair value because the long-term debt corresponds to financing obtained in recent years, with the conditions being very similar to the conditions that would be obtained currently in the market.

The classification has been determined based on the current maturities of the outstanding balances in the credit accounts. Thus, the term of up to one year includes the outstanding balance of credit accounts whose annual renewal has already been agreed upon after the close of the year.

These lines of credit will be renewed as they reach their expiration date.

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

"Other current and non-current financial liabilities" as at December 31, 2025, mainly includes:

- Loans with subsidized interest rates from entities such as CDTI and the Ministry of Economy and Competitiveness amounting to 15,070 thousand euros.
- Suppliers of fixed assets amounting to 15,302 thousand euros.
- 25% of the purchase amount of the purchase of 60% of the companies Brasfibra Industria e Comercio de Derivados do Couro Ltda. and Master Couros Industria e Comercio de Derivados do Couro Ltda. for an amount of 3,408 thousand euros (Note 2.1).

As at December 31, 2024, the following were included:

- Loans with subsidized interest rates from entities such as CDTI and the Ministry of Economy and Competitiveness amounting to 15,496 thousand euros.
- Suppliers of fixed assets amounting to 11,643 thousand euros.
- 50% of the purchase amount of the purchase of 60% of the companies Brasfibra Industria e Comercio de Derivados do Couro Ltda. and Master Couros Industria e Comercio de Derivados do Couro Ltda. for an amount of 6,840 thousand euros (Note 2.1).

The Group recognizes the implicit interest in these loans, taking into account market interest rates.

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The breakdown by currency is as follows:

	Thousands of euros				
	Euros	American dollar	Czech koruna	Other currencies	Total book value
2025	270,186	8,529	220	25,140	304,075
2024	205,043	7,349	1,194	24,419	238,005

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

	Thousands of euros	
	2025	2024
Limit	340,501	302,339
Drawn down	185,152	144,855
Available	155,349	157,484

The undiscounted value of the financial liabilities classified by maturity, as at December 31, 2025 and 2024, is as follows:

	Thousands of euros						
	Less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years old	From 4 to 5 years old	More than 5 years	Total
Principal of the debt	227,415	18,606	21,333	—	443	—	267,797
Interest	5,562	381	27	—	—	—	5,970
Financial liabilities with credit institutions	232,977	18,987	21,360	—	443	—	273,767
Principal of the debt	22,497	2,030	2,297	2,102	1,334	4,922	35,182
Interest	774	279	234	184	138	108	1,717
Other financial liabilities	23,271	2,309	2,531	2,286	1,472	5,030	36,899
Total as at December 31, 2025	256,248	21,296	23,891	2,286	1,915	5,030	310,666

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

As at December 31, 2025, the Group has contracted confirming facilities whose combined limit amounts to 11,250 thousand euros (7,000 thousand euros as at December 31, 2024) and has multi-risk policies for a total amount of 13,000 thousand euros (13,000 thousand euros as at December 31, 2024).

16. Derivative financial instruments

The breakdown of the balances as at December 31, 2025 and 2024, which reflect the valuation of derivative financial instruments on those dates, is as follows:

	Thousands of euros							
	2025				2024			
	Measured at FV through OCI		Measured at FV through P&L		Measured at FV through OCI		Measured at FV through P&L	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Foreign exchange forward contracts	—	—	—	—	—	—	—	—
Raw material hedges	—	—	—	—	—	—	—	—
Long-term financial instruments	—	—	—	—	—	—	—	—
Foreign exchange forward contracts	24	—	1,254	—	—	—	20	2,196
Raw material hedges	—	—	—	—	91	1,003	—	—
Interest rate hedges	—	—	—	—	—	—	—	—
Short-term financial instruments	24	—	1,254	—	91	1,003	20	2,196
Total	24	—	1,254	—	91	1,003	20	2,196

Derivatives are used solely for hedging purposes and not as speculative investments. However, when derivatives do not meet the criteria for hedge accounting, they are classified as "held for trading" for accounting purposes and are measured at fair value through profit or loss. They are presented as current assets or liabilities to the extent that they are expected to be settled within 12 months after the end of the reporting period.

	Thousands of euros			
	Measured at fair value		Total book value	Fair value
	Through P&L	Through OCI		
Non-current derivatives	—	—	—	—
Current derivatives	1,254	24	1,278	1,278
Total Financial Assets as at December 31, 2025	1,254	24	1,278	1,278
Non-current derivatives	—	—	—	—
Current derivatives	—	—	—	—
Total Financial Liabilities as at December 31, 2025	—	—	—	—

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

16.1. Electricity and gas coverage

Certain production costs for the Group are linked to the cost of electricity. As a result, and to mitigate the negative impact of current electricity market volatility, in 2022 the Group, through its subsidiary Viscofan España, S.L.U., entered into a long-term contract with its electricity supplier, covering 33% of its annual consumption. The contract runs from 2023 to 2027 and establishes a fixed pool price, to which the Power Term and the Energy Term will be added.

At the end of 2023, the Group, through Viscofan España, S.L.U., signed a 30-year power purchase agreement with an energy supplier for all the energy generated by a photovoltaic plant that it will build near its facilities. The supplier is currently in the process of obtaining the necessary permits for the construction of the plant.

In 2024, the Group, through Viscofan España, S.L.U., signed a contract with an energy solutions provider for the installation and commissioning of a biomass boiler. This will allow us to reduce CO2 emissions and utilize waste from cellulose and fibrous casings. The facilities will come online in the first quarter of 2026.

All operations are carried out for own consumption without incorporating any speculative element and with the sole objective of setting a reasonable cost in the current circumstances.

16.2. Exchange rate insurance

Part of the fair valuation of foreign exchange hedges at year-end has been recognized as an expense or income in the Consolidated Statement of Profit and Loss for 2025 and 2024. The amount recognized directly in the Consolidated Statement of Comprehensive Income corresponds to designated foreign exchange hedges covering receivables or payables in currencies recognized in the Consolidated Statements of Financial Position at the closing exchange rate. No significant inefficiencies were identified in any of the derivative financial instruments entered into during fiscal years 2025 and 2024.

The Viscofan Group uses derivatives as a currency hedge to mitigate the potential negative impact that exchange rate fluctuations could have on transactions in currencies other than the functional currency of certain Group companies.

