Acerinox, S.A. and subsidiaries

Report on limited review
Interim condensed consolidated financial statements for the six-month period ending on 30 June 2024
Interim consolidated management report

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Report on limited review of condensed consolidated interim financial statements

To the shareholders of Acerinox, S.A.

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of Acerinox, S.A. (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the balance sheet as at 30 June 2024, and the profit or loss account, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes, all condensed and consolidated, for the six-month period then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2024 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España
Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 915 685 400, www.pwc.es

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Emphasis of matter

We draw attention to the accompanying note 2, in which it is mentioned that these interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 December 2023. Our conclusion is not modified in respect of this matter.

Other matters

Consolidated interim management report

The accompanying consolidated interim management report for the six-month period ended 30 June 2024 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this management report is in agreement with that of the interim financial statements for the six-month period ended 30 June 2024. Our work as auditors is limited to checking the consolidated interim management report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Acerinox, S.A. and its subsidiaries' accounting records.

Preparation of this review report

This report has been prepared at the request of the Board of Directors in relation to the publication of the half-yearly financial report required by Article 100 of Law 6/2023, of March 17, on Securities Markets and Investment Services.

PricewaterhouseCoopers Auditores, S.L.

Originally in Spanish signed by
Ignacio Rodríguez-Guanter Asporosa

23 July 2024

Interim condensed consolidated financial statements and Interim Management Report for the six-month period ended June 30, 2024

ACERINOX S.A. AND SUBSIDIARIES

Interim condensed consolidated financial statements for the six-month period ending on June 30, 2024

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

INTERIM FINANCIAL STATEMENTS

NOTES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

(Figures in thousands of euros at June 30, 2024 and December 31, 2023)

ASSETS	Note	Jun-30-24	Dec-31-23
Non-current assets			
Goodwill	9	51,064	51,064
Other intangible assets	9	39,936	41,339
Property, plant and equipment	10	1,488,223	1,471,899
Investment property	10	9,545	9,668
Right-of-use assets	11	18,648	18,851
Investments accounted for using the equity method		390	390
Financial assets at fair value through other comprehensive income	13	385	381
Deferred tax assets		203,316	169,266
Other non-current financial assets	13.15	14,334	14,231
TOTAL NON-CURRENT ASSETS		**1,825,841**	**1,777,089**
Current assets			
Inventories	12	1,781,698	1,860,535
Trade and other receivables	13	580,297	626,273
Other current financial assets	13.15	31,610	27,683
Current income tax assets		9,114	13,506
Cash and cash equivalents		2,175,271	1,793,683
TOTAL CURRENT ASSETS		**4,577,990**	**4,321,680**
TOTAL ASSETS		**6,403,831**	**6,098,769**

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Notes 1 to 24 are an integral part of these interim condensed consolidated financial statements.

(Figures in thousands of euros at June 30, 2024 and December 31, 2023)

LIABILITIES	Note	Jun-30-24	Dec-31-23
Equity			
Subscribed capital	17	62,334	62,334
Issue premium		268	268
Reserves		2,281,210	2,199,849
Profit/(loss) for the year		114,485	228,128
Interim dividend			-77,261
Translation differences		65,161	-7,990
Other equity instruments	23	5,867	4,157
Shares of the parent	17	-1,056	-1,055
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		**2,528,269**	**2,408,430**
Non-controlling interests		53,152	54,696
TOTAL EQUITY		**2,581,421**	**2,463,126**
Non-current liabilities			
Deferred income		45,911	36,347
Bank borrowings	13.14	1,355,559	1,291,156
Long-term provisions		175,626	179,994
Deferred tax liabilities		191,201	205,901
Other non-current financial liabilities	13.15	17,245	19,799
TOTAL NON-CURRENT LIABILITIES		**1,785,542**	**1,733,197**
Current liabilities			
Issuance of debentures and other marketable securities	13	78,504	76,584
Bank borrowings	13.14	932,622	767,147
Trade and other payables	13	900,733	951,118
Current income tax liabilities		34,493	12,601
Other current financial liabilities	13.15	90,516	94,996
TOTAL CURRENT LIABILITIES		**2,036,868**	**1,902,446**
TOTAL LIABILITIES		**6,403,831**	**6,098,769**

Notes 1 to 24 are an integral part of these interim condensed consolidated financial statements.

2. INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Figures in thousands of euros at June 30, 2024 and 2023)

	Note	Jun-30-24	Jun-30-23
Revenue	21	**2,780,876**	**3,521,947**
Other operating income	21	5,606	55,827
Work performed by the Group on non-current assets	21	691	6,240
Changes in inventories of finished goods and work in progress		-124,074	140,597
Supplies		-1,708,816	-2,463,431
Staff costs		-310,422	-319,312
Depreciation and amortization charge	9,10,11	-81,543	-84,539
Other operating expenses		-407,151	-479,189
OPERATING INCOME		**155,167**	**378,140**
Finance income		48,660	38,398
Finance costs		-52,775	-47,565
Exchange differences		-3,912	-3,989
Revaluation of financial instruments at fair value		7,536	5,683
PROFIT FROM ORDINARY ACTIVITIES		**154,676**	**370,667**
Income tax		-43,832	-94,356
Other taxes	18	-198	-123
PROFIT/(LOSS) FOR THE YEAR		**110,646**	**276,188**
Attributable to:			
NON-CONTROLLING INTERESTS		**-3,839**	**-1,492**
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP		**114,485**	**277,680**
Basic and diluted earnings (loss) per share (in euros)		0.46	1.11

Notes 1 to 24 are an integral part of these interim condensed consolidated financial statements.

3. INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Figures in thousands of euros at June 30, 2024 and 2023)

	Jun-30-24	Jun-30-23
A) RESULTS OF THE STATEMENT OF PROFIT OR LOSS	**110,646**	**276,188**
B) OTHER COMPREHENSIVE INCOME - ITEMS NOT RECLASSIFIED TO PROFIT OR LOSS FOR THE PERIOD	**4,268**	**-965**
1. Arising from valuation of equity instruments at fair value through other comprehensive income		
2. Arising from actuarial gains and losses and other adjustments	6,343	-1,434
3. Tax effect	-2,075	469
C) OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS FOR THE PERIOD	**78,900**	**-89,958**
1. Arising from cash flow hedges		
- Valuation gains / (losses)	4,880	8,693
- Amounts transferred to the statement of profit or loss	408	-30,206
2. Translation differences		
- Valuation gains / (losses)	75,414	-75,286
- Amounts transferred to the statement of profit or loss		
3. Tax effect	-1,802	6,841
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**193,814**	**185,265**
a) Attributed to the parent company	195,390	195,432
b) Attributed to non-controlling interests	-1,576	-10,167

Notes 1 to 24 are an integral part of these interim condensed consolidated financial statements.

4. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The changes in the reported period were as follows:

(Figures in thousands of euros at June 30, 2024 and 2023)

	Equity attributable to shareholders of the parent company										
	Subscribed capital	**Issue premium**	**Reserves (including profit or loss for the period)**	**Other equity instruments**	**Translation differences**	**Valuation adjustments**	**Interim dividend**	**Treasury shares**	**TOTAL**	**Non-controlling interests**	**TOTAL EQUITY**
Total equity at December 31, 2023	**62,334**	**268**	**2,390,631**	**4,157**	**-7,990**	**37,346**	**-77,261**	**-1,055**	**2,408,430**	**54,696**	**2,463,126**
Year-to-date profit (loss) at June 2024			**114,485**						**114,485**	**-3,839**	**110,646**
Cash flow hedges (net of tax)						3,486			**3,486**		**3,486**
Actuarial valuation of employee benefit obligations (net of tax)						4,268			**4,268**		**4,268**
Translation differences					73,151				**73,151**	2,263	**75,414**
Net profit (loss) recognized directly in equity					73,151	7,754			**80,905**	2,263	**83,168**
Total comprehensive income			**114,485**		**73,151**	**7,754**			**195,390**	**-1,576**	**193,814**
Dividends paid			-154,522				77,261		**-77,261**		**-77,261**
Transactions with shareholders			**-154,522**				**77,261**		**-77,261**		**-77,261**
Acquisition of treasury shares									**0**		**0**
Long-term incentive plan for senior managers				1,710					**1,710**	32	**1,742**
Other changes			1					-1	**0**		**0**
Total equity at June 30, 2024	**62,334**	**268**	**2,350,595**	**5,867**	**65,161**	**45,100**	**0**	**-1,056**	**2,528,269**	**53,152**	**2,581,421**

Notes 1 to 24 are an integral part of these interim condensed consolidated financial statements.

The changes in the same interim period of the previous year were as follows:

(Amounts in thousands of euros)

	Equity attributable to shareholders of the parent company										
	Subscribed capital	Issue premium	Reserves (including profit or loss for the period)	Other equity instruments	Translation differences	Valuation adjustments	Interim dividend	Treasury shares	TOTAL	Non-controlling interests	TOTAL EQUITY
Total equity at December 31, 2022	**64,931**	**268**	**2,402,587**	**3,695**	**93,923**	**74,220**	**-74,799**	**-90,728**	**2,474,097**	**73,596**	**2,547,693**
Year-to-date profit (loss) at June 2023			**277,680**						**277,680**	**-1,492**	**276,188**
Cash flow hedges (net of tax)						-14,672			**-14,672**		**-14,672**
Measurement of equity instruments (net of tax)									**0**		**0**
Actuarial valuation of employee benefit obligations (net of tax)						-965			**-965**		**-965**
Translation differences					-66,611				**-66,611**	-8,675	**-75,286**
Net profit (loss) recognized directly in equity					**-66,611**	**-15,637**			**-82,248**	**-8,675**	**-90,923**
Total comprehensive income			**277,680**		**-66,611**	**-15,637**			**195,432**	**-10,167**	**185,265**
Dividends paid			-149,564				74,799		**-74,765**		**-74,765**
Transactions with shareholders			**-149,564**				**74,799**		**-74,765**		**-74,765**
Acquisition of treasury shares								-2,085	**-2,085**		**-2,085**
Long-term incentive plan for senior managers				701					**701**	15	**716**
Other changes			14			-4			**10**		**10**
Total equity at June 30, 2023	**64,931**	**268**	**2,530,717**	**4,396**	**27,312**	**58,579**		**-92,813**	**2,593,390**	**63,444**	**2,656,834**

Notes 1 to 24 are an integral part of these interim condensed consolidated financial statements.

5. INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(Figures in thousands of euros at June 30, 2024 and 2023)

CASH FLOWS FROM OPERATING ACTIVITIES	Jun-30-24	Jun-30-23
Profit (loss) before tax	154,676	370,667
Adjustments to the result:		
Depreciation of fixed assets	81,543	84,539
Impairment losses	-27,678	-1,095
Changes in provisions	5,968	2,815
Allocation of subsidies	-1,474	-4,147
Gain or loss on disposal of fixed assets	97	1,635
Gain (loss) on disposal of financial instruments	196	0
Changes in fair value of financial instruments	-3,463	-7,807
Finance income	-48,660	-38,398
Finance costs	52,579	47,565
Other income and expenses	4,675	-3,376
Variations in working capital:		
(Increase)/decrease in trade and other receivables	56,830	-184,794
(Increase) / decrease in inventories	134,857	-137,615
Increase / (decrease) in trade and other payables	-73,165	-53,963
Other cash flows from operating activities		
Interest payments	-46,605	-39,111
Interest receivables	48,056	38,193
Income tax paid	-72,972	-151,924
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	265,460	-76,816
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-77,084	-95,921
Acquisition of intangible fixed assets	-1,181	-976
Acquisition of other financial assets	-234	-213
Proceeds from disposal of property, plant and equipment	84	186
Proceeds from disposal of other financial assets	364	0
Dividends received	455	0
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	-77,596	-96,924
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of treasury shares	0	-2,085
Income from borrowings	447,089	479,816
Repayment of interest-bearing liabilities	-229,998	-202,248
Dividends paid	-77,261	-74,799
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	139,830	200,684
NET INCREASE IN CASH AND CASH EQUIVALENTS	327,694	26,944
Cash and cash equivalents at beginning of the year	1,793,683	1,548,040
Effect of changes in exchange rates	53,894	-31,095
CASH AND CASH EQUIVALENTS AT YEAR-END	2,175,271	1,543,889

Notes 1 to 24 are an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – GENERAL INFORMATION

Acerinox, S.A. ("the Company") was incorporated as a Corporation (Sociedad Anónima in Spanish) for an indefinite period of time on September 30, 1970. Its registered office is located at Calle Santiago de Compostela, 100, Madrid, Spain.

