

FY 2024 RESULTS

30 June 2024



BUSINESS PERFORMANCE

(Report at 30/06/2024)

The paper market recovered in the first half of 2024, bringing demand close to, but not reaching, prior-year levels, unlike 2023, when demand in Europe plunged.

The upturn is explained by the decrease in customers' stocks and the rise in the price of pulp, favouring demand and production of European UWF paper. Since January 2024 and during this half year, industry output ratios have improved compared to 2023.

Paper prices have been recovering in the last three months, although they are well below the same period of the previous year, when they reached record highs.

Electricity prices were exceptionally low from February to May 2024. Although operating techniques at the company's gas-fired cogeneration plant have been optimised, allowing for greater flexibility and the ability to adjust quickly to market fluctuations, low electricity prices in the first half forced us to shut down plant production more than 40% of the time, which had a significant effect on our results.

1. CONSOLIDATED HIGHLIGHTS AT 30 JUNE 2024

Revenue totalled €123,709 thousand, 8.13% down on the same period of the previous year (30/06/2023: €134,657 thousand).

EBITDA amounted to €17,719 thousand (30/06/2023: €19,519 thousand), down 9.22%. The gross operating margin was 14.32% (30/06/2023: 14.49%).

Net profit totalled €10,330 thousand (30/06/2023: €10,715 thousand), 3.59% down.

2. CONSOLIDATED INCOME STATEMENT

a) COMPARATIVE INCOME STATEMENT (THOUSAND EURO)

	30/06/2024	30/06/2023	% change
Revenue	123,709	134,657	(8.13)%
Other income	2,968	3,002	(1.13)%
Revenue	126,677	137,659	(7.98)%
Changes in inventories of finished goods and work in progress	(7,878)	(8,215)	(4.10)%
Raw materials and consumables	(47,235)	(48,424)	(2.46)%
Staff costs	(12,101)	(11,451)	5.68%
Other net (expense)/income	(41,744)	(50,050)	(16.60)%
EBITDA	17,719	19,519	(9.22)%
Depreciation/amortisation	(6,585)	(6,413)	2.68%
EBIT	11,134	13,106	(15.05)%
Net financial income/(expense)	1,575	(23)	
Profit before tax	12,709	13,083	(2.86)%
Taxes	(2,379)	(2,368)	0.46%
NET PROFIT	10,330	10,715	(3.59)%

b) OPERATING INCOME

Cumulative revenue totalled €123,709 thousand (30/06/2023: €134,657 thousand), having fallen by 8.13%. The most significant items are set out below:

Thousand euro	30/06/2024	30/06/2023	Change %
Paper sales	110,972	113,471	-2.20%
Electricity sales	10,910	20,360	-46.41%
Timber sales	1,827	826	121.19%

i. Paper sales

The fall in paper sales is due essentially to the 22% fall in the selling price against the same period of the previous year. Physical units sold increased by a significant 26%.

ii. Electricity sales

Revenue from "electricity sales" was 46.41% down on the same period of the previous year. This sharp fall is basically explained by the drop in prices.

iii. Timber sales

The forestry companies sold timber in Spain and Argentina for the amount of €1,827 thousand (30/06/2023: €826 thousand).

3. CONSOLIDATED BALANCE SHEET AT 30/06/2024 AND 31/12/2023

ASSETS

	Thousand euro	30/06/2024	31/12/2023
I. Property, plant and equipment		164,257	165,330
II. Biological assets		13,521	9,390
III. Other intangible assets		15,333	11,019
IV. Deferred tax assets		4,379	4,278
V. Non-current financial assets		7,121	6,961
A) NON-CURRENT ASSETS		204,611	196,978
II. Inventories		25,072	31,455
II. Trade and other receivables		47,076	41,844
IV. Cash and cash equivalents		128,526	118,754
B) CURRENT ASSETS		200,674	192,053
TOTAL ASSETS (A+B)		405,285	389,031

LIABILITIES

	Thousand euro	30/06/2024	31/12/2023
I. Capital		6,450	6,450
II. Retained earnings and other reserves		323,143	274,957
III. Profit/(loss) for the year		10,330	47,125
IV. <i>Less: Treasury shares</i>		(1,176)	(1,117)
V. Exchange differences		(16,990)	(17,298)
VI. Share premium account		8,291	13,633
IX. <i>Less: Interim dividends</i>			(5,344)
A) EQUITY		330,048	318,406
I. Bank borrowings		15,212	17,962
II. Deferred tax liabilities		124	256
III. Non-current provisions		148	10
IV. Other non-current liabilities		4,143	2,203
B) NON-CURRENT LIABILITIES		19,627	20,431
I. Bank borrowings		6,245	6,331
II. Trade and other payables		39,860	37,372
III. Provisions for other current liabilities		9,505	6,491
C) CURRENT LIABILITIES		55,610	50,194
TOTAL LIABILITIES AND EQUITY (A+B+C)		405,285	389,031

a) *Biological assets*

Biological assets are valued annually by the independent expert "Galtier Franco Ibérica, S.A."

The scope of this valuation spans all the biological assets owned by the Group's forestry companies in Spain and Argentina.