The nominal value of the main foreign exchange hedges in force as at December 31, 2025 and 2024 is as follows:

	Thousands	
	2025	2024
US Dollar	57,000	77,750
Pound sterling	–	380
Canadian dollar	–	1,500
Brazilian real	–	–
Japanese Yen	–	126,000

17. Income Tax

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

	Thousands of euros					
	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
Non-current assets	33,766	18,123	25,848	22,355	7,918	-4,232
Current assets	13,155	11,918	781	613	12,374	11,305
Non-current liabilities	6,085	6,251	1,288	1,085	4,797	5,166
Current liabilities	5,018	2,898	717	743	4,301	2,155
Total as of December 31	58,024	39,190	28,634	24,796	29,390	14,394

Deferred tax assets related to current assets arise, among other things, from the tax on the elimination of margin on inventory acquired between Group companies, as well as from provisions on inventory that are not tax-deductible in some countries. Regarding deferred tax assets related to non-current assets, these mainly correspond to the capitalization of tax credits for negative tax bases amounting to €26,731 thousand (€10,639 thousand in 2024), and differences between accounting and tax depreciation amounting to €6,987 thousand (€6,341 thousand in 2024). Similarly, deferred tax assets related to current and non-current liabilities mainly correspond to provisions made by different Group companies and will be used for tax purposes when these provisions are applied. A large part of the provisions detailed in this note have resulted in adjustments to the taxable base in the tax settlements of the different countries.

Deferred tax liabilities for non-current assets for the years ending December 31, 2025 and 2024 arise primarily from the application of different depreciation rates in some of the Group's subsidiaries compared to those used for tax purposes. This also includes the tax effect of net capital gains on property, plant and equipment acquired in various business combinations.

The composition of deferred tax assets and liabilities recognized in the balance sheet, based on the concepts that give rise to them, is as follows:

Deferred taxes	2025		2024	
	Asset	Liability	Asset	Liability
Taxable bases for losses (pending application)	26,731	–	10,639	–
Differences between accounting and tax amortization	6,987	18,397	6,341	15,976
Provisions for staff and other	6,121	120	6,201	–
Provisions for impairments	5,653	–	5,976	–
Based on IFRS 16	2,869	2,869	2,869	2,865
Limitation of financial expenses	641	–	710	–
Other deferred taxes	9,022	7,248	6,454	5,955
Total as at December 31	58,024	28,634	39,190	24,796

The recorded tax assets corresponding to taxable bases for losses (pending application), amounting to 26,731 thousand euros, correspond to:

Jurisdiction	Thousands of euros	
	2025	2024
Australia	158	166
USA	26,573	10,473
Total as at December 31	26,731	10,639

Based on the information available on the reporting date, and the projections derived from the Group's business plan for the coming years, the Group estimates that it will be able to generate sufficient taxable income to offset the taxable income recorded.

As at December 31, 2025, the Group has tax losses carried forward (Germany: €1,217 thousand; Australia: €2,291 thousand; Belgium: €1,436 thousand; United States: €8,509 thousand; Brazil: €2,018 thousand; New Zealand: €303 thousand; and Thailand: €867 thousand) that are not recognized in the balance sheet because the conditions for their recognition are not met. In addition, the Group has tax credits of €26,006 thousand (Spain: €8,326 thousand; United States: €6,901 thousand; and Uruguay: €10,779 thousand) which, in accordance with the accounting policy described in note 4.24 e), have not been capitalized, as well as other deferred taxes of €16 thousand in Spain, which have also not been recognized in the balance sheet.

The negative tax bases in the United States were generated between 2008 and 2025. Those generated between 2008 and 2017 have a legal expiration of 20 years from the date of generation, with no limit on their application. Those generated from 2018 onwards have no legal expiration and are limited to 80% of the taxable income.

Furthermore, the tax credits were generated between 2015 and 2022, have a legal expiry of 20 years from the date of generation and an application limit of 75% of taxable profits.

Additionally, the Republic of Serbia offers a tax incentive that reduces the corporate tax rate by 42% on tax returns filed from 2022 to 2031, resulting from investments in the country.

Also, in Thailand, in February 2023, the country's Investment Committee granted the Group a corporate tax incentive for investments made in the country, reducing the corporate tax rate by 60% until 2034.

During 2025, Viscofan Technology (Suzhou) Co. Ltd., a company located in China, renewed its "High Tech" rating for 3 years; therefore, the applicable tax rate is 15% instead of 25%.

Regarding taxable temporary differences in subsidiaries, the Group does not recognize any amount in this respect as at December 31, 2025 and 2024, based on its dividend distribution policy, according to which it is not likely that the accumulated earnings of the subsidiaries as at December 31, 2025, will be distributed in the foreseeable future. This unrecognized deferred tax liability would amount to approximately 7.8 million euros as at December 31, 2025 (8.2 million euros as at December 31, 2024).

The breakdown of variations by type of deferred tax assets and liabilities arising from temporary differences that have been recognized against income tax expense/(income) in the Consolidated Statement of Profit and Loss and against other results in the Consolidated Comprehensive Statement of Profit and Loss is as follows:

	Thousands of euros	
	2025	2024
Non-current assets	14,261	1,439
Current assets	1,690	964
Non-current liabilities	-68	-1,762
Current liabilities	2,690	125
Consolidated statement of profit and loss	18,573	766
Non-current assets	-823	-174
Current assets	-621	-469
Non-current liabilities	-301	-307
Current liabilities	-544	1,168
Other results from the Consolidated Statement of Comprehensive Income	-2,289	218
Additions (Note 2.1)	-1,288	-1,405
Total variation in taxes and deferred tax liabilities	14,996	-421

The breakdown of deferred taxes that have been charged directly against other results in the Consolidated Comprehensive Statement of Profit and Loss is as follows:

	Thousands of euros	
	2025	2024
Actuarial gains or losses in pension plans	-433	-362
Adjustments for changes in value of cash flow hedges	-266	1,088
Conversion differences	-1,590	-508
Charged directly to other results of the Consolidated Comprehensive Statement of Profit and Loss	-2,289	218

The main components of corporate income tax expenditure for the years ending December 31, 2025 and 2024 are as follows:

	Thousands of euros	
	2025	2024
Corporate income tax expense for the year	36,886	49,524
Adjustments to income tax for prior years	-529	347
Current tax	36,357	49,871
Origin and reversal of temporary differences	-18,573	-766
Deferred taxes	-18,573	-766
Expense for income tax on continuing activities	17,784	49,105

Based on the very positive evolution of the accounts of the US subsidiary and the future benefits of the business plan projected for the next few years (Note 6), the Group has activated in 2025 negative tax bases with an impact on the Consolidated Statement of Profit and Loss of 18,009 thousand euros (2,493 thousand euros in 2024).