The accompanying interim condensed consolidated financial statements include the Company and all its subsidiaries.

The latest approved financial statements, which correspond to 2023, are publicly available upon request at the Company's head office, on the Group's website www.acerinox.com and on the website of the Spanish National Securities Market Commission (CNMV).

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on July 23, 2024.

NOTE 2 – STATEMENT OF COMPLIANCE

The interim condensed consolidated financial statements were prepared in accordance with International Accounting Standard IAS 34 — Interim Financial Reporting. These financial statements do not include all the information required for complete financial statements and should be read and interpreted in conjunction with the Group's published annual financial statements for the year ended December 31, 2023.

NOTE 3 - ACCOUNTING PRINCIPLES

These interim condensed consolidated financial statements of the Acerinox Group were prepared in accordance with the International Financial Reporting Standards (IFRS) and related interpretations (IFRIC) adopted by the European Union ("EU-IFRS") and with the other provisions of the applicable regulatory financial reporting framework. The 2023 annual consolidated financial statements detail all the accounting standards applied by the Group.

The interim condensed consolidated financial statements for the first six months of 2024 were prepared using the same accounting principles (EU-IFRS) as were used for 2023, except for the standards and amendments adopted by the European Union and mandatory from January 1, 2024 onwards, which were the following:

- IFRS 16 (Amendment) - "Lease liability on sale and leaseback": this amendment explains how a company should account for a sale and leaseback after the date of the transaction. As no such transaction has taken place, there has been no impact on the Group's financial statements.

- IAS 1 (Amendment) - "Classification of Liabilities as Current or Non-current": this amendment clarifies that liabilities are classified as current or non-current on the basis of the rights that exist at the end of the reporting period and not on the basis of the entity's expectations or events after the reporting period. It also clarifies the concept of "settlement" a liability under the standard. Additionally, the amendment aims to improve the information provided when the right to defer payment of a liability is subject to compliance with conditions ("covenants") within twelve months of the reporting period. While the initial effective date of these amendments was January 1, 2022, this has been postponed to January 2024, although early adoption is permitted. No impacts have arisen in connection with the application of this standard as the classification within the Group between current and non-current is based on existing contractual rights.

- IAS 7 (Amendment) and IFRS 7 (Amendment) - "Supplier finance arrangements (reverse factoring)": these amendments aim to improve disclosures on supplier financing arrangements (reverse factoring) and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The Group shall include the required and applicable disclosures in its annual financial statements.

The standards, interpretations and amendments published by the IASB and the IFRS Interpretations Committee that have not been adopted by the European Union, but which could have an impact, are detailed below:

- Amendments to IFRS 10 and IAS 28: these amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures. The amendments only apply when an investor sells or contributes assets to its associate or joint venture. The Group does not expect the application of this standard to have any impact as the investments in associates are insignificant and no such contributions have been made to date.

- IAS 21 (Amendment) - "Lack of exchangeability": requirements are added to assist entities in determining whether a currency is exchangeable for another currency and the spot rate to use when it is not. This can happen, for example, when a government imposes controls on capital imports and exports, or when it provides an official exchange rate, but limits the volume of transactions that can be carried out at that rate. In cases where a currency is not exchangeable, it is necessary to estimate the spot exchange rate on a valuation date in order to determine the rate at which a transaction would take place on that date between market participants under the prevailing economic conditions.

  When an entity applies the new requirements of this standard for the first time, it is not allowed to restate the comparative information. However, the affected amounts are required to be translated at estimated spot exchange rates at the date of initial application of the change, with an adjustment against reserves.

  This amendment is effective for periods as of January 1, 2025. Early implementation is allowed, but is pending approval by the European Union.

  The Group does not foresee any impact from the application of this standard as it does not carry out transactions in these currencies.

- IFRS 18 "Presentation and disclosure in financial statements": This standard replaces IAS 1 "Presentation of financial statements". The objective of this standard is to establish the presentation and disclosure requirements for financial statements. Many of the existing principles in IAS 1 are maintained; however, the main changes introduced are:

  - Introduction of mandatory subtotals in the income statement. Specifically, i) Operating profit, ii) Profit before finance and tax, and iii) Profit for the year.
  - Introduction of five categories of income and expenses in the income statement: i) Operating, ii) Investment, iii) Financial, iv) Taxes, and v) Discontinued operations.
  - Mandatory disclosures in relation to performance measures established by management; and
  - Enhanced principles on aggregation and disaggregation that apply to the main financial statements and the notes to the financial statements.
  - Changes to improve comparability of the Statement of Cash Flows between entities.

  This new standard is effective for periods beginning on or after January 1, 2027, including interim financial statements, and retrospective application is required. Earlier application is permitted, although the standard is pending approval by the European Union.

  The group will include the necessary presentation formats and disclosures when required.

- Amendments to IFRS 9 and IFRS 7 "Amendments to the classification and measurement of financial instruments" – These amendments include:

  - The recognition and derecognition date for some financial assets and liabilities is clarified, and certain exceptions are incorporated for financial liabilities that are settled through electronic payment systems, allowing these liabilities to be derecognized before the settlement date only under the following conditions: i) if the entity has initiated a payment order that it cannot cancel, ii) it cannot access the cash used for the payment, or

    iii) the risk of not settling the transaction is insignificant.
  - The term "non-recourse" is clarified for the classification of non-recourse financial assets.
  - Additional criteria are clarified and added to assess whether an asset meets the criterion of principal and interest payments.
  - Enhanced principles on aggregation and disaggregation that apply to the main financial statements and the notes to the financial statements.
  - Additional disclosure requirements are introduced for investments in equity instruments designated at fair value through other comprehensive income.

- The obligation to report a qualitative description of the contractual terms that could vary the timing or amount of cash flows, as well as the carrying amount of financial assets or the amortized cost of liabilities, is included.

NOTE 4 – ACCOUNTING ESTIMATES AND JUDGMENTS

The accounting estimates and judgments used by the Group during this interim period were applied consistently with those used for the latest approved annual financial statements, which correspond to 2023.

NOTE 5 – FINANCIAL RISK MANAGEMENT

Note 4 to the Group's published financial statements for the year ended December 31, 2023 includes a detailed description of the risks to which the Group's activities are exposed, and the management carried out to minimize the impact thereof.

During this period, there were no new risks, other than those detailed in the 2023 annual accounts. The following is a summary of the geopolitical risks during this semester, which did not have a significant impact on the Group.

Geopolitical Risks

Geopolitical conflicts have continued to create significant changes in the global risk landscape and have a widespread economic impact (uncertainty, economic trends, inflation rates, etc.).

As a consequence of Russia's invasion of Ukraine, various States and International Organizations have sanctioned Russia by blacklisting and imposing trade embargoes (USA, European Union, United Kingdom, Canada, Australia, Japan, Taiwan, Switzerland, and New Zealand). Although the trade sanctions imposed on Russia do not imply a total embargo on imports and exports, Acerinox Group agreed to suspend its sales there and is not purchasing from Russian individuals or entities. Moreover, Acerinox liquidated its subsidiary in Russia, and VDM has suspended the activity of its office in Russia. These decisions have not resulted in any disruption of the supply chain or significant economic impacts.

The availability of raw materials and, in general, of the supply chain is essential to maintain the continuity of the production process. The Israel-Hamas conflict has caused transportation problems through the Red Sea, significantly delaying transit times and increasing costs, but has not caused any disruption to the supply chain.

The Group has not experienced any changes in access to financing as a result of the geopolitical conflicts, nor has there been any variation in the covenants imposed by banks when granting debt to the Group.

NOTE 6 - SEASONAL OR CYCLICAL NATURE OF TRANSACTIONS

The activities carried on by the Acerinox Group are not seasonal in nature.

NOTE 7 - CHANGES IN THE SCOPE OF CONSOLIDATION

As anticipated in the 2023 financial statements, the Group's commercial company in Russia (Acerinox Russia, LLC) has been definitively closed this year. At the end of the last financial year, this entity no longer had any activity or employees. The share capital contributed by Acerinox, S.A. amounts to EUR 101 thousand. The result of the liquidation amounted to a loss of EUR -22 thousand.

In 2023, there was no change in the scope of consolidation, as explained in the Group's consolidated financial statements for that year.

Haynes

On February 5, Acerinox announced the signing of an agreement under which its North American subsidiary, North American Stainless (“NAS”), will acquire Haynes International (“Haynes”), a leading U.S. company in the development, manufacture and commercialization of technologically advanced high-performance alloys. The transaction will be conducted entirely in cash.

The Board of Directors of Haynes submitted for shareholder approval the sale of 100% of its shares. On April 16, 2024, Haynes shareholders approved the proposed acquisition by NAS for $61 per share in cash, for a total consideration of $798 million, corresponding to an enterprise value of $970 million.

During the first half of the year, the approval phase required by U.S. legislation and authorities was successfully completed: the Department of Justice approved the transaction on March 18, and the Committee on Foreign Investment in the United States (CFIUS) on June 27.

Following a favorable decision by the European countries set to review the transaction from a foreign direct investment (FDI) perspective, the transaction now only awaits the approval of the Austrian and UK competition authorities.

Once the conditions for the closing of the transaction are met, Haynes will become wholly owned by NAS. With this operation, the Group will consolidate its presence in the North American market, where it is already the leader in the area of stainless steel, its pre-eminence in the world high-performance alloys market and will increase its exposure in the high-margin aerospace sector.

NOTE 8 - SIGNIFICANT EVENTS TAKING PLACE IN THE FIRST SIX MONTHS

Market environment

Stainless steel market

United States:

- Final demand in the U.S. market remains stable.
- Apparent consumption of flat product has increased by 3% through May, according to our estimates.
- Imports of flat product represent 27% of the market as of May.
- Distributor inventory has stabilized at levels below the average set over the last few years.
- Section 232 remains in effect and no reduction in trade protection measures is expected.
- Base prices remain stable after the decrease at the beginning of the year.

Europe:

- Although the destocking process has been completed, the European market has not rebounded as much as expected, and final demand remains weak.
- Apparent consumption of flat product has fallen by 7% through May, according to our estimates.
- Imports of flat product, which account for 14% of the total market, were down 23% through May compared to the same period last year.
- Inventory levels remain below the average of recent years (up to May).
- The renewal of the safeguard measures has been approved through June 2026.
- Slight price recovery from historic lows.

High-performance-alloys market

On the demand side, the high-performance alloys market performed well in this first half of the year.

Demand in the automotive and aerospace sectors has remained stable at high levels.

Demand from oil and gas has risen due to the increase in large projects; likewise, the electronics sector has increased slightly (after having experienced weaker performance due to lower demand for consumer goods in 2023).

Results

The Group's first-half results reveal two distinct scenarios: on the one hand, the Group's strength in both the United States and the high performance alloys division; and on the other hand, the challenging situation in the European market, compounded by the strike at Acerinox Europa.

The results for this period are particularly notable for the robustness of EBITDA, despite the complicated market conditions, and the strong cash generation.

EBITDA[1] amounted to EUR 236 million. The strike's impact on Acerinox Europa's EBITDA was EUR -43 million.

Operating cash flow for the first half of the year was EUR 266 million, due to the reduction in operating working capital, EUR 84 million. A payment for investment of EUR 78 million was made, and shareholders were remunerated with EUR 77 million. All in all, the Group's net financial debt, EUR 191 million, was 44% lower than at December 31, 2023.