The valuation is performed by identifying and grouping the biological assets on the basis of physical characteristics and geographic coordinates. Each defined group of biological assets has been classified according to its qualities and sized based on quantitative characteristics so as to determine fair value less estimated point-of-sale costs. The following criteria are addressed in the valuation process: product type, species and quality; annual growth; date of planting or new shoots; felling date; degree of maturity; planting cost; disposal cost; and prices of recent market transactions, market prices of similar assets and industry benchmarks.

The valuation criteria are as follows:

Fair value hierarchy 1 under IFRS 13: Management valued mature and immature biological assets by reference to current offers in an active market.

Fair value hierarchy 2 under IFRS 13: Management valued the assets that were ready for harvesting or picking, according to the report from the independent expert "Galtier Franco Ibérica, S.A." and by reference to the selling price of standing timber in each market in which the asset is located.

Fair value hierarchy 3 under IFRS 13: Management valued assets that have not reached optimum maturity based on costs incurred. The most significant costs include the plant, preparation of the land, cultivation work, etc.

Government grants associated with a biological asset are recognised when and only when they are payable.

b) *Bank borrowings*

The Group has a net cash surplus of €107,069 thousand (31/12/2023: €97,421 thousand). In December 2023, "Cash and cash equivalents" included a term deposit maturing after more than three months, carried under "Trade and other receivables" in the amount of €2,960 thousand.

Thousand euro	30/06/2024	31/12/2023
Long-term bank borrowings	15,212	17,962
Short-term bank borrowings	6,245	6,331
Total debt	21,457	24,293
(Less: Cash and cash equivalents)	(128,526)	(121,714)
Net debt	(107,069)	(97,421)
Equity	330,048	318,406
Leverage ratio	(32.44%)	(30.60%)

The following chart reflects the evolution of the Group's sound financial structure:

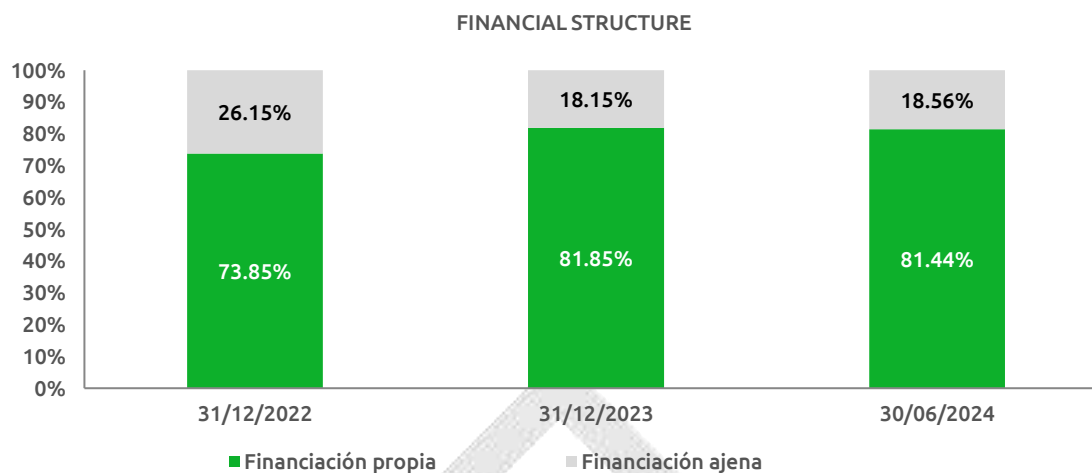


Chart I

4. ACCOUNTING POLICIES

This accounting information at 31 June 2024 has been prepared applying the International Financial Reporting Standards (IFRS) adopted for use in the European Union and approved by European Commission Regulations, IFRIC interpretations and company law applicable to companies reporting under EU-IFRS.

Alternative performance measures (APMs) are used internally by Iberpapel Gestión, S.A.'s management and Board of Directors to make decisions and we therefore consider them to be significant for users of the financial information when assessing the Group's results and financial situation. This report reflects the unregulated APMs defined below:

ADJUSTED EBITDA ("Earnings Before Interest, Tax, Depreciation and Amortization") is an indicator measuring the company's operating results before deducting interest, taxes, impairment losses, depreciation and amortisation charges, and results from non-current assets. As it does not include financial figures, taxes, impairment, depreciation or amortisation, EBITDA is used by management to assess results and allows comparison with other industry companies.

ADJUSTED EBITDA = Operating profit – Depreciation and amortisation – Impairment losses – Profit/(loss) on disposal of non-current assets.

	30/06/2024	30/06/2023
Operating profit	11,134	13,106
Depreciation and amortisation	6,585	6,413
ADJUSTED EBITDA	17,719	19,519

Gross operating margin is calculated as the quotient of the above-mentioned EBITDA indicator and revenue reflected in the Iberpapel Group's consolidated income statement.

Gross operating margin = EBITDA / Revenue.

	30/06/2024	30/06/2023
EBITDA	17,719	19,519
Revenue	123,709	134,657
Gross operating margin	14.32%	14.49%

EBIT ("Earnings Before Interest and Taxes) is an indicator measuring the company's operating results before deducting interest and taxes. It is used by management to assess results over time and allows comparison with other industry companies. EBIT is calculated as EBITDA plus depreciation and amortisation.