The reconciliation between the expense/(income) for tax on continuing activities and the result of multiplying the result before tax by the tax rate in force in Spain (Navarre) on December 31, is as follows:

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	Thousands of euros	
	2025	2024
Profit from the year, before taxes on continuing activities	176,254	206,438
Adjustments to the Taxable Base	-12,615	-4,045
Taxable base prior	163,639	202,393
Tax rate at 28%	45,819	56,670
Impact of applying the rates in force in each country	-4,982	-8,122
Deductions generated/applied in the year	-6,260	-5,175
Activation of negative tax bases	-18,009	-2,493
Adjustments to income tax for prior years and other adjustments	-2,122	6,905
Non-recoverable withholdings for dividends from Group companies	3,338	1,320
Income tax expense	17,784	49,105

The calculation of the Corporation Tax payable, for continuous activities, is as follows:

	Thousands of euros	
	2025	2024
Current tax	-36,357	-49,871
Conversion differences	584	-508
Withholdings and payments on account made	30,317	33,517
Total as at December 31	-5,456	-16,862

This amount is broken down in the Consolidated Statement of Financial Position as follows:

	Thousands of euros	
	2025	2024
Assets for income taxes receivable	8,557	869
Income tax liabilities payable	-14,013	-17,731
Total as at December 31	-5,456	-16,862

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According to current legislation, taxes cannot be considered definitively settled until the filed tax returns have been audited by the tax authorities or the limitation period has come to an end, which in Spain is currently four years. As at December 31, 2025, the parent company and its subsidiaries located in Spain are subject to audit for all applicable principal taxes for the non-time-barred tax years. The situation for the remaining foreign subsidiaries depends on the laws in force in their respective countries.

Due to differing interpretations of current tax legislation, additional liabilities could arise as a result of an audit. In any case, the Directors of the Parent Company do not believe that should they arise, these liabilities would significantly affect the consolidated financial statements.

International tax reform - Pillar 2 rules

On December 21, 2024, Law 7/2024 of December 20 was published, which, among other aspects, transposes into Spanish law Directive (EU) 2022/2523 establishing a supplementary tax ("Supplementary Tax") to guarantee a global minimum level of taxation for multinational groups and large national groups ("Pillar 2 Law"), applicable retroactively to financial years beginning on or after December 31, 2023. It should also be noted that, with regard to the other jurisdictions relevant to the Group, all have, as at December 31, 2025, approved domestic legislation relating to Pillar 2, with the exception of Brazil and Uruguay (partial approval), Costa Rica, the United States, China, Mexico, and Serbia.

The Group, in its capacity as a large multinational group, is subject to said Supplementary Tax.

Additionally, an analysis was conducted based on available information, including the most recent tax returns, country-by-country reports, the financial statements of the Group's entities, and, where applicable, the transitional safe harbors provided for in Transitional Provision Four of Pillar 2 Law. This analysis concluded that in most jurisdictions where the Group operates, effective tax rates are above 15%, and therefore, no Additional Tax will be payable in those jurisdictions. However, the simplification linked to safe harbors does not apply in Serbia, Belgium, China, and Costa Rica, and only in Serbia is a negligible Additional Tax expected. Viscofan S.A., as the Group's ultimate parent company, will be responsible for filing the return and making the corresponding payment within the deadlines stipulated by Pillar 2 Law, as no domestic legislation has been adopted in Serbia.

The group has applied the mandatory temporary exception in IAS 12 relating to the accounting for deferred taxes arising from jurisdictions implementing tax regulations to ensure consistency in the financial statements while facilitating the implementation of the rules.

18. Segment reporting

As indicated in note 1, the Group manufactures, distributes, and markets all types of food packaging and films. Additionally, the Group generates electricity through cogeneration plants located at its facilities in Spain and Germany with the aim of reducing energy costs, achieving energy self-sufficiency, reducing CO2 emissions, and, where applicable, selling surplus electricity.

With the Beyond25 strategic plan, commercial and operational strategies have been reoriented, distinguishing between sales of what has been called Traditional Business, which includes collagen, cellulose and fibrous technology-based casings, and sales of New Business, which includes plastic casings and the rest of the products and services, although the latter currently have a very small relative weight.

Therefore, the income obtained by the Viscofan Group can be grouped by nature into Traditional Business, New Businesses and Energy, although from a management information point of view, the activity is considered a single segment, being mostly the sale of casings.

On the other hand, Viscofan's business model is global, meaning it offers products and services sold in numerous markets worldwide, generated by the Group's assets in various locations. Each production center manufactures goods destined for multiple countries and markets. Sometimes, these manufacturing centers produce semi-finished products, which are completed in other countries for subsequent sale to a third party. This process often involves several geographically sized regions.

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

Considering this business and management scheme, the Group's Management periodically analyzes, in the decision-making process, sales by geographical regions and, in any case, specific profitability in a more concrete way based on companies or assets analyzed in a more individualized manner.

Given the Group's current organizational, production and management structure, the Beyond25 strategic plan, and the information taken into account in decision-making by the highest decision-making body, the Group's Management considers that, in accordance with IFRS 8, the segment that carries out business activities that can generate income and cause expenses is unique: the sale of casings and films for food use.

However, from a commercial point of view, emphasis is placed on geographical areas as detailed below:

2025	Thousands of euros						Consolidated
	Spain	Rest of Europe, Middle East and Africa	Asia Pacific	North America	South America	Elimination and others	
Ordinary income from external clients	157,737	355,005	170,467	387,358	181,416	—	1,251,983
Ordinary income from other group companies	145,532	335,098	10,565	99,841	44,619	-635,655	—
Total ordinary income	303,269	690,103	181,032	487,199	226,035	-635,655	1,251,983
Depreciation expenses							-85,196
Financial income							1,945
Financial expenses							-9,868
Exchange rate differences							-20,137
Segment profit before tax							176,254
Total assets	516,396	435,217	185,313	425,067	229,870	-350,287	1,441,576
Total fixed assets	159,210	327,387	59,686	139,223	67,411	-159,210	593,707
Total liabilities	313,252	117,376	66,462	197,930	185,172	-371,668	508,524
Asset acquisitions	25,967	24,410	3,372	22,654	7,674	—	84,077

Thousands of euros

Year 2024	Rest of Europe, Middle East and Africa					Elimination and others	Consolidated
	Spain	Asia Pacific	North America	South America			
Ordinary income from external clients	148,968	359,514	163,005	373,742	158,765	—	1,203,994
Ordinary income from other group companies	158,222	308,952	1,802	111,013	41,848	-621,837	—
Total ordinary income	307,190	668,466	164,807	484,755	200,613	-621,837	1,203,994
Depreciation expenses							-83,794
Financial income							2,535
Financial expenses							-10,370
Exchange rate differences							12,981
Pre-tax profit of the segment							206,438
Total assets	441,684	440,462	175,294	437,939	197,742	-290,273	1,402,848
Total fixed assets	160,280	322,969	65,500	147,808	61,885	-160,281	598,161
Total liabilities	300,407	134,148	50,287	238,077	51,847	-310,829	463,937
Asset acquisitions	22,214	10,901	14,259	16,483	7,137	—	70,994

19. Operating income and expenses

19.1. Sales and provision of services

The sales and services figure in the Consolidated Statement of Profit and Loss includes the delivery of goods to customers, services provided in the course of the Group's ordinary activities and the sale of energy, net of sales-related taxes.