Acerinox Europa Agreement

Acerinox Europa and the Works Council signed the IV Collective Bargaining Agreement for the staff. This agreement, valid until December 31, 2027, will enable the development of a strategy through greater efficiency, flexibility, and diversification. Among other measures, we would like to highlight the following:

a) The new agreement includes a wage increase of approximately 13% over 4 years.
b) New production bonus aligned with the Group's strategy that rewards quality, the broadening of the range of products and the production of high-performance alloys.
c) Voluntary paid employee availability.
d) Voluntary paid polyvalence with workforce training.
e) Factory shutdown for 2 weeks in August, a period during which there is a lower level of activity. This time will be taken as an opportunity for maintenance shutdowns.

The signing of this agreement puts an end to five months of collective bargaining, which generated a loss of EUR 43 million in EBITDA.

On June 21 and within the framework of the new Agreement, the factory resumed operations with a new production model that is tailored to current market needs and the strategy set out by the Group. This model will contribute to implement the strategy to alleviate the economic losses accumulated over the last few years and will address the real demand situation, which is characterized by strong competition and volatility.

[1]EBITDA = Results from operating activities – Amortization and depreciation – Impairment of property, plant, and equipment – Changes in trade provisions for an amount of EUR -736 thousand included under "Other Operating Expenses" in the statement of profit or loss (EUR -849 thousand at June 30, 2023)

NOTE 9 – INTANGIBLE ASSETS

The changes in intangible assets were as follows:

(Amounts in thousands of euros)

COST	Development expenses	Industrial property	Computer applications and others	Customer portfolio	SUBTOTAL	Goodwill
Balance as of January 01, 2023	**18,600**	**32,206**	**54,427**	**29,200**	**134,433**	**118,953**
Procurements	1,030	72	2,010		3,112	
Transfers			36		36	
Disposals		-13	-216		-229	
Translation differences			-340		-340	
Balance as of December 31, 2023	**19,630**	**32,265**	**55,917**	**29,200**	**137,012**	**118,953**
Procurements	337		913		1,250	
Transfers					0	
Disposals			-9		-9	
Translation differences			174		174	
Balance as of June 30, 2024	**19,967**	**32,265**	**56,995**	**29,200**	**138,427**	**118,953**

ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSS	Development expenses	Industrial property	Computer applications and others	Customer portfolio	SUBTOTAL	Goodwill
Balance as of January 01, 2023	**9,787**	**26,457**	**49,236**	**5,516**	**90,996**	**-67,889**
Allocation	606	539	2,064	1,947	5,156	
Impairment			28		28	
Disposals		-19	-215		-234	
Translation differences			-273		-273	
Balance as of December 31, 2023	**10,393**	**26,977**	**50,840**	**7,463**	**95,673**	**-67,889**
Allocation	495	209	996	973	2,673	
Disposals			-3		-3	
Translation differences			148		148	
Balance as of June 30, 2024	**10,888**	**27,186**	**51,981**	**8,436**	**98,491**	**-67,889**

NET VALUE	Development expenses	Industrial property	Computer applications and others	Customer portfolio	SUBTOTAL	Goodwill
Cost as of January 1, 2023	18,600	32,206	54,427	29,200	134,433	118,953
Accumulated amortization and impairment losses	-9,787	-26,457	-49,236	-5,516	-90,996	-67,889
Carrying amount as of January 01, 2023	**8,813**	**5,749**	**5,191**	**23,684**	**43,437**	**51,064**
Cost as of December 31, 2023	19,630	32,265	55,917	29,200	137,012	118,953
Accumulated amortization and impairment losses	-10,393	-26,977	-50,840	-7,463	-95,673	-67,889
Carrying amount as of December 31, 2023	**9,237**	**5,288**	**5,077**	**21,737**	**41,339**	**51,064**
Cost as of June 30, 2024	19,967	32,265	56,995	29,200	138,427	118,953
Accumulated amortization and impairment losses	-10,888	-27,186	-51,981	-8,436	-98,491	-67,889
Carrying amount as of June 30, 2024	**9,079**	**5,079**	**5,014**	**20,764**	**39,936**	**51,064**

The goodwill of EUR 51,064 thousand mainly reflects the goodwill arising from the business combination carried out in 2020 as a result of the acquisition of the VDM Metals Group, amounting to EUR 49,829 thousand. The goodwill was allocated to the VDM's subgroup cash-generating unit (CGU) which, as a whole, belongs to the high-performance alloys segment.

Valuation Adjustments

The Group estimates the recoverable amount of goodwill on an annual basis, or more frequently where indications of possible impairment are identified.

As detailed in the 2023 financial statements, the Group performed an impairment test at year-end, which determined that the recoverable amount of the CGU was higher than the carrying amount, and therefore it was not necessary to record any impairment to goodwill. VDM Metals is the world's largest manufacturer of nickel alloys.

During the 2024 financial year, the market for high-performance alloys continued to perform well, in line with the estimates made at year-end, which confirmed the appropriateness of the recorded goodwill. Therefore, there are no indications at period-end that would make it necessary to assess the possible impairment of goodwill.

At December 31, 2024, the Group will perform an analysis of the potential impairment that could affect this goodwill.

NOTE 10 – PROPERTY, PLANT, AND EQUIPMENT AND INVESTMENT PROPERTY

The changes in property, plant, and equipment and investment property were as follows:

(Amounts in thousands of euros)

COST	Land and buildings	Plant and machinery	Other items of property, plant and equipment	Property, plant and equipment in the course of construction	TOTAL	Investment property
Balance as of January 01, 2023	**1,016,484**	**4,787,377**	**193,298**	**71,850**	**6,069,009**	**12,700**
Hyperinflation adjustments	319	57	114		490	
Additions	2,770	51,672	15,348	101,883	171,673	
Decommissioning provision	6,871				6,871	
Transfers	4,825	24,897	17,146	-46,087	781	
Disposals	-2,812	-30,169	-22,989	-59	-56,029	
Translation differences	-19,892	-126,157	-2,408	-2,107	-150,564	
Balance as of December 31, 2023	**1,008,565**	**4,707,677**	**200,509**	**125,480**	**6,042,231**	**12,700**
Additions	656	13,788	6,162	48,515	69,121	
Transfers	3,119	20,233	1,794	-25,146	0	
Disposals	-114	-5,924	-813	-94	-6,945	
Translation differences	16,871	94,339	1,656	2,513	115,379	
Balance as of June 30, 2024	**1,029,097**	**4,830,113**	**209,308**	**151,268**	**6,219,786**	**12,700**

ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSS	Land and buildings	Plant and machinery	Other items of property, plant and equipment	Property, plant and equipment in the course of construction	TOTAL	Investment property
Balance as of January 01, 2023	**487,860**	**3,789,474**	**142,068**	**0**	**4,419,402**	**2,784**
Allocation	22,361	122,856	14,340		159,557	248
Allowance for impairment losses	98,339	56,462	1,005	373	156,179	
Hyperinflation adjustments	197	46	109		352	
Transfers	62	2,960	-2,497		525	
Disposals	-1,802	-26,513	-22,865		-51,180	
Translation differences	-11,698	-100,786	-2,010	-9	-114,503	
Balance as of December 31, 2023	**595,319**	**3,844,499**	**130,150**	**364**	**4,570,332**	**3,032**
Allocation	9,067	58,016	8,274		75,357	123
Transfers	1	-18	185	-1	167	
Disposals	-83	-3,827	-977		-4,887	
Translation differences	11,109	78,203	1,270	12	90,594	
Balance as of June 30, 2024	**615,413**	**3,976,873**	**138,902**	**375**	**4,731,563**	**3,155**

NET VALUE	Land and buildings	Plant and machinery	Other items of property, plant and equipment	Property, plant and equipment in the course of construction	TOTAL	Investment property
Cost as of January 01, 2023	**1,016,484**	**4,787,377**	**193,298**	**71,850**	**6,069,009**	**12,700**
Accumulated amortization and impairment losses	-487,860	-3,789,474	-142,068		-4,419,402	-2,784
Carrying amount as of January 01, 2023	**528,624**	**997,903**	**51,230**	**71,850**	**1,649,607**	**9,916**
Cost as of December 31, 2023	**1,008,565**	**4,707,677**	**200,509**	**125,480**	**6,042,231**	**12,700**
Accumulated amortization and impairment losses	-595,319	-3,844,499	-130,150	-364	-4,570,332	-3,032
Carrying amount as of December 31, 2023	**413,246**	**863,178**	**70,359**	**125,116**	**1,471,899**	**9,668**
Cost as of June 30, 2024	**1,029,097**	**4,830,113**	**209,308**	**151,268**	**6,219,786**	**12,700**
Accumulated amortization and impairment losses	-615,413	-3,976,873	-138,902	-375	-4,731,563	-3,155
Carrying amount as of June 30, 2024	**413,684**	**853,240**	**70,406**	**150,893**	**1,488,223**	**9,545**

Investments made during the period in property, plant and equipment and intangible assets amounted to EUR 70,371 thousand, of which EUR 9,421 thousand were made by Acerinox Europa, EUR 34,193 thousand by NAS, EUR 11,822 thousand by Columbus and EUR 11,861 thousand by VDM. In the first six months of 2023, the investments made totaled EUR 82,336 thousand, of which EUR 21,493 thousand related to Acerinox Europa, EUR 35,962 thousand to NAS, EUR 11,742 thousand to Columbus and EUR 10,018 thousand to VDM.

As explained in the 2023 financial statements, the Board of Directors of Acerinox S.A. approved an investment of USD 244 million in the North American Stainless Group company, which will allow it to increase its production capacity by 200,000 tonnes (20% more) and thus strengthen its position in the market with higher added value products. NAS will have a new cold rolling mill, and will revamp its annealing and pickling lines. It also plans to enlarge the melting shop, along with other equipment.

Work is progressing according to schedule. The structure for the melting shop expansion is under construction, the foundation works for the cold rolling mill are being carried out, and the first deliveries of equipment have been received. Most of the investments made during this period correspond to these projects and the new assets received, and are classified as assets under construction.

In addition, the Board of Directors in December 2023 also approved an investment plan of EUR 67 million for the high-performance alloy division at its German plants in Unna, Altena, and Werdohl. This will enable the gradual increase of production capacity in precision strip, bars, and wires, as well as a 15% increase in sales. The planned investments include the expansion of three remelting furnaces, the upgrade of an annealing and pickling line, an additional defect detection line for bars and an atomizer for the production of stainless-steel powder and high-performance alloys for additive manufacturing.

The VDM Metals investment project is on track in terms of terms and budget. All additional capacity is expected to be available by 2027.

Disposals of property, plant and equipment

The gain on the sale or retirement of property, plant, and equipment recorded in the statement of profit or loss as of June 2024 under “Other operating income” amounts to only EUR 78 thousand (EUR 155 thousand in June 2023).

The loss on the sale or retirement of property, plant, and equipment recorded in the statement of profit or loss under “Other operating expenses” as of June 2024 amounts to EUR 174 thousand, mostly corresponding to the disposal of fixed asset spare parts (EUR 1,791 thousand in June 2023).

Obligations and commitments

As of June 30, 2024, the Group has signed contracts for the acquisition of new equipment and facilities amounting to EUR 153,218 thousand, of which EUR 17,412 thousand relate to investments in Acerinox Europa, EUR 11,281 thousand in Columbus, EUR 107,795 thousand in NAS, which are part of the investments contracted as a result of the approved investment plan, and EUR 16,209 thousand in VDM Metals, mostly related to newly approved investments.

As of June 30, 2023, the Group had signed contracts for the acquisition of new equipment and facilities amounting to EUR 147,752 thousand, of which EUR 22,561 thousand mainly related to new investments contracted by Acerinox Europa, EUR 7,555 thousand in Columbus, EUR 103,042 thousand by NAS, and EUR 11,813 thousand by VDM.

Impairment losses

As stated in Acerinox Group’s annual financial statements, the Group reviews at each reporting date whether there are any indications of impairment.

The Group considers that indications of impairment exist when there is/are a significant decrease in the value of the asset, significant changes in the legal, economic or technological environment that could affect the measurement of assets, obsolescence or physical impairment, idle assets, low returns on assets, discontinuation or restructuring plans, repeated losses at the entity or substantial deviation from the estimates made.