EBIT = EBITDA - Depreciation and amortisation.

	30/06/2024	30/06/2023
EBITDA	17,719	19,519
Depreciation and amortisation	(6,584)	(6,413)
EBIT	11,135	13,106

5. FIXED ASSETS

Property, plant and equipment and intangible assets increased by €3,789 thousand to June 2024.

6. SHARE PRICE TREND

The Iberpapel Group's share price was €19.25 at the closing date (31/12/2023: €18.00), entailing an increase of 6.94% on the previous year-end. The stock reached a high of €20.30 in June and a low of €17.05 in January.

Main stock data:

	30/06/2024	2023	2022
Shares admitted to trading (€M)	6.45	6.45	6.62
No. of shares (x1000)	10,750	10,750	11,010
Capitalisation (€M)	206.93	193.49	144.07
Volume traded (thousands of shares)	459	1,479	1,984
Cash value traded (€M)	8,608	24.21	29.93
Closing price (€)	19.25	18.00	13.05
Maximum price (€)	20.30 (12 Jun)	19.85 (11 Dec)	19.25 (12 Jan)
Minimum price (€)	17.05 (16 Feb)	13.30 (2 Jan)	11.65 (11 Nov)

Source: BME and Madrid Stock Exchange (Summary of equity trading)

**Comparative stock performance at 30/06/2024
(Base 100 at 31/12/2023)**

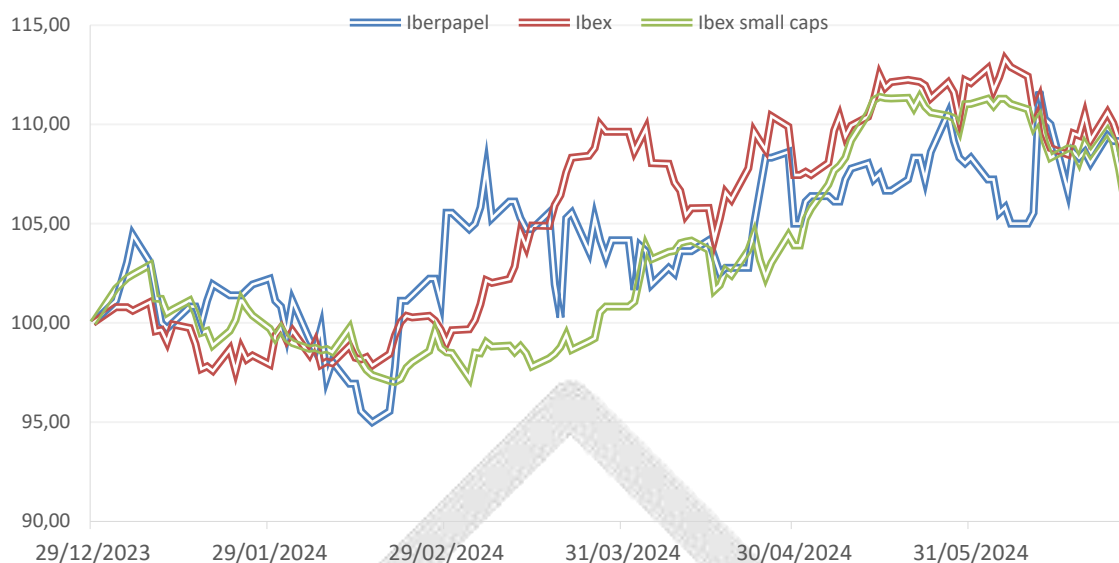


Chart II

The Iberpapel Group has a relationship with its shareholders and investors based on transparency and adequate information channels to assure a permanent flow of easily accessible information.

The website (www.iberpapel.es) is continuously updated to include all the information necessary on the Company and the Group, as well as quarterly and half-yearly results, relevant events and any other information of interest.

The Investor Relations Department is open to all queries through the website or via e-mail atención.al.accionista@iberpapel.es

7. OTHER RELEVANT INFORMATION

29/02/2024.- The Company announces financial information for FY 2023.

01/03/2024.- The Company announces the Board of Directors' decision to call the Annual General Meeting.

13/03/2024.- The Annual General Meeting is called.

05/04/2024.- The Company announces the cancellation of the Annual General Meeting and the date of the new announcement.

11/04/2024.- The Company announces and publishes the new date of the Annual General Meeting.

25/04/2024.- Q1 2024 results are announced.

29/05/2024.- Attached are the resolutions adopted by the Annual General Meeting held yesterday.

10/06/2024.- The Company announces the "Partial reimbursement of the share premium balance in the amount of €0.50 per share", as agreed by the General Shareholders' Meeting held on 28 May 2024.

25/06/2024.- Implementation of the capital increase agreement approved by the Annual General Meeting on 28 May 2024.

25/06/2024.- The Company announces the resignation of a Board director and an appointment by co-optation.

8. PRIVILEGED INFORMATION

01/03/2024.- The Company announces the chief executive succession plan approved by the Board of Directors.