The breakdown of this section, for 2025 and 2024, is as follows:

	Thousands of euros	
	2025	2024
Revenue corresponding to Traditional Business	1,033,697	996,610
Revenue corresponding to New Business	159,728	147,326
Revenue corresponding to Energy	58,558	60,058
Total	1,251,983	1,203,994

Ordinary income from external customers comes from the sale of casings and films for food use or other applications generally made to sausage manufacturers and, to a lesser extent, the production of electricity, for sale to third parties, through co-generation systems (see Note 4.9).

Regarding sales of wraps and films, the Group considers that there is only one type of contract with customers: sales correspond to a single performance obligation and are carried out at a single point in time.

Regarding sales of electricity production, these are recorded as the energy generated in the co-generation systems is produced and delivered.

19.2. Other income

The breakdown of the different concepts included in "Other operating income" for 2025 and 2024 is as follows:

	Thousands of euros	
	2025	2024
Own work capitalised	2,291	1,629
Capital grants	201	82
Other operating income	19,248	12,139
Total other income	21,740	13,850

There is no breach of the conditions or contingencies associated with the grants received.

19.3. Staff Expenses

The breakdown of "Staff Expenses" for 2025 and 2024 is as follows:

	Thousands of euros	
	2025	2024
Wages, salaries and similar payments	226,169	214,079
Severance payments	2,431	2,582
Current service cost defined benefit plans (Note 13.1)	208	229
Social Security to be paid by the company	44,018	39,833
Other social contributions and taxes	19,543	17,555
Total staff expenses	292,369	274,278

The number of people employed by the Group during 2025 and 2024, broken down by category and gender, is as follows:

	Number of people employed at the end of the period					
	Men	Women	Total 2025	Men	Women	Total 2024
Executives	109	38	147	87	23	110
Technicians and Managers	1,020	426	1,446	969	392	1,361
Administrative	76	211	287	70	188	258
Specialized staff	727	246	973	687	224	911
Operators	2,139	929	3,068	1,946	737	2,683
Total	4,071	1,850	5,921	3,759	1,564	5,323

	Average number of people employed					
	Men	Women	Total 2025	Men	Women	Total 2024
Executives	109	37	146	91	26	117
Technicians and Managers	983	407	1,390	940	382	1,322
Administrative	76	197	273	61	180	241
Specialized staff	705	231	936	681	216	897
Operators	2,091	885	2,976	1,901	685	2,586
Total	3,964	1,757	5,721	3,674	1,489	5,163

Due to the circumstances of the production process, Viscofan, S.A. had been entitled since May 3, 2017, and renewed on November 13, 2023 by Resolution 313/2023 of the Directorate of the Navarre Employment Service, to the recognition of exceptionality that justifies the adoption of alternative measures for compliance with the requirement to reserve jobs for workers with disabilities and, as an alternative measure, authorizes the conclusion of civil or commercial contracts with Special Employment Centers, for a validity of three years.

The number of employees at companies located in Spain, with a recognized level of disability equal to or greater than 33%, who are reported in accordance with Royal Decree 602/2016, of December 2, amounts to 5 workers (4 operators and 1 administrative); 5 workers (4 operators and 1 administrative) in 2024.

The Group collaborates with special employment centers in Spain and other countries to carry out certain tasks that contribute to the performance of our productive activity.

The total number of employees with disabilities at the Group has reached 77 (66 men and 11 women). In 2024, the number of employees with disabilities was 66 (60 men and 6 women).

19.4. Other operating expenses

The breakdown of "Other operating expenses" for 2025 and 2024 is as follows:

	Thousands of euros	
	2025	2024
Research and development expenses	4,084	3,946
Repairs and maintenance	35,979	35,244
Environment	11,696	10,758
Supplies	87,497	85,964
Plant expenses (security, cleaning and others)	36,798	32,900
Leases	8,335	8,102
Insurance premiums	8,336	7,341
Taxes	8,004	6,820
Administrative and operational expenses	71,302	67,588
Other expenses	10,766	8,739
Total other operating expenses	282,797	267,402

"Lease" expenses include royalties, as well as short-term rentals not covered by IFRS 16 Leases.

19.5. Financial Income and Expenses

The breakdown of financial income and expenses for 2025 and 2024, based on the origin of the items that comprise it, is as follows:

	Thousands of euros	
	2025	2024
Financial income	1,945	2,535
Borrowings with credit institutions and other financial liabilities	-9,100	-9,735
Net financial cost of pension plans and long-term remuneration.	-768	-635
Financial expenses	-9,868	-10,370
Adjustment of fair value to financial investments	-480	-248
Positive exchange rate differences	9,156	36,207
Negative exchange rate differences	-29,293	-23,226
Exchange rate differences	-20,137	12,981
Total financial income (expenses)	-28,540	4,898

20. Earnings per Share

20.1. Basic

Basic earnings per share are calculated by dividing the profit for the year attributable to the holders of equity instruments of the parent company by the weighted average of ordinary shares outstanding during the year, excluding treasury shares.

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

	2025	2024
Weighted average number of ordinary shares outstanding	45,656,226	45,548,368
Profit from continuing operations attributable to holders of equity instruments of the parent company (thousands of euros)	159,917	157,019
Basic earnings per share (in euros)	3.50	3.45
	2025	2024
Average number of ordinary shares outstanding	46,500,000	46,500,000
Effect of treasury shares	-843,774	-951,632
Weighted average number of ordinary shares outstanding as at December 31	45,656,226	45,548,368

20.2. Diluted

Diluted earnings per share are calculated by adjusting the profit for the year attributable to holders of equity instruments of the Parent Company and the weighted average of the ordinary shares outstanding, for all the dilutive effects inherent in potential ordinary shares.

The diluted earnings per share incorporates the effect of the Group's share plan, detailed in note 22.3. It includes the ordinary shares that will be issued based on the degree of achievement of the conditions set out at the end of the period foreseen for their fulfillment.