At the end of the 2023 fiscal year, the companies that showed signs of impairment were the Group’s factories in Malaysia (Bahru Stainless), South Africa (Columbus), and Spain (both in Acerinox Europa and in Roldan and Inoxfil).

Bahru Stainless, Sdn. Bhd.

For Bahru Stainless, a company based in Malaysia, the 2023 financial statements already explained that, given the lack of prospects for the Asian market, the Group was engaged in a strategic review of the company's future. This included the possibility of ceasing operations, with a two-year timeline set to decide on one of the discussed alternatives. Price pressure in the Asian region, driven by overcapacity and the spreads between the European and American markets, continues to be the main characteristic of this market.

During this fiscal year, the company has ceased operations, halting production on its lines and dismissing 242 workers, primarily operators and production support staff. Currently, 64 workers remain active to execute the plans that are ultimately decided upon. Various closure alternatives are still being considered, including dismantling, selling unused land, transferring production lines to other Group factories, and possibly selling to a third party, all in search of the most optimal solution for the Group.

An impairment analysis conducted at the end of the fiscal year by an independent expert determined that the assets, except for the land and some residual value of the machinery, had no recoverable value. Given the current circumstances, the impairment test remains valid, and none of the events that have occurred in the first half of the year have significantly affected this valuation.

Acerinox Europa, S.A., Roldan, S.A. and Inoxfil, S.A.

The Group's Spanish factories have all been affected during this period by the strike at the Algeciras plant. Acerinox Europa is the main supplier of the raw material that Roldan uses in its production process for long stainless steel products, and it also supplies most of the wire rod that Inoxfil uses to produce wire.

Roldan and Inoxfil have attempted to mitigate the supply shortage by purchasing from the Group's U.S. plant and third parties. However, this has not allowed them to reach their normal production capacity, forcing them to resort to ERTE (temporary employment regulation) at certain times.

As a result, Roldan and Inoxfil have not achieved the expected sales volumes, placing them below the estimates made at the end of the fiscal year. Nonetheless, this disruption is a one-off situation caused by the strike, and there is no reason to believe that the conditions outlined in the business plans used for the year-end impairment analysis—which indicated an excess of value over book value for both companies—will not be maintained. Therefore, management maintains its expectations and will conduct a review at the fiscal year's end.

For Acerinox Europa, as detailed in the note on events in the first half of the year, the factory was halted for five months due to a strike called by the workers during the negotiation of the agreement. This stoppage prevented the implementation of the strategic plans proposed by Management to ensure the plant's viability during this period. However, the recently approved new agreement introduces the necessary flexibility measures to implement the new business model. The goal is to recover productivity through greater workforce flexibility and versatility, which will allow for increased production and sales of higher value-added products.

Despite not meeting the estimates for this semester, the Group maintains its future business plan and believes the necessary steps are being taken to achieve these goals. A slight price recovery is starting to be seen in Europe for the second half of the year, which will allow the company to achieve higher levels of profitability. The impact of the strike, in terms of volumes, is not expected to be significant in the future since the Group has been able to partially serve its customers through inventory in the commercial network and supply from other plants, which ensures the continuation of customer relationships.

The impairment analysis conducted at the end of the last fiscal year determined that the recoverable value of the assets was above their book value, so it was not necessary to record any impairment. Management believes it will be able to execute the future plans that justified this excess value and therefore does not consider it necessary to revise the future estimates.

Columbus, Ltd

For Columbus, production has exceeded the figures estimated in the budget for 2024 at the end of the fiscal year. However, issues in the supply chain and difficulties at South African ports have slowed certain deliveries, keeping sales slightly below budgeted levels, although they have led to an increase in exports to Europe.

The low price levels in Europe during the first half of the year have caused Columbus' results to remain slightly below the year-end estimates. However, the Group believes that with the expected market recovery Columbus will get back on track for its estimated results and therefore sees no signs of impairment that would necessitate a revision of the estimates made at the end of last year, which had indicated an excess of recoverable value over book value.

NOTE 11 – RIGHT-OF-USE ASSETS (LEASES)

The detail and changes in right-of-use assets in the reported period were as follows:
(Amounts in thousands of euros)

COST	Land and buildings	Plant and machinery	Other items of property, plant and equipment	TOTAL
Balance as of January 01, 2023	**10,567**	**10,278**	**8,466**	**29,311**
Additions	4,261	3,125	1,923	9,309
Transfers	-2		-815	-817
Disposals	-97	-4,260	-945	-5,302
Translation differences	-74	4	-196	-266
Balance as of December 31, 2023	**14,655**	**9,147**	**8,433**	**32,235**
Additions	538		2,468	3,006
Transfers				0
Disposals	-1,036		-432	-1,468
Translation differences	11	4	137	152
Balance as of June 30, 2024	**14,168**	**9,151**	**10,606**	**33,925**

ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSS	Land and buildings	Plant and machinery	Other items of property, plant and equipment	TOTAL
Balance as of January 01, 2023	**4,215**	**5,518**	**3,371**	**13,104**
Allocation	1,873	2,145	2,128	6,146
Transfers		28	-553	-525
Disposals	-96	-4,260	-838	-5,194
Translation differences	-62	1	-86	-147
Balance as of December 31, 2023	**5,930**	**3,432**	**4,022**	**13,384**
Allocation	1,553	758	1,079	3,390
Transfers			-167	-167
Disposals	-1,036		-371	-1,407
Translation differences	3	2	72	77
Balance as of June 30, 2024	**6,450**	**4,192**	**4,635**	**15,277**

NET VALUE	Land and buildings	Plant and machinery	Other items of property, plant and equipment	TOTAL
Cost as of January 01, 2023	10,567	10,278	8,466	29,311
Accumulated amortization and impairment losses	-4,215	-5,518	-3,371	-13,104
Carrying amount as of January 01, 2023	**6,352**	**4,760**	**5,095**	**16,207**
Cost as of December 31, 2023	14,655	9,147	8,433	32,235
Accumulated amortization and impairment losses	-5,930	-3,432	-4,022	-13,384
Carrying amount as of December 31, 2023	**8,725**	**5,715**	**4,411**	**18,851**
Cost as of June 30, 2024	14,168	9,151	10,606	33,925
Accumulated amortization and impairment losses	-6,450	-4,192	-4,635	-15,277
Carrying amount as of June 30, 2024	**7,718**	**4,959**	**5,971**	**18,648**

As of June 30, 2024, the balance of lease liabilities amounts to EUR 18,992 thousand, of which EUR 5,005 thousand are classified as short-term and EUR 13,987 thousand as long-term under other current and non-current financial liabilities (EUR 18,823 thousand as of December 31, 2023, with EUR 4,367 thousand classified as short-term and EUR 14,456 thousand as long-term).

Interest expenses on lease liabilities recognized by the Group as of June 30, 2024 amount to EUR 863 thousand (EUR 207 thousand as of June 30, 2023).

The amount of lease expenses, corresponding to low-value assets or short-term leases and recorded as "operating expenses" in the statement of profit or loss, amounts to EUR 8,019 thousand (EUR 8,890 thousand as of June 30, 2023).

NOTE 12 – INVENTORIES

The detail of "Inventories" in the balance sheet is as follows:

(Amounts in thousands of euros)

	As of June 30, 2024	As of December 31, 2023
Raw materials and other supplies	499,545	439,205
Products in process	693,196	673,544
Finished products	452,346	582,896
By-products, wastes and recoverable materials	136,611	164,890
TOTAL	**1,781,698**	**1,860,535**

The heading "Raw materials and other supplies" includes EUR 64,954 thousand related to the valuation of the emission allowances held by the Group at the end of this period (EUR 54,736 thousand as of December 31, 2023).

The adjustment recorded as of June 30, 2024, to value inventories at net realizable value amounts to EUR 37,293 thousand (EUR 64,630 thousand as of December 31, 2023).

NOTE 13 – FINANCIAL INSTRUMENTS

The detail of the Group's financial assets, except for investments in associates, at June 30, 2024 and year-end 2023 is as follows:

(Amounts in thousands of euros)

Class	Long-term financial instruments						Short-term financial instruments					
	Equity instruments		Debt securities		Loans, derivatives and other		Equity instruments		Debt securities		Loans, derivatives and other	
Category	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Financial assets at amortized cost					5,072	5,221					586,559	632,610
Held-to-maturity investments												
Equity instruments												
- Valued at fair value through other comprehensive income												
- Valued at cost	385	381										
Liabilities at fair value through profit or loss					59	10					9,308	4,351
Hedging derivatives					9,203	9,000					16,040	16,995
TOTAL	**385**	**381**	**0**	**0**	**14,334**	**14,231**	**0**	**0**	**0**	**0**	**611,907**	**653,956**

At year-end the Group's financial liabilities were as follows:

(Amounts in thousands of euros)

Class	Long-term financial instruments						Short-term financial instruments					
	Bank borrowings		Bonds and other marketable securities		Accounts payable, derivatives and other		Bank borrowings		Bonds and other marketable securities		Accounts payable, derivatives and other	
Category	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Financial liabilities at amortized cost	1,355,559	1,291,155			17,070	18,284	932,622	767,147	78,504	76,584	978,001	1,028,386
Liabilities at fair value through profit or loss					11	206					7,048	6,857
Hedging derivatives					164	1,309					6,200	10,872
TOTAL	**1,355,559**	**1,291,155**	**0**	**0**	**17,245**	**19,799**	**932,622**	**767,147**	**78,504**	**76,584**	**991,249**	**1,046,115**

13.1 Fair value measurement

The Group measures the following assets at fair value: financial assets at fair value through other comprehensive income and derivative financial instruments.

Financial instruments recognized at fair value are classified, based on the valuation inputs, in the following hierarchies:

- LEVEL 1: quoted prices in active markets
- LEVEL 2: observable market variables other than quoted prices
- LEVEL 3: variables not observable in the market

The Group's position on financial instruments measured at fair value at June 30, 2024 and December 31, 2023 was as follows:

(Amounts in thousands of euros)

	Jun-30-24			Dec-31-23		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Financial derivatives (assets)		34,610			30,356	
TOTAL	**0**	**34,610**	**0**	**0**	**30,356**	**0**
	LEVEL 1	**LEVEL 2**	**LEVEL 3**	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**
Financial derivatives (liabilities)		13,423			19,244	
TOTAL	**0**	**13,423**	**0**	**0**	**19,244**	**0**

No financial assets or financial liabilities measured at fair value were transferred between levels.

In the case of Level 2 financial instruments, the Group uses generally accepted valuation techniques that take into account spot and future exchange rates at the measurement date, forward interest rates, interest rate spreads and credit risk of both the Group and its counterparty, i.e. the financial institutions with which it operates. In determining the fair values of commodity future contracts quoted on the LME (London Metal Exchange), the Group takes into account the difference between the future prices quoted on the LME for the commodity at the contracted maturity date and the future price set in each contract.

NOTE 14 – BANK BORROWINGS

As of June 30, 2024, the Acerinox Group has financing facilities in force with financial institutions and private placements amounting to EUR 3,089 million (EUR 2,807 million as of December 31, 2023), as well as approved non-recourse factoring facilities totaling EUR 530 million as at June 30, 2024 (EUR 530 million the same amount as of December 31, 2023). The amount drawn down from the financing facilities as of June 30, 2024, was EUR 2,367 million (EUR 2,135 million as of December 31, 2023), and EUR 157 million from the factoring facilities (EUR 297 million as of December 31, 2023).

The most significant financing transactions in the first six months of 2024 were as follows:

- Signing of six new loans: three of them at a fixed rate and the other three at a floating rate for a total amount of EUR 360 million
- The following short-term transactions have been carried out to maintain the Group's liquidity:
  - Renewal of four credit facilities in euros amounting to EUR 280 million
  - Renewal of two USD credit facilities for a total amount of USD 35 million
  - Signing of a USD 20 million credit facility for Bahru

In the case of debt renegotiations, the Group has evaluated the significance of the modifications made to determine whether they are substantially different, and if so, to assess whether it is appropriate to record the effects of any of the agreements as if they were a simultaneous cancellation and origination of a new loan. Neither during this fiscal year nor in 2023 have there been any debt refinancings.