	2025	2024
Weighted average number of ordinary shares outstanding	45,479,209	45,699,511
Profit from continuing operations attributable to holders of equity instruments of the parent company (thousands of euros)	159,917	157,019
Basic earnings per share (in euros)	3.52	3.44

There will be no dilution effect due to the capital increase that will be carried out for the payment of the supplementary dividend within the framework of the Viscofan flexible remuneration program, since it is planned to reduce the share capital of the Parent Company through the redemption of treasury shares (Note 12.6).

21. Policy and Risk Management

Risk management is controlled by the Group in accordance with policies approved by the Board of Directors. Section E, Risk Management and Control Systems, of the Parent Company's Annual Corporate Governance Report describes the risk control system, listing those risks that may affect the achievement of objectives, their manifestation during 2025, and the response and monitoring plans. In this Note, we will focus on the financial risks described below.

The Group's activities are exposed to various financial risks: foreign exchange risk, credit risk, liquidity risk, interest rate risk on cash flows and fair value risk, as well as fuel price risk and emissions trading risk. The Group's global risk management program focuses on the uncertainty of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivatives to hedge some of the above risks.

21.1. Exchange rate risk

The Group operates internationally and is therefore exposed to foreign exchange risk from currency transactions, particularly with the US dollar. This exchange rate risk arises from future Commercial transactions, recognized assets and liabilities, and net investments in foreign businesses.

The Group's risk management policy is to hedge the net balance between receipts and payments in currencies other than the functional currency that represent the greatest net exposure. To this end, foreign exchange forward contracts are formalized during the annual budget preparation process, based on the expected EBITDA for the following year, the anticipated net exposure and the degree of risk the Group is willing to assume.

The following table shows the sensitivity that a possible variation in the exchange rate of some of the currencies of the countries where the Group carries out its activity would have had on net profit for the year, while the other variables remain unchanged:

	Thousands of euros			
	2025		2024	
	+ 5%	-5%	+ 5%	-5%
Dólar USA	12,164	-10,678	13,030	-10,261
Corona Checa	-2,120	1,919	-1,662	1,504
Real Brasileño	-2,146	1,943	-2,331	2,110
Yuan Renmimbi Chino	1,543	-1,395	1,061	-959

The following table shows the effect on consolidated equity of changes in the exchange rate of some of the currencies of the countries where the Group operates:

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	Thousands of euros			
	2025		2024	
	+ 5%	-5%	+ 5%	-5%
Dólar USA	7,046	-6,375	11,015	-10,647
Corona Checa	7,772	-7,032	4,759	-4,306
Real Brasileño	1,666	-1,507	2,796	-2,530
Yuan Renmimbi Chino	5,265	-4,764	5,031	-4,552

21.2. Credit risk

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

Viscofan Group's credit risk is primarily attributable to its trade payables. The amounts are reflected in the consolidated balance sheet net of provisions for bad debts, estimated based on past experience, the age of the receivables, and an assessment of the current economic environment. This represents the maximum amount of exposure to this risk.

The Viscofan Group does not have a significant concentration of credit risk, as its exposure is distributed across various countries and a large number of counterparties and customers. In this respect, no single customer or group of related companies represents sales and receivables exceeding 10% of the total risk.

The Group has an established credit policy, and exposure to collection risk is managed in the normal course of business. Credit assessments are performed for all clients requiring credit above a certain amount. Furthermore, the standard practice of the Group's companies is to partially hedge the risk of non-payment through credit and surety insurance, which typically covers 90% of each client's debt. For high-risk countries, the hedge is reduced to 80%. For countries not covered by any insurance company, guarantees such as advances and deposits are required.

The credit risk of liquid funds and derivative financial instruments is limited because the counterparties are banking entities that have been assigned high ratings by international credit rating agencies.

The directors estimate that as at December 31, 2025, there are no significant assets that could be impaired relative to their net book value.

21.3. Liquidity Risk

The Group manages liquidity risk prudently, based on maintaining sufficient cash and marketable securities, ensuring access to financing through a sufficient amount of committed credit facilities, and having sufficient capacity to liquidate market positions. Given the dynamic nature of the underlying businesses, the Group aims to maintain financing flexibility through the availability of contracted credit lines.

In this regard, a proper follow-up is carried out on a monthly basis on the expected collections and the payments to be made in the coming months, and any deviations in the expected cash flows in the previous month are analyzed in order to identify possible deviations that could affect liquidity.

The following ratios show the liquidity situation as at December 31, 2025 and 2024:

	Thousands of euros	
	2025	2024
Current assets	781,502	761,665
Current liabilities	-393,849	-346,661
Working capital	387,653	415,004
Current liabilities	393,849	346,661
Working capital/current liabilities ratio	98.43 %	119.71 %
Cash and other cash equivalents	62,790	55,143
Available on credit facility (Note 15)	155,349	157,484
Treasury + credit availability and discount	218,139	212,627
Percentage of treasury + credit and discount availability / current liabilities	55.39 %	61.34 %

The amounts available in credit and discount lines do not include confirming facilities or multi-risk policies detailed in Note 15.

During 2025 and 2024, there were no defaults or other non-payments of principal, interest, or amortization on debts to credit institutions. Likewise, no defaults are anticipated for 2026.

21.4. Interest rate risk in cash flows and fair value

The Group manages interest rate risk by maintaining a balanced portfolio of fixed and variable rate loans and credits. As at December 31, 2025, approximately 29% of the Group's loans are remunerated at a fixed interest rate (33% in 2024).

The Group does not own significant remunerated assets.

The structure of financial debt subject to interest rate risk as at December 31, 2025 and 2024, after considering the hedges through the contracted derivatives, is as follows:

	Thousands of euros	
	2025	2024
Debts with credit institutions	268,893	201,997
Other financial liabilities (*)	19,880	24,365
Total financial debt	288,773	226,362
Fixed interest rate	84,655	67,198
Variable interest rate	204,118	159,164

(*) Excluding suppliers of fixed assets and lease liabilities

During 2025 and 2024, variable interest rate financing is mostly referenced to the Euribor, the SOFR and the Libor-dollar.

Furthermore, the Group is exposed to changes in the interest rates used to calculate pension plan obligations (see Note 13.1).

The following table shows the sensitivity that a possible variation in discount and/or interest rates of 1% would have had on profit for the year:

	Thousands of euros			
	2025		2024	
	+1%	-1%	+1%	-1%
Obligaciones planes de pensiones				
Alemania	-133	135	-144	141
Estados Unidos	-208	220	-225	211
Planes en otros países	-11	11	-20	21
Deuda financiera				
Euribor	-1,823	1,832	-1,539	1,547

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

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

The Group's policy is to try to fix the prices of the main fuels, either by entering into one-year contracts with suppliers or by hedging (Note 16.1). This aims to mitigate the impact of price fluctuations on the Consolidated Statement of Profit and Loss.

The following table shows the sensitivity that a possible 10% variation in the price of gas would have had on the operating result:

	Thousands of euros	
	2025	2024
+10%	-4,429	-5,075
-10%	4,432	5,073

21.6. Emission rights price risk

Pursuant to the provisions of note 8, the consumption of emission allowances in 2025 amounted to 242,857 tonnes (272,095 tonnes in 2024) and has represented an expenditure of 15,914 thousand euros (17,068 thousand euros in 2024).

The sensitivity to a possible variation in the average consumption price of emission allowances of 10% in operating profit would be:

	Thousands of euros	
	2025	2024
+10%	-1,591	-1,707
-10%	1,591	1,707

22. Information relating to Directors of the Parent Company and key management staff at the Group

22.1. Board members

The remuneration of the directors is set out in article 29 ter. of the statutes and in the remuneration policy approved by the general shareholders' meeting.

The breakdown of the remuneration for the members of the Board of Directors in 2025 and 2024 is presented below:

	Thousands of euros							
	Salaries	Fixed remuneration	Subsistence allowance	Short-term variable compensation	Variable remuneration to L.P.	Membership compensation Commissions	Other concepts	Total
D. José Domingo de Ampuero y Osma	—	655	31	—	—	—	—	686
D. José Antonio Canales García	800	80	—	291	—	—	64	1,235
D. Jaime Real de Asúa y Arteche	—	105	31	—	—	38	—	174
D ^a . Agatha Echevarría Canales	—	80	31	—	—	30	—	141
D. Santiago Domecq Bohórquez	—	80	28	—	—	25	—	133
D ^a . Laura González Molero	—	80	29	—	—	55	—	164
D ^a . Cristina Henríquez de Luna Basagoiti	—	80	29	—	—	30	—	139
D. Andrés Arizcorreta García	—	80	31	—	—	70	—	181
D. Javier Fernández Alonso	—	80	29	—	—	30	—	139
D ^a . Verónica Pascual Boé	—	80	29	—	—	25	—	134
Total 2025	800	1,400	268	291	—	303	64	3,126

There have been no changes to the company's Board of Directors in 2025.

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	Thousands of euros							
	Salaries	Fixed remuneration	Subsistence allowance	Short-term variable compensation	Variable remuneration to L.P.	Membership compensation Commissions	Other concepts	Total
D. José Domingo de Ampuero y Osma	–	655	30	–	1,031	–	1,312	3,028
D. José Antonio Canales García	775	80	–	347	1,193	–	57	2,452
D. José María Aldecoa Sagastasoloa	–	35	12	–	–	8	–	55
D. Jaime Real de Asúa y Arteche	–	97	30	–	–	37	–	164
D ^a . Agatha Echevarría Canales	–	80	30	–	–	30	–	140
D. Santiago Domecq Bohórquez	–	80	30	–	–	25	–	135
D ^a . Laura González Molero	–	80	28	–	–	54	–	162
D ^a . Cristina Henríquez de Luna Basagoiti	–	80	30	–	–	30	–	140
D. Andrés Arizcorreta García	–	80	30	–	–	65	–	175
D. Javier Fernández Alonso	–	80	30	–	–	30	–	140
D ^a . Verónica Pascual Boé	–	80	28	–	–	19	–	127
Total 2024	775	1,427	278	347	2,224	298	1,369	6,718

In 2024, variations in directors' remuneration in their capacity as such are due to changes in the composition of the Board and Committees and in the performance of their duties. In this regard, under Fixed Remuneration, the remuneration of director Mr. Jose María Aldecoa Sagastasoloa for his duties as Lead Director until his resignation as a director following the Annual General Shareholders' Meeting in April 2024 is shown; from that date, he was replaced by and remuneration as Lead Director has been paid to Mr. Jaime Real de Asúa Arteche.

The Board of Directors at its meeting on December 20, 2023, adopted the agreement to change the model from an executive chairmanship to a non-executive chairmanship with effect from January 1, 2024, which includes the appointment of a Chief Executive Officer.

Consequently:

- Mr. José Domingo de Ampuero y Osma, effective from January 1, 2024, ceased his executive functions in the Parent Company and in the Group, continuing his mandate as non-executive Chairman of the Board of Directors, consequently moving to the category of "other external directors".
- Mr. José Antonio Canales García, the current Managing Director, was appointed CEO of Viscofan also effective January 1, 2024.

Mr. José María Aldecoa Sagastasoloa completed 12 uninterrupted years as a director of Viscofan during 2024. In order to ensure that at least 50% of the Board members were independent, Mr. Aldecoa, in a letter dated January 25, 2024, addressed to the Chairman and the entire Board of Directors, submitted his resignation, effective from the date of the 2024

Annual General Shareholders' Meeting, as a director and member of the various committees to which he belonged, before the end of his statutory term in 2026. His resignation therefore became effective on April 18, 2024. At the aforementioned Annual General Meeting, a reduction in the number of directors from 11 to 10 members was also adopted.

The Chief Executive Officer, Mr. José Antonio Canales, has accrued variable remuneration of €291,000 in the short term (€347,000 in the short term in 2024). This has been calculated based on parameters such as EBITDA, net profit, sales, and share value, among others, which were determined in accordance with the annual plan, as well as his personal performance, as detailed in the Annual Report on Directors' Remuneration, section B.7.

In relation to the Chief Executive's Long-Term Incentive Plan for the 2025-2027 period (Note 22.3), as at December 31, 2025, an amount of 245 thousand euros was recognized in the liabilities and equity of the Parent Company.

The remuneration of the Long-Term Incentive Plan corresponding to the period 2022-2024 amounted to a total of 2,224 thousand euros for the Chairman of the Board, for the recognition of the proportional part of the long-term Incentive Plan or Three-Year Bonus 2022-2024 that as executive director he had recognized until he ceased in his executive functions, and the Chief Executive Officer: 290 thousand euros in cash and 12,147 shares valued at the closing price of the share on 31 December 2024 for the Chairman of the Board and 336 thousand euros in cash and 14,054 shares valued at the closing price of the share on 31 December 2024 for the Chief Executive Officer, an amount that was paid after its approval at the General Shareholders' Meeting.

"Other concepts", includes 64 thousand euros (57 thousand euros in 2024) for life and accident insurance, health insurance and company vehicle premiums.