The Acerinox Group has satisfactorily met the repayment schedules for its borrowings.

The valuation of financial debt at fair value does not differ significantly from its value at amortized cost. For the determination of fair value, the Group has taken into account observable market variables such as interest rate curves, the term of the loans, etc., so the determination of fair value is classified within the LEVEL 2 hierarchy.

None of the loans entered into in the first six months of 2024 are subject to the achievement of annual financial ratios linked to results.

The loans detailed in the consolidated Group's financial statements as of December 31, 2023, as well as the debt of the VDM Metals Group, are subject to covenants.

At the end of this period, all Acerinox Group companies had achieved all the ratios required.

NOTE 15 - DERIVATIVE FINANCIAL INSTRUMENTS

As detailed in the Group's annual financial statements, it is essentially exposed to three types of market risk when carrying out its business activities: currency risk, interest rate risk, and commodity price risk. The Group uses derivative financial instruments to hedge its exposure to certain risks.

The Group classifies derivative financial instruments that do not qualify for hedge accounting are classified as assets and liabilities measured at fair value through profit or loss. Those that qualify as hedging instruments are classified as hedging derivatives.

The detail of the derivative financial instruments, classified by category, is as follows:

(Amounts in thousands of euros)

	Jun-30-24		Dec-31-23	
	Assets	Liabilities	Assets	Liabilities
Hedging derivatives	25,243	6,364	25,995	12,181
Derivatives at fair value through profit or loss	9,367	7,059	4,361	7,063
TOTAL	**34,610**	**13,423**	**30,356**	**19,244**

The following table provides a breakdown of the Group's derivative financial instruments at June 30, 2024 and December 31, 2023 by type of hedged risk:

(Amounts in thousands of euros)

	Jun-30-24		Dec-31-23	
	Assets	Liabilities	Assets	Liabilities
Currency forwards	9,367	7,059	4,361	7,063
Interest rate swaps	20,345	0	21,358	0
Commodity futures contracts	4,898	6,364	4,637	12,181
TOTAL	**34,610**	**13,423**	**30,356**	**19,244**

At June 30, 2024, the currency forwards arranged by the Group did not qualify as cash flow hedging instruments. As of June 30, 2024, the amount recorded in the statement of profit or loss for the valuation of these derivatives at market value was positive and amounted to EUR 7,536 thousand.. They appear under the heading "Remeasurement of financial instruments at fair value" of the statement of profit or loss. For the determination of fair value, the Group has taken into account observable market variables such as interest rate curves, the term of the loans, etc., so the determination of fair value is classified within the LEVEL 2 hierarchy.

With regard to interest rate swaps, the Group generally arranges this type of derivative to hedge cash flows benchmarked against variable interest rates arising from debt instruments.

During the first half of 2024, the Group signed two interest rate derivatives: one in April with Banca March for EUR 15 million with a final maturity in 2027, and another in June with BBVA for EUR 50 million with a final maturity in 2029. Both derivatives were to hedge highly probable future cash flows referenced to the variable interest rate, as well as any modifications that may occur before the maturity date.

In addition, the Group has assessed whether the hedging relationships outstanding as of June 30, 2024, meet the effectiveness requirements both at the date of designation and at year-end. As of June 30, 2024, all outstanding interest rate derivatives meet the conditions to be considered cash flow hedging instruments. Consequently, the unrealized gains and losses arising from their valuation at fair value have been recorded in the consolidated statement of comprehensive income in the amount of EUR 6,240 thousand. In the first six months of 2024, EUR -6,936 thousand were transferred from the consolidated statement of comprehensive income to profit or loss for the period.

As explained in the annual financial statements, high-performance alloys have a high metal content, mainly nickel, but also other metals listed on the London Metal Exchange (LME). The Group, and mainly this division within it, is exposed to the risk of raw material price volatility, since it is unable to pass these fluctuations on to the customers through the selling price. For this reason, it uses derivative financial instruments to guarantee set prices for its customers and ensure that those prices are aligned with its costs, thus maintaining margins. The financial instruments used are based on arranging futures contracts on the prices listed on the LME.

The Group documents the hedging relationships and has a model that guarantees the effectiveness of the hedges.

At the end of the period, all financial instruments arranged to cover this risk met the conditions to be classified as cash flow hedging instruments. At June 30, 2024, the unrealized gains arising from measurement at fair value and recognized in the consolidated statement of comprehensive income amounted to EUR -1,359 thousand. During the period, EUR -7,436 thousand were transferred from the consolidated statement of comprehensive income to profit for the period in this connection.

NOTE 16 – DISTRIBUTION OF PROFIT AND DIVIDENDS

On April 22, 2024, the General Meeting of Shareholders approved the appropriation of the results of the parent company for the financial year 2023, with the following distribution:

(Data in euros)

	2023
Basis for distribution:	
Profit/(loss) for the year	114,186,613
Application:	
Dividends	149,537,702
Distribution of dividends against prior years' reserves	-35,351,089

The amount for the distribution of dividends is the aggregate result of the sum of the following amounts:

- the interim dividend payment for the 2023 financial year for a total of EUR 0.31 gross per share, agreed by the board of directors at its meeting of December 20, 2023, which was paid on January 26, 2024; and
- A final dividend partly charged against the 2023 fiscal year and partly against freely distributable reserves in the amount of EUR 0.31 gross per share for each of the 249,335,371 existing shares (without prejudice to the provisions of Article 148 of the Spanish Capital Companies Act on the shares held in treasury stock at the time of accrual). This final dividend shall be paid through the entities participating in the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), on July 19, 2024.

The Group had recognized the dividend payable under "Other Current Financial Liabilities" in the consolidated balance sheet. This dividend payable amounted to EUR 77,268 thousand as no dividend is paid for treasury shares.

For the 2023 financial year, the Annual Shareholders' Meeting held on May 23, 2023, resolved to distribute a dividend of EUR 0.60 per share. Of this amount, EUR 0.30 per share was paid as an interim dividend on January 27, 2023, and the remaining EUR 0.30 per share was paid on July 17, 2023. The total amount paid amounted to EUR 149,562 thousand.

NOTE 17 – SHARE CAPITAL AND TREASURY SHARES

As at the end of the previous year, the capital at the closing date (June 30, 2024) consists of 249,335,371 ordinary shares with a par value of EUR 0.25 each, resulting in a total capital of EUR 62,334 thousand.

The treasury stock at the end of this period was the same as at the end of the year and amounted to 106,790 shares with a value of EUR 1,056 thousand.

Subsequent to year-end, in July 2024, the Group acquired 100 thousand treasury shares to cover the multi-year remuneration plans for the Group's Directors and senior managers for an amount of EUR 960 thousand. In July, their shares will be delivered, taking into account the conditions and achievement of objectives established in the plan.

NOTE 18 – TAX MATTERS

- **Legislative amendments**

In Spain

The most significant regulatory amendments approved and affecting this period are detailed below:

Law 38/2022 of December 27 introduced, among other things, a temporary measure concerning the calculation of corporate income tax for companies taxed under the tax consolidation regime. Commencing with tax periods beginning in 2023, the taxable income of the tax group will be determined by integrating the taxable income of the entities forming part of the tax group and 50 per cent of the individual tax losses. Any remaining individual tax losses not accounted for in the tax group's taxable income shall be integrated evenly over the initial ten tax periods beginning on or after January 1, 2024. Last year the Group recognized tax credits for this item amounting to EUR 14,037 thousand to be reversed in 10 years.

Pillar 2 Regulations

As detailed in the annual accounts for the 2023 financial year, in March 2022 the Organization for Economic Cooperation and Development (OECD) approved the new international taxation model known as Pillar 2. Under this model, more than 130 countries agreed to apply a minimum corporate income tax rate of 15% for multinationals with a global turnover exceeding EUR 750 million.

At the European Union level, Directive (EU) 2022/2523 was approved, incorporating the content of the Pillar 2 rules to ensure their consistent and uniform application across all EU Member States. Its transposition is already a reality in many EU member states. In Spain, on June 4, 2024, the Preliminary Draft Bill to transpose this Directive was approved.

The Group is monitoring the progress of local implementation in each jurisdiction in which it operates to ensure adequate compliance with formal obligations.

The Group is monitoring the progress of local implementation in each jurisdiction where it operates to ensure adequate compliance with formal obligations. As noted in the accounting policies of last year's financial statements, the Group opted for the temporary exception on recognizing deferred tax assets and liabilities related to the Pillar 2 rules, as well as the expense from calculating the 15% minimum tax. However, since the Directive has been adopted in several countries and the calculation of this minimum payment and recognition of a current tax where applicable is now mandatory, the Group reassessed the potential impact of applying this rule at the end of this period.

The GloBE standards provide for the possibility of applying safe harbors, based on a number of established parameters, which are calculated per jurisdiction on the basis of data published in the country-by-country report. Compliance with these parameters allows companies to limit the number of jurisdictions affected by the calculation of the minimum payment. The implementation of safe harbors is a temporary measure applicable for the first three years of implementation of the law, i.e. from 2025 to 2027.

Based on the Group's analysis, all significant jurisdictions for the Group are exempt from the application of the minimum tax due to the use of safe harbors. Therefore, it has not been necessary to recognize this tax at the end of this period.

- **Update on tax situation in the first half of 2024**

The tax rate resulting from the calculation of corporate income tax at the end of the first half of the year shows an average tax rate of 28%, aligning with the tax rates of the jurisdictions where the Group operates (25% in 2023).

Deferred tax assets have increased this year by EUR 34,050 thousand, while deferred tax liabilities have decreased by EUR 14,700 thousand.

The increase in assets is primarily due to the activation of tax credits within the Spanish tax consolidation, as a result of losses stemming from the strike at Acerinox Europa and the subsequent collateral effects on other European entities.

As stated in the accounting policies, the Group recognizes deferred tax assets in the consolidated statement of financial position provided that those assets are recoverable within a reasonable period, also taking into consideration the legally established limitations on their use. The Group considers a period of approximately ten years to be reasonable if permitted by tax legislation.

As explained in the 2023 financial statements, on January 18, 2024, the Constitutional Court declared Royal Decree 3/2016 unconstitutional. This decree had established, among other things, a 25% limitation on the use of tax loss carryforwards, reverting to the original law, which set the limit at 70%. At the end of the year, the Group conducted recoverability analyses to justify the activation of the tax credits. For the Spanish tax consolidation, it was determined that the activated tax credits had a recovery period of 8 years, which is below the 10-year period specified in its policies.

Based on the expectations of future results at the end of last year and taking into account the losses incurred during this period, the Group has conducted a recoverability analysis of the tax credits. It considers that the tax loss carryforwards generated in this period can be recovered within a reasonable timeframe and has therefore proceeded to activate them. The amount of tax credits activated in the Spanish consolidated tax group during this period amounts to EUR 32,482 thousand.

- **Update on tax audits and lawsuits in the first half of 2024**

The Acerinox Group's 2023 financial statements detailed the ongoing tax inspections and litigation. The changes that have occurred during this six-month period are as follows:

Italy

As explained in the 2023 financial statements, at the close of last year, the Group had various proceedings pending resolution in Italy arising from tax inspections for the years 2007 to 2017.

For the years 2007 to 2009, all the amicable agreements reached between the Spanish and Italian tax authorities were pending execution in Italy at the close of last year. In April of this year, the company paid EUR 2.7 million for these agreements, which had already been fully provisioned. Certain amounts are still pending execution and will be settled in the second half of the year.

Amicable settlements relating to the years 2014 to 2016, which were already executed in Spain, are still pending settlement in Italy.

For the records relating to the year 2017, received at the close of last year and with which the Company expressed its disagreement, the Company has submitted its allegations to the Court of Milan during this fiscal year and made a provisional payment of EUR 540 thousand, which will be returned if the courts rule in favor of the entity. Moreover, the Group is preparing the request for the elimination of double taxation through the Amicable Agreement procedure.