Furthermore, the Chairman of the Board of Directors, effective January 1, 2024, at the request of the Parent Company, ceased his executive functions, and consequently, the commercial service agreement between the Chairman and the Parent Company was terminated. Pursuant to the provisions of the Policy and the aforementioned agreement, the right to severance pay equivalent to two years' salary of the Chairman, amounting to €1,312,000, accrued and was paid in 2024, as included in this section.

The Parent Company has a Directors and Officers (D&O) liability insurance policy, covering both executive and non-executive directors, as well as officers of the Parent Company and its subsidiaries. Under this policy, directors are considered insured parties for any liabilities they may incur as a result of performing their duties. During the 2025 fiscal year, premiums for directors' and officers' liability insurance for damages caused in the performance of their duties amounted to €96,000 (€96,000 in 2024).

As at December 31, 2025 and 2024, the Viscofan Group has not granted any type of advance or loan, nor has it incurred any obligations regarding pensions or other long-term savings schemes, nor any type of guarantee granted in favor of any member of the Board of Directors, current or former, or to persons or entities related to them. During 2025 and 2024, the members of the Board of Directors and persons or entities related to them have not carried out any transactions with the Parent Company or with the Group companies that are outside the ordinary course of business or under conditions other than market conditions.

With regard to Article 229 of the Spanish Companies Act, the directors of Viscofan, S.A. have stated that they have no conflicts of interest with the Company. Regarding the transactions carried out with Banca March S.A., consisting of the renewal of a credit line by Viscofan España S.L.U., the directors thereof, pursuant to Article 231 of the Spanish Companies Act, and in accordance with Article 228(c) of the Spanish Companies Act, abstained from participating in the deliberation and voting on the corresponding resolutions or decisions (Audit Committee meeting of January 22, 2025, and Board of Directors meeting of January 23, 2025).

The Viscofan Group has a contract with its executive director that includes safeguard clauses. Termination of this contract under certain objective circumstances, not attributable to the director, may entitle the director to remuneration equal to twice their fixed remuneration, an amount that also includes a two-year non-compete clause.

22.2. Senior Management

The breakdown of individuals holding senior management positions as at December 31, 2025 is as follows:

Corporate Management Department

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

In 2025 there have been no changes in the Group's corporate management.

As a result of the new strategic plan Beat'30, effective January 1, 2026, Viscofan will implement the following changes in its senior management organizational chart:

- Gabriel Larrea, former CEO of North America, is appointed as Chief Supply Chain Officer (CSO) leading the management of the value chain which includes: purchasing, planning, sequencing, logistics, warehousing and customer service.
- Consequently, Guillermo Eguidazu, current CEO of Viscofan USA, is appointed as CEO of North America.
- Domingo González is appointed CEO of the Health division, which includes the businesses that were previously grouped under the concept of Nutra-medical-pharma, and the diversification area, a role that he will combine with his current position as Chief Strategy Officer.
- Óscar Ponz, former CEO of New Business, is appointed CEO of Pet treats, also assuming the role of Deputy CEO of EMEA.

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

Also in 2024, Armando Ares was appointed Director of Sustainability, driven by the growing demands for sustainability that necessitate promoting projects and coordination in this area throughout the Group. He combines this role with his duties as Director of Investor Relations and Communications for the Viscofan Group.

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

During 2025, the remuneration received by key management staff amounted to €5,165,000. In 2024, the remuneration amounted to €11,842,000.

With regard to the Long-Term Incentive Plan for the period 2025-2027 (Note 22.3), as at December 31, 2025, an amount of €1,031 thousand has been recognized in the liabilities and equity of the Parent Company. The figure as at December 31, 2024, included the remuneration of the Long-Term Incentive Plan in the amount of €6,954 thousand, consisting of €1,959 thousand in cash and 81,892 shares valued at the closing share price on December 31, 2024, an amount that was paid after its approval at the Annual General Shareholders' Meeting.

These amounts do not include the remuneration of the two executive directors, Mr. José Antonio Canales García and Mr. José Domingo de Ampuero y Osma, details of which have been provided above.

The Parent Company has liability insurance for directors, both executive and non-executive, as well as for managers of the Parent Company and of the Group's subsidiary companies, mentioned in point 22.1.

22.3. Long-Term Incentive Plan

The Board of Directors of Viscofan, S.A., in a session held on February 27, 2025 and on the proposal of the Appointments, Remuneration and Sustainability Committee, approved a Long-Term Incentive Plan for the period 2025-2027 for the executive director of the Parent Company, managers and other key staff of the Viscofan Group, which, subject to compliance with the objectives thereof, will result in the delivery of a cash amount and shares of the Parent Company. In accordance with the provisions of Article 219 of the consolidated text of the Capital Companies Law approved by Royal Legislative Decree 1/2010, of July 2, and Article 29.2 of the Articles of Association of Viscofan, the Plan was submitted, with respect to the executive directors of the Parent Company, to the approval of the General Shareholders' Meeting, under the terms provided for in current legislation and in the Directors' Remuneration Policy.

The Plan consists of an extraordinary, multi-year and mixed incentive, payable in cash and shares of the Parent Company, which, after the application of certain coefficients, based on the degree of achievement of certain objectives in the measurement period (2025-2027), determines in favor of the beneficiaries, (i) the payment of a cash amount and, (ii) on the basis of an initial number of shares allocated, the effective delivery of shares of Viscofan, S.A. on the scheduled payment date.

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

- Total shareholder return
- Creating sustainable value in environmental matters.
- Creating sustainable value in social matters

The Plan has 140 beneficiaries, although due to new additions or mobility or changes in professional level, the number of beneficiaries may increase to approximately 160 beneficiaries, respecting the economic limits established in the Plan.

The Plan will be payable and settled within the month following the approval by the Company's General Meeting of the financial statements for 2027 ("Settlement Date"), that is, within the first half of 2028. Beneficiaries who voluntarily withdraw before the Settlement Date will lose all rights derived from it.

The Plan has the following limitations:

- Regarding the portion to be settled in shares, the Plan provides for the allocation of a maximum of 315,000 shares for the Target Incentive and 472,500 shares for the Maximum Incentive for overperformance.
- Regarding the portion to be settled in cash, the Plan provides for a maximum payment, for all beneficiaries, of 15 million euros in the case of a Target Incentive and 22.5 million euros in the case of a Maximum Incentive for overcompliance.

The amounts and maximum number of shares for the Chief Executive Officer are as follows:

- Target incentive (100% achievement of objectives), a maximum of 27,718 shares and 720,012 euros in cash.
- In the case of Maximum Incentive for overperformance, the incentive may reach a maximum of 41,577 shares and 1,080,018 euros in cash.

As at December 31, 2025, the recognized liability amounts to 4,694 thousand euros, of which 1,247 thousand euros have been recorded within Equity.