Germany

Tax inspections of VDM Group entities in Germany are ongoing. No report has currently been published from which any conclusion or possible adjustment can be derived.

In March 2024, the Group's company Acerinox Deutschland was notified of the opening of a transfer pricing inspection procedure relating to the financial years 2019 to 2021. To date, the inspection is still ongoing and all the requested information has been provided.

The renewal of the Bilateral Advance Pricing Agreement between the Group's factories in Spain and the Group's distributor in Germany (Acerinox Deutschland GmbH) is ongoing. The application was submitted on June 29, 2021, on the same terms as the ones in force until December 31, 2021.

Spain

On December 21, 2023, the companies Acerinox, S.A., Acerinox Europa S.A.U. and Roldan received notification of the commencement of partial verification and investigation proceedings limited to the verification of the request for rectification of corporate income tax for the year 2021 submitted by the Group, as well as the deductions for technological innovation (TI) expenses pending application, generated in the years 2017 to 2021. The inspection is still ongoing. As a result of the strike, Acerinox Europa's inspections had to be temporarily suspended and will resume during the third quarter. To date, the inspection is still ongoing and no report has been issued from which any conclusion can be drawn on any possible adjustment.

Chile

The inspection started in December 2023 is still ongoing and all the requested information has been provided to date.

NOTE 19 – LITIGATION

There were no new cases of significant litigation during the period.

With respect to the ongoing litigation with the Italian tax authorities detailed in the Group's financial statements for last year, as explained in **note 18**, partial execution of the amicable agreements reached between the Spanish and Italian authorities for the years 2007 to 2009 has taken place during this six-month period, leading to a reduction in the provision by the amounts paid.

As of the end of this period, Acerinox Italia maintains a provision of EUR 4,277 thousand. Based on the opinion of the experts advising the Group in this matter, the provision is considered sufficient to cover the amounts pending execution and any possible adjustments related to 2017.

NOTE 20 – CONTINGENT ASSETS AND LIABILITIES

At the reporting date, the Acerinox Group had no contingent assets or liabilities.

NOTE 21 - SEGMENT REPORTING

The Group is organized internally by operating segments, the strategic business units, which are made up of different products and services that are managed separately, so that Group management reviews internal reports for each of these segments at least monthly.

The operating segments presented by the Group, associated with the types of products it sells, are as follows:

- Stainless steel: includes both flat and long stainless-steel products.
- High-performance alloys: special alloys with high nickel content. This segment includes all the companies in the VDM Metals subgroup.

Segment results, assets and liabilities include all items directly or indirectly attributable to a segment. There are no significant assets used jointly.

The "unallocated" segment includes the activities of the holding company and activities that cannot be allocated to any of the specific operating segments. The main activity of the holding company, the parent of the Acerinox Group, consists of approving and monitoring the strategic lines of the business. It also provides a range of corporate and advisory services in various areas and manages and administers the Group's financing, which is centralized through Acerinox, S.A.

The result of the "unallocated" segment reflects hardly any revenues as these, in the parent company, are always with Group companies and have therefore been eliminated in the consolidation process. The financial costs of this segment are the highest, due to the centralization of financing mentioned above.

Revenue and all items reflected in the statement of profit or loss by segment are presented on a consolidated basis, i.e. after eliminating income and expenses from Group companies, except for sales between segments, which are reflected separately.

Inter-segment transfers and transactions are performed on an arm's length basis, under commercial terms and conditions that would be available for unrelated third parties.

A segment's performance is measured on the basis of its gross profit from operations and net profit before tax. The Group considers that this information is the most relevant when assessing the performance of the segment in relation to other comparables in the industry.

There have been no significant changes in the assets and liabilities attributed to each of the segments, with respect to those presented in the Group's Financial Statements as of December 31, 2023.

The majority of the investments made during this period were allocated to the stainless steels segment, except for those made by VDM, and which are detailed in **Note 10**.

21.1 Operating segments

The detail of the revenue by operating segment is as follows:

(Amounts in thousands of euros)

	Jun-30-24			Jun-30-23		
	Revenue from external customers	Inter-segment revenue	Total revenue	Revenue from external customers	Inter-segment revenue	Total revenue
Stainless steel	2,095,233	3,735	2,098,968	2,889,943	2,622	2,892,565
High-performance alloys	690,860	499	691,359	693,302	500	693,802
Unallocated	1,080		1,080	769	0	769
(-) Inter-segment adjustments and eliminations of revenue		-4,234	-4,234		-3,122	-3,122
TOTAL	**2,787,173**	**0**	**2,787,173**	**3,584,014**	**0**	**3,584,014**

No transaction with an external customer exceeded 10% of the Group's consolidated revenue at June 2024 or 2023.

The detail of consolidated profit by operating segment is as follows:

(Amounts in thousands of euros)

	As of June 30, 2024	As of June 30, 2023
Stainless steel	159,968	358,815
High-performance alloys	42,033	48,865
Total profit of reported segments	**202,001**	**407,680**
(+/-) Unallocated profit/(loss)	-47,326	-37,013
(+/-) Elimination of internal profit/(loss) (inter-segment)		
PROFIT (LOSS) BEFORE TAX	**154,676**	**370,667**

21.2 Geographical segments

Revenue from geographical segments is presented on the basis of customer location.

The detail of revenue by geographical area at June 30, 2024 and 2023 is as follows:

(Amounts in thousands of euros)

	As of June 30, 2024	As of June 30, 2023
Spain	143,486	263,547
Rest of Europe	801,590	1,078,353
America	1,486,548	1,724,961
Africa	147,002	175,275
Asia	197,462	270,080
Other	4,788	9,731
TOTAL	**2,780,876**	**3,521,947**

NOTE 22 - AVERAGE HEADCOUNT

The Group's average headcount in the first six months of 2024 was 8,231 employees (7,130 men and 1,101 women). The average headcount at June 30, 2023 was 8,278 (7,203 men and 1,075 women).

At June 30, 2024 of this fiscal year the headcount was 8,077 employees (8,315 at June 30, 2023). This figure does not include 58 workers on partial retirement plans (60 workers at June 30, 2023).

NOTE 23 - RELATED PARTY TRANSACTIONS

- **Identity of related parties**

The consolidated financial statements include transactions performed with the following related parties:

- Key senior managers of the Group and members of the Boards of Directors of the various Group companies, as well as their related parties.
- Significant shareholders of the parent.

Transactions performed between the Company and its subsidiaries, which are related parties, are carried out, from the standpoint of their subject-matter or terms and conditions, in the ordinary course of the Company's business activities and have been eliminated on consolidation. Therefore, they are not disclosed in this Note.

All the transactions performed with related parties are performed under market conditions.

- **Balances and transactions with related parties**

The only transactions made with related parties were with the Directors and key management personnel in payment for the functions performed.

- **Directors and key management personnel**

As explained in the 2023 annual accounts, in December 2023, at the proposal of the Appointments and Remuneration Committee, a Management Committee was created that included not only those who report directly to the Chief Executive Officer but also those who, without this direct reporting line, perform a corporate function in the company's Central Services and whose remuneration includes a specific retention system.

The remuneration received during the year by the twenty-four members of the Group's senior management who do not hold a position on the Board of Directors of Acerinox, S.A. amounts to EUR 6,907 as of June 30, 2024. Of this amount, EUR 2,763 thousand relate to salaries, EUR 3,875 thousand to variable remuneration based on the previous year's results and EUR 269 thousand to remuneration in kind. In addition, severance payments amounting to EUR 2,409 thousand were paid in this period.

As of June 30, 2023, the remuneration received by the then 9 members of the Group's senior management who did not hold a position on the Board of Directors of Acerinox S.A. amounted to EUR 5,968 thousand. Of this amount, EUR 1,401 thousand related to salaries, EUR 4,441 thousand to variable remuneration corresponding to the previous year's results, and EUR 126 thousand to remuneration in kind.

As of June 30, 2024, the remuneration amounts received by the members of the Board of Directors of Acerinox S.A., including those who also perform management functions, for fixed allowances, attendance bonuses, and both fixed and variable salaries and wages, amounted to EUR 2,171 thousand (compared to EUR 2,620 thousand for the same period in 2023). Of this amount, EUR 958 thousand corresponded to directors' salaries and fixed allowances (EUR 708 thousand in 2023), EUR 262 thousand were per diems (EUR 399 thousand in 2023), EUR 937 thousand were variable remuneration corresponding to the previous year's results, and EUR 14 thousand were remuneration in kind (compared to EUR 1,500 thousand in variable remuneration and EUR 13 thousand in remuneration in kind in 2023).

With regard to the breakdown of the Chief Executive Officer's variable compensation, said officer's annual bonus for 2023 was paid during the first half of the year, amounting to EUR 937 thousand (2022: EUR 1,500 thousand). The metrics used to calculate the CEO's variable compensation combined financial, environmental, and other business aspects, which are specified in the Annual Report on Directors' Compensation for the aforementioned fiscal year.

Regarding the long-term incentive, in accordance with the calculation of the metrics of comparable companies established in the incentive plan approved by the Annual Shareholders' Meeting, the Chief Executive Officer is entitled to receive 24,254 shares of Acerinox, S.A., after deducting the corresponding personal income tax (23,498 shares were delivered in 2023). Details of the metrics used can be found in the Directors' Remuneration Report for recent years and in the documentation for the Annual General Meeting held on October 22, 2020. These shares have been paid and declared to the CNMV in July 2024.

During this fiscal year, the Annual Shareholders' Meeting held on April 22 approved the new Directors' remuneration policy applicable to fiscal years 2025, 2026, and 2027. The details of this new policy are included in the report presented at the Meeting and are available on the Group's website.

The obligations arising from certain senior executive retirement benefit arrangements, which amounted to EUR 18.8 million at December 31, 2023, of which EUR 5.5 million related to the Chief Executive Officer, are fully insured, with their estimated amount covered by flows from the policies arranged. As a result, no liability is recognized for this item. At June 30 there were no significant variations in obligations, as there were no changes to the contracts. Equally, all obligations are duly insured.

As of June 30, 2024 and 2023, no advances, balances, or credits have been granted to the members of the Board of Directors or to members of Senior Management.

During this fiscal year, the third multi-year compensation plan or Long-Term Incentive Plan (LTIP) came into effect, consisting of three cycles of three years each. This plan allows Senior Managers and the Chief Executive Officer to receive an incentive payable in shares. As with the previous multi-year compensation plans, the Incentive Plan consists of three cycles of three years each, with the first cycle beginning on January 1, 2023, and the last cycle ending on December 31, 2028. This third plan was approved at the Annual Shareholders' Meeting held in 2023. The characteristics of the plan are similar to those approved on previous occasions, although the list of companies used as a reference for calculating the achievement percentage may vary.

The accrued expense up to June 30, 2024, corresponding to the Chief Executive Officer and Group senior managers, recorded as other equity instruments, amounts to EUR 1,741 thousand, of which EUR 373 thousand corresponds to the Chief Executive Officer (EUR 479 thousand up to June 2023, of which EUR 117 thousand corresponds to the Chief Executive Officer). The increase in the accrued amounts is mainly due to the approval of the third plan.

During the first half of 2024, the members of the Board of Directors have not conducted any transactions with the Company or Group companies outside the ordinary course of business or on terms other than those at arm's length.

The Company's Directors and their related parties were not involved in any conflict of interest that had to be reported pursuant to Article 229 of the Consolidated Spanish Limited Liability Companies Law.

The Group has taken out a third-party liability insurance policy which covers the directors and senior managers, as well as Group employees. The premium paid in 2024 amounted to €702 thousand, including a 3-month extension from October 2023 to January 2024 for €64 thousand. The premium paid in 2023 amounted to EUR 718 thousand.

NOTE 24 – EVENTS AFTER THE REPORTING PERIOD

No significant events took place subsequent to the preparation of these interim financial statements that could have an impact on the Group's financial statements.