Regarding the 2022-2024 Three-Year Plan, starting from 152 initial beneficiaries, due to new additions and employee mobility, the final number of beneficiaries of the Plan was 147, respecting the maximum limit authorized in both cash and shares.

At the proposal of the Appointments, Remuneration and Sustainability Committee, the Board of Directors of the Parent Company, in its session of February 13, 2025, determined a degree of achievement of the 2022-2024 Three-Year Plan, global for all parameters and metrics of 105.4% (Total shareholder profitability; Environmental sustainability; Social sustainability).

In accordance with the terms of the Plan, the delivery of the shares and the payment of the consolidated amount took place after the holding of the 2025 General Shareholders' Meeting.

Thus, the Plan represented a total of €19,551 thousand for the Group in the 2024 consolidated accounts, including 232,527 shares. As at December 31, 2024, the recognized liability amounted to €16,396 thousand, of which €6,508 thousand was recorded within Equity.

The amounts and number of shares for the executive directors were as follows:

- For the Chairman, 290,000 euros and 12,147 shares
- For the CEO, 336 thousand euros and 14,054 shares

23. Transactions and balances with related parties

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

According to Article 231 of the Capital Companies Law, none of the companies that are part of the Viscofan Group have carried out operations with related parties.

However, during 2025 the Group carried out transactions with Banca March S.A., a financial institution related to Corporación Financiera Alba, S.A., which held 14.25% of the Company's shares as at December 31, 2025 (14.25% as at December 31, 2024). In January 2025, the credit line with a limit of €10 million, originally established in 2023 and renewable annually until January 2026, was renewed. No additional services were received from companies linked to this shareholder in either 2025 or 2024. All transactions were conducted under normal market conditions.

24. Environmental Information

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

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

Viscofan's climate change policy focuses on adopting measures to reduce greenhouse gas emissions and promoting energy efficiency and the use of renewable energy. Meanwhile, its pollution control and reduction policy advocates for the implementation of clean technologies and the adoption of industrial practices that minimize polluting emissions. The environmental policy encompasses a series of guidelines, with particular emphasis on those aimed at minimizing waste generation.

These policies, in conjunction with the Sustainability Action Plan and the Net Zero 2050 Plan, form the basis for implementing specific response plans designed to anticipate or mitigate potential future financial impacts. This action plan is structured around a series of specific and measurable objectives, enabling Viscofan to periodically assess its progress in meeting its sustainability commitments.

In accordance with this strategy and based on the tolerance analysis of the possible anticipated financial effects, no impairments of current assets have been identified and no significant investments are contemplated to adapt to these risks and the commitments established in the aforementioned plan.

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

The cost of property, plant and equipment related to environmental projects held by the Group as at December 31, 2025 is 128,362 thousand euros (112,303 thousand euros as at December 2024) and an accumulated amortization of 42,366 thousand euros (35,815 thousand euros as at December 2024).

The main investment projects, totaling €16,059,000, have been carried out in facilities for the treatment of gases generated in the production process. Investments in environmental management in 2024 amounted to €17,980,000.

During 2025, the Group incurred expenses of €11,696,000 for the protection and improvement of the environment. In 2024, the amount was €10,758,000.

The Group has taken out civil liability insurance policies that cover damages to third parties caused by accidental and unintentional pollution; these insurances cover any possible risk in this respect and to date there have been no significant claims in environmental matters.

The Directors of the Parent Company consider that it is not necessary to establish additional provisions to cover possible expenses or risks related to environmental actions.

During 2025 and 2024, the Viscofan Group did not have any relevant environmental sanctions.

25. Audit Fees

During the years ending December 31, 2025 and 2024, the auditing firm for the Group's consolidated financial statements, PricewaterhouseCoopers Auditores, S.L., and those other companies with which said firm maintains any of the links referred to in the Fourteenth Additional Provision of the Law on Measures for the Reform of the Financial System, have accrued net fees for professional services, except for "Other services" which are based on their billing date, as detailed below:

Year 2025	Thousands of euros		Total
	In the parent company	In the rest of the companies	
PwC Auditores, S.L.	134	160	294
Red de PwC	—	592	592
Audit services	134	752	886
PwC Auditores, S.L.	149	8	157
Red de PwC	—	66	66
Other audit-related services	149	74	223
Total as of December 31, 2025	283	826	1,109

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

The amount of audit fees with firms other than the main auditor amounts to 118 thousand euros (135 thousand euros in 2024).

26. Subsequent events

The following events have occurred after the closing date of December 31, 2025:

- **Proposed dividend distribution:**

At its meeting of February 26, 2026, the Board of Directors resolved to propose to the Shareholders' Meeting a gross amount for the Final Dividend of €1.757 per share. Consequently, taking into account the 2025 Interim Dividend of €1.483 per share and the attendance bonus for the Annual General Meeting of €0.01 per share, the total remuneration payable to shareholders will be €3.25 per share. Of this estimated amount of €3.25 per share, €2.25 corresponds to the increasing ordinary remuneration that the Board of Directors has been proposing to the Annual General Meeting in recent years (€2.135 per share for 2024), while the additional €1 per share to reach the total estimated amount would be considered extraordinary in light of current market conditions and the Company's situation.

The payment of the Supplementary Dividend is expected to be made in June 2026.

- **Share buyback program:**

On February 26, 2026, the Board of Directors of Viscofan, S.A. agreed to launch a share buyback program (the "Buyback Program") which will aim to reduce share capital by redeeming treasury shares acquired under the "Viscofan Flexible Dividend" programs that the Company may approve for 2026. This reduction in share capital is intended to avoid dilution for those shareholders who choose to receive their remuneration through the delivery of new fully paid-up shares.

The Buyback Program will last for 1 year, starting on March 2, 2026 and remaining in effect until March 1, 2027 (both included).

The maximum total amount of the Share Buyback Program will be up to €150 million. Under no circumstances may the number of shares to be acquired exceed 2,700,000, approximately 5.8% of the Company's share capital as at today.

- **Capital reduction:**

Furthermore, at the same meeting of February 26, 2026, the Board of Directors agreed to propose to the Shareholders' Meeting a capital reduction of up to €350,000 corresponding to 500,000 shares acquired under the share buyback program initiated on November 25, 2025. This reduction will be implemented following its approval, presumably during May 2026. The treasury shares being cancelled were all acquired under the share buyback program, which began on November 25, 2025, was announced in a Inside Information notice dated November 24, 2025, published on the website of the Spanish National Securities Market Commission (CNMV), and concluded on February 24, 2026.

No noteworthy events other than those mentioned above occurred between year end and the date of preparation of these financial statements.