Dividend

A total of EUR 77,284 thousand was disbursed on July 19, 2024 as a dividend, equating to EUR 0.31 per share. This dividend supplements the interim dividend of the same amount paid out in January. This dividend, having been approved by the Shareholders' Meeting, appeared in the financial statements as of June as "other current financial liabilities".

Interim Management Report

First Half

2024

Free translation from the original in Spanish.
In the event of discrepancy, the Spanish-language
version prevails

Results for the first half of 2024

Acerinox improves its Q2 EBITDA despite market weakness and the Acerinox Europa strike

Highlights

- The Group's TIR (Total Incident Rate) has decreased by 6% compared to year-end 2023.
- On June 21, an agreement was reached to put an end to the strike at the Acerinox Europa plant, which began on February 5.
- Melting shop production totaled 405 thousand tonnes, down 12% from Q1 2024 (17% lower than Q2 2023). In the first half of the year, it totaled 866 thousand tonnes.
- EBITDA, at 125 million, was 13% higher than in Q1 2024 (47% lower than in Q2 2023). In the first half of the year, it totaled EUR 236 million.
- The impact on Acerinox Europa's EBITDA due to the strike was EUR -28 million across the quarter and EUR -43 million in the first half of the year.
- Operating cash flow amounted to EUR 77 million. In the first half of the year, it totaled EUR 266 million.
- The Group's net financial debt, EUR 191 million, fell by EUR 150 million compared with December 31, 2023.
- The annualized ROCE for this half of the year was 11%.
- Bahru Stainless shut down production in May.
- On April 16, Haynes International's shareholders approved its proposed acquisition by North American Stainless. All regulatory approvals have been received in the United States; in Europe, we are only awaiting approvals in Austria and the United Kingdom.

Outlook

The weakness of the stainless steel market and the lack of visibility remain for the third quarter, despite the fact that wholesalers' inventories are below the historical average. On the other hand, high-performance alloys market remains stable.

Our position in the American and high-performance alloys markets, and the gradual recovery in Acerinox Europa, allow us to expect an EBITDA in the third quarter similar to that of the second quarter.

Statement by CEO Bernardo Velázquez on the results

"The strength of our North American subsidiary, North American Stainless (NAS) and the high-performance alloys division has enabled the Group to improve second-quarter EBITDA over the previous quarter, despite the challenging market conditions of the stainless steel sector and the nearly five-month strike at Acerinox Europa.

Under the circumstances, we generated operating cash flow of EUR 266 million in the first half of the year, which enabled us to reduce net financial debt by EUR 150 million.

We have managed to reach a positive agreement for all parties with the signing of the new Agreement at Acerinox Europa that will allow us to promote a new flexibility-based business model to adapt to market conditions, focusing more on the customer and adding value.

In addition, after several months of strategic reflection, we have decided to shut down our Malaysian plant, Bahru Stainless. I would like to thank all the employees for their effort and dedication over these many years.

All these decisions will allow us to improve our competitiveness, focus on our main markets and face the challenges of the future with greater security."

1. Main economic/financial figures for the first half of the year

Consolidated Group	Quarter		First Half		
	Q1 2024	Q2 2024	2024	2023	Variation 2024/2023
Melting shop production (thousands of tonnes)	461	405	866	1,020	-15%
Revenue (EUR million)	1,481	1,299	2,781	3,522	-21%
EBITDA (EUR million)	111	125	236	462	-49%
% of revenue	7%	10%	8%	13%	
Depreciation and amortization charge (EUR million)	-41	-41	-82	-85	-4%
EBIT (EUR million)	71	84	155	378	-59%
% of revenue	5%	6%	6%	11%	
Profit before tax and non-controlling interests (EUR million)	71	84	155	371	-58%
Profit after tax and non-controlling interests (EUR million)	53	62	114	278	-59%
Profit after tax and non-controlling interests per share	0.21	0.25	0.46	1.07	-57%
Operating cash flow	188	77	266	-77	-
Net financial debt (EUR million)	234	191	191	721	-73%
Gearing ratio (%)	9%	7%	7%	27%	
ROCE annualized	10%	11%	11%	21%	
No. of shares (millions)	249	249	249	260	-4%
Shareholder remuneration (per share)	0.31	-	0.31	0.30	3%
Average daily volume of trading (millions of shares)	0.82	0.78	0.80	0.97	-18%
No. of employees at period-end	8,245	8,077	8,077	8,278	-2%

1.1. Results of the Consolidated Group

	Second Quarter of 2024			First Half of 2024		
EUR million	Stainless	High-performance alloys	Consolidated Group	Stainless	High-performance alloys	Consolidated Group
Melting shop production	384	20	405	824	42	866
Net sales	993	311	1,299	2,102	689	2,781
EBITDA	92	34	125	171	65	236
EBITDA margin	9%	11%	10%	8%	9%	8%
Depreciation and	-32	-6	-41	-64	-13	-82
EBIT	59	28	84	108	53	155
EBIT margin	6%	9%	6%	5%	8%	6%

Second quarter

Q2 results show improvement over Q1 thanks to the increase in North American Stainless margins and the strength of the high-performance alloys division. On the other hand, they are penalized by the effects of the strike at Acerinox Europa.

EBITDA, at EUR 125 million, was 13% higher than in Q1 (47% lower than in Q2 2023). The sales margin rose to 10% (from 7% in Q1).

At EUR 92 million, the stainless steel division's EBITDA was 15% higher than in Q1. The impact on Acerinox Europa's EBITDA due to the strike was EUR -28 million across the second quarter.

The results of the high-performance alloys division remain good. EBITDA totaled EUR 34 million, 9% higher than in Q1, and the margin rose to 11% (compared to 8% in Q1).

The Group's profit after tax and non-controlling interests totaled EUR 62 million, 17% higher than in Q1 (57% lower than in Q2 2023).

Operating cash flow for Q2 was EUR 77 million. Over the quarter, operating working capital decreased by EUR 21 million. Tax payments totaled EUR 72 million.

As of June 30, 2024, the net financial debt, EUR 191 million, fell by EUR 43 million compared with March 31, 2024.

First Half

The first half of the year was characterized by solid EBITDA and good cash generation, despite the aforementioned strike at Acerinox Europa.

EBITDA amounted to EUR 236 million. The strike's impact on Acerinox Europa's EBITDA was EUR -43 million.

Operating cash flow for the first half of the year was EUR 266 million, due to the reduction in operating working capital, EUR 84 million. A payment for investment of EUR 78 million was made, and shareholders were remunerated with EUR 77 million. All in all, the Group's net financial debt, EUR 191 million, was 44% lower than at December 31, 2023.

1.2. Sustainability Targets 2030

2030 TARGET	DEGREE OF PROGRESS
20% reduction in CO_2 emissions intensity (Scopes 1 and 2) compared to 2015.	8% vs. 2015 (worse than target)
7.5% reduction in energy intensity compared to 2015	4% vs. 2015 (worse than target)
20% reduction in specific water withdrawal compared to 2015	-46% vs. 2015 (in line or better than target)
90% waste recycled	90% (in line or better than target)
26% reduction in TIR compared to 2023	-6% (in line or better than target)
15% women in the workforce by 2030	13.4% (in line or better than target)

● in line or better than target ● worse than target

The five-month stoppage at the Acerinox Europa factory had a significant impact on some of our indicators, especially those related to carbon intensity and energy consumption, which worsened by 8% and 4%, respectively, compared to the base year. We expect them to rebound in the coming months as the plant operates normally. The rest of the indicators have evolved positively, highlighting the significant reduction in the specific water extraction (it has been reduced by 46% compared to 2015, being the target to reduce by 20%) and the target for recycled waste has been achieved. The accident rate has also been reduced by 6% and women now represent 13.4% of the workforce.

2. Analysis of our main markets

2.1. Stainless steel market

United States:

- Final demand in the U.S. market remains stable.
- Apparent consumption of flat product has increased by 3% through May, according to our estimates.
- Imports of flat product represent 27% of the market through May.
- Distributor inventory has stabilized at levels below the average set over the last few years.
- Section 232 remains in effect and no reduction in trade protection measures is expected.
- Base prices remain stable after the decrease at the beginning of the year.

Europe:

- Although the destocking process has been completed, the European market has not rebounded as much as expected and final demand remains weak.
- Apparent consumption of flat product has fallen by 7% through May, according to our estimates.
- Imports of flat product, which account for 14% of the total market, were down 23% through May compared to the same period last year.
- Inventory levels remain below the average of recent years.
- The renewal of the safeguard measures has been approved through June 2026.
- Slight price recovery from historic lows.

2.2. High-performance alloys market

The high-performance alloys market performed well in this quarter.

Demand in the automotive and aerospace sectors has remained stable at high levels.

Demand from oil and gas has risen due to the increase in large projects; likewise, the electronics sector has increased slightly (after having experienced weaker performance due to lower demand for consumer goods in 2023).

3. Strategic highlights of the first half of the year

3.1. Shareholder remuneration

On April 22, 2024, the General Shareholders' Meeting was held; it approved the proposed distribution of a dividend of 0.62 euros per share. An interim dividend of 0.31 euros per share was paid in January, and a final dividend of 0.31 euros per share was distributed in July.

In the first half of the year, Acerinox has allocated 77 million euros in dividends.

3.2. NAS and VDM investments

- The investment plan for the North American Stainless (NAS) factory, the only integrated stainless steel mill in the United States, is advancing on schedule. The structure for the melting shop expansion is under construction, the foundation works for the cold rolling mill are being carried out, and the first deliveries of equipment have been received.
  As already announced, the value of the investments will total USD 244 million and start-up is planned for the end of 2025. The new equipment will be aimed at increasing the volume of flat product, with a special focus on increasing those with higher added value.

- The investment projects at VDM Metals announced on January 11, 2024, to increase production capacity in the high-performance alloys division remain on track in terms of schedule and budget. All additional capacity is expected to be available by 2027. Among the projects, the most significant are the expansion of three remelting furnaces, the upgrade of an annealing and pickling line, an additional defect detection line for bars and an atomizer to produce stainless-steel powders and high-performance alloys for additive manufacturing.

3.3. Beyond Excellence Plan (2024-2026)

Within the Strategic Plan, the Acerinox Group continues its drive for operational excellence through its Beyond Excellence Plan (2024-2026), which aims to boost competitiveness through new continuous improvement projects. Digital transformation and commitment to innovation are key aspects of this plan.

The goal of the Beyond Excellence Plan is to improve EBITDA by EUR 100 million over the period 2024-2026. In 2024, the Group’s annual target is EUR 45 million.

Highlights from the first half of the year:

- Improvements achieved in the first half of the year totaled EUR 20 million, which represents a 44% achievement rate on the 2024 target.
- The EUR 20 million in savings from the first half of the year have been broken down by the Plan’s 6 strategic pillars, as well as some initiatives that are having a positive impact on results.
    - Productivity (EUR 3 million): improved equipment availability.
    - Efficiency (EUR 9 million): improving performance in the cold rolling mill, extending the useful life of consumables and optimizing the use of raw materials, including the recycling of scrap generated during the process.
    - Supply chain (EUR 3 million): optimization and management of energy costs.
    - Customer at the center (EUR 2 million): increase customer satisfaction through predictive quality improvements via data analytics.
    - Value-added products and R&D&I (EUR 2 million): development and sale of new types of high value-added steel.
    - Decarbonization (EUR 0.4 million): Optimization of energy consumption for pumps, compressors, etc. as well as CO_2 savings associated with this reduction.

3.4. Acerinox signs agreement to acquire Haynes International

On February 5, Acerinox announced the signing of an agreement under which its North American subsidiary, North American Stainless (NAS), will acquire Haynes International (Haynes), a leading U.S. company in the development, manufacture and commercialization of technologically advanced high-performance alloys. The transaction will be carried out entirely in cash.

Haynes' board of directors submitted to its shareholders the sale of 100% of its shares. On April 16, 2024, Haynes shareholders approved the proposed acquisition by NAS for $61 per share in cash, for a total consideration of $798 million, corresponding to an enterprise value of $970 million.

During the first six months of the year, we have successfully completed the authorization phase required by U.S. legislation and authorities. The Department of Justice issued their approval on March 18, and the Committee on Foreign Investment in the United States (CFIUS) issued theirs on June 27.

Following a favorable decision by the European countries set to review the transaction from a foreign direct investment (FDI) perspective, the transaction now only awaits the approval of the Austrian and UK competition authorities, which are expected to issue their decisions during Q4.

Once the conditions for the closing of the transaction are met, Haynes will become wholly owned by NAS. With this operation, the Group will consolidate its presence in the North American market, where it is already the leader in the area of stainless steel, its pre-eminence in the world high-performance alloys market and will increase its exposure in the high-margin aerospace sector.

For more information, access from the following link: (Haynes acquisition agreement)

3.5. Negotiation of the Collective Bargaining Agreement at Acerinox Europa

Acerinox Europa and the Works Council signed the IV Collective Bargaining Agreement for the staff. This agreement, valid until December 31, 2027, will enable the development of a strategy through greater efficiency, flexibility, and diversification. Among other measures, we would like to highlight the following:

a) The new agreement includes a wage increase of approximately 13% over 4 years.
b) New production bonus aligned with the Group's strategy that rewards quality, the broadening of the range of products and the production of high-performance alloys.
c) Paid voluntary employee availability.
d) Voluntary paid polyvalence with workforce training.
e) Factory shutdown for 2 weeks in August, a period during which there is a lower level of activity. This time will be taken as an opportunity for maintenance shutdowns.

The signing of this agreement puts an end to five months of collective bargaining, which generated a loss of EUR 43 million in EBITDA.

On June 21 and within the framework of the new Agreement, the factory resumed operations with a new production model that is tailored to current market needs and the strategy set out by the Group. This model will contribute to implement the strategy to alleviate the economic losses accumulated over the last few years and will address the real demand situation, which is characterized by strong competition and volatility.

3.6. Bahru Stainless Update

On May 29, 2024, by means of Other Relevant Information published in the Spanish National Securities Market Commission (CNMV), it was reported that Acerinox has decided to shut down the Bahru Stainless factory (Malaysia). As of that date, Asian customers have been informed that production activity at the Bahru Stainless plant (Johor Bahru, Malaysia) will cease, and that the supply to these customers will henceforth come from other Group factories.

3.7. Sustainability

- **Acerinox, standing out in transparent taxation**

Acerinox has received the three-star "T for Transparency" seal awarded by the HAZ Foundation - the top award granted by this foundation - to recognize its responsible taxation practices and good governance.

For more information, access from the following link: T for Transparency

- **Acerinox obtains AENOR certification for its criminal compliance management systems**

As part of its commitment to transparency and best corporate governance practices, AENOR has awarded Acerinox an UNE 19601 certificate, which verifies that the company has an effective criminal compliance management system.

This standard is the national standard for best practices to prevent crime, reduce risk, and foster an ethical and law-abiding business culture.

- **Acerinox reinforces its commitment to water by backing the CEO Water Mandate**

Acerinox supports the CEO Water Mandate of the United Nations Global Compact as a cornerstone of its responsible water management model.

For more information, access from the following link: CEO Water Mandate.

3.8. Reorganization of the Management Committee

During the first half of the year, the Acerinox Group Management Committee was reorganized with the aim of streamlining management and optimizing decision-making.

In this new structure, Miguel Ferrandis has been appointed Chief Corporate Officer of the Group, reporting to Bernardo Velázquez, the Chief Executive Officer. In addition to his current responsibilities, Miguel will assume those of the Indirect Procurement, Information Systems, Corporate Risks, Sustainability and Cybersecurity departments. Since 2000, Miguel assumed the role of CFO.

Esther Camós, as CFO of the Group will assume responsibility for the entire financial area, and will report to Miguel Ferrandis. Esther has been the Group's Taxation Officer and Director of Consolidation and Financial Reporting; in 2019, she also took over as Director of Budgeting and Financial Planning.

Antonio Fernández de Mesa has been appointed Financial Director of the Group, and will report to Esther Camós. In addition to his current Treasury and Financing responsibilities, he will assume those of Budgeting and Financial Planning.

Carlos Lora-Tamayo, who until now was the Director of Communications and Investor Relations, will also assume the duties of Consolidation and Financial Reporting. Carlos will report to Esther Camós.

Antonio Gayo, in addition to his current duties as Chief Strategy Office, will assume the position of Head of the Acerinox Group CEO's Office.

Alexander Kolb, who recently joined the Acerinox Group, has been appointed Deputy General Secretary. Alexander is a lawyer and has developed his professional career in leading law firms. Alexander will report to Luis Gimeno, Secretary to the Board of Directors of Acerinox.

Niclas Müller, CEO of VDM Metals, is taking over as Chief Operating Officer of the High-Performance Alloys division. Niclas will report to Bernardo Velázquez, CEO of the Acerinox Group.

Finally, during the first half of the year, Hans Helmrich and Daniel Azpitarte left the Group to pursue new opportunities. We thank them for their contributions over the years.

For more information, access from the following link: Acerinox C-Suite

3.9. Events after the half-year-end

Dividend: A total of EUR 77 million was disbursed on July 19, 2024 as a dividend, equating to EUR 0.31 per share. This dividend supplements the interim dividend of the same amount paid out in January.

4. Q2 2024 Results Presentation (conference call)

Acerinox will present its Q2 2024 results today, July 24, at 1:00 p.m. (CEST), led by our Chief Executive Officer Bernardo Velázquez, Chief Corporate Officer Miguel Ferrandis, and Chief Financial Officer Esther Camós, accompanied by the Investor Relations team.

To access the presentation via telephone conference, you can join 5 to 10 minutes before the event by using one of the following numbers:

From Spain: 919 01 16 44. PIN: 149046 / From the United Kingdom: 020 3936 2999. PIN: 149046 / From the United States 1 646 664 1960. PIN: 149046 / All other countries +44 20 3936 2999. PIN: 149,046

You can follow the presentation through the Shareholders and Investors section of the Acerinox website (www.acerinox.com).

Both the presentation and all audiovisual material will be available on the Acerinox website after the event.

5. Relevant figures

Consolidated Group

EUR million	Q2 2024	Q1 2024	Q2 2023	H1 2024	H1 2023	% Q2 24 / Q2 23	% H1 24 / H1 23
Melting shop production (thousands of metric tonnes)	405	461	486	866	1,020	-17%	-15%
Net sales	1,299	1,481	1,740	2,781	3,522	-25%	-21%
EBITDA	**125**	**111**	**236**	**236**	**462**	**-47%**	**-49%**
EBITDA margin	**10%**	**7%**	**14%**	**8%**	**13%**		
EBIT	84	71	196	155	378	-57%	-59%
EBIT margin	6%	5%	11%	6%	11%		
Profit (loss) before tax	84	71	191	155	371	-56%	-58%
Profit after tax and non-controlling interests	**62**	**53**	**142**	**114**	**278**	**-57%**	**-59%**
Operating cash flow	**77**	188	-58	266	-77	-	-
Net financial debt	191	234	721	191	721	-73%	-73%

Stainless steel division

EUR million	Q2 2024	Q1 2024	Q2 2023	H1 2024	H1 2023	% Q2 24 / Q2 23	% H1 24 / H1 23
Melting shop production (thousands of metric tonnes)	384	440	465	824	979	-17%	-16%
Net sales	993	1,109	1,369	2,102	2,846	-28%	-26%
EBITDA	**92**	**80**	**191**	**171**	**388**	**-52%**	**-56%**
EBITDA margin	**9%**	**7%**	**14%**	**8%**	**14%**		
Depreciation and amortization	-32	-32	-34	-64	-69	-6%	-7%
EBIT	59	49	159	108	320	-63%	-66%
EBIT margin	6%	4%	12%	5%	11%		
Operating cash flow	69	112	-43	182	70	-	158%

High-performance alloys division

EUR million	Q2 2024	Q1 2024	Q2 2023	H1 2024	H1 2023	% Q2 24 / Q2 23	% H1 24 / H1 23
Melting shop production (thousands of metric tonnes)	20	21	21	42	40	-3%	3%
Net sales	311	378	387	689	692	-20%	- %
EBITDA	**34**	**31**	**47**	**65**	**76**	**-29%**	**-15%**
EBITDA margin	**11%**	**8%**	**12%**	**9%**	**11%**		
Depreciation and amortization	-6	-7	-6	-13	-12	6%	9%
EBIT	28	25	42	53	65	-34%	-19%
EBIT margin	9%	7 %	11%	8%	9%		
Operating cash flow	8	76	-15	84	-147	-	-

Cash generation

Consolidated Group

Cash Flow (EUR million)	Q2 2024	Q1 2024	Q2 2023	H1 2024	H1 2023
EBITDA	125	111	236	236	462
Changes in operating working capital	21	63	-131	84	-304
Corporate income tax	-72	-1	-98	-73	-152
Finance costs	3	-2	-	1	-1
Other adjustments	-1	18	-64	17	-82
OPERATING CASH FLOW	77	188	-58	266	-77
Payments due to investment	-41	-36	-54	-78	-97
FREE CASH FLOW	36	152	-112	188	-174
Dividends and treasury shares	-	-77	-2	-77	-77
CASH FLOW AFTER DIVIDENDS	36	75	-114	111	-251
Translation differences	8	33	-2	41	-28
Grants and other	-1	-1	-1	-2	-2
Variations in net financial debt	43	107	-116	150	-281

Stainless steel division

EUR million	Q2 2024	Q1 2024	Q2 2023	H1 2024	H1 2023
EBITDA	92	80	191	171	388
Changes in operating working capital	30	11	-91	41	-102
Corporate income tax	-71	-2	-98	-73	-150
Finance costs	7	3	4	10	7
Other adjustments	11	20	-49	31	-73
OPERATING CASH FLOW	69	112	-43	182	70

High-performance alloys division

EUR million	Q2 2024	Q1 2024	Q2 2023	H1 2024	H1 2023
EBITDA	34	31	47	65	76
Changes in operating working capital	-9	52	-39	43	-202
Corporate income tax	-1	-	-1	-	-2
Finance costs	-4	-5	-7	-9	-10
Other adjustments	-12	-2	-15	-14	-9
OPERATING CASH FLOW	8	76	-15	84	-147

Balance sheet

ASSETS

EUR million	Jun 2024	2023	Jun 2023	Variation
NON-CURRENT ASSETS	1,826	1,777	1,902	3%
CURRENT ASSETS	4,578	4,322	4,686	6%
Inventories	1,782	1,861	2,265	-4%
Receivables	557	618	809	-10%
Trade debtors	503	560	694	-10%
Other debtors	54	58	116	-6%
Cash	2,175	1,794	1,544	21%
Other current financial assets	64	50	68	28%
TOTAL ASSETS	6,404	6,099	6,588	5%

LIABILITIES

EUR million	Jun 2024	2023	Jun 2023	Variation
EQUITY	2,581	2,463	2,657	5%
NON-CURRENT LIABILITIES	1,786	1,733	1,881	3%
Bank borrowings	1,356	1,291	1,452	5%
Other non-current liabilities	430	442	429	-3%
CURRENT LIABILITIES	2,037	1,902	2,051	7%
Bank borrowings	1,011	844	813	20%
Trade payables	735	787	941	-7%
Other current liabilities	291	272	296	7%
TOTAL EQUITY AND LIABILITIES	6,404	6,099	6,588	5%

Production stainless steel division

	2023					2024			Variation	
Thousands of metric tonnes	Q1	Q2	Q3	Q4	12M	Q1	Q2	H1	Q2 24 / Q2 23	H1 24 / H1 23
Melting shop	515	465	423	468	1,869	440	384	824	-17%	-16%
Cold rolling	311	304	283	328	1,225	282	247	529	-19%	-14%
Long products (hot rolling)	42	36	32	28	139	32	37	70	3%	-11%

Production High-performance alloys division

	2023					2024			Variation	
Thousands of metric tonnes	Q1	Q2	Q3	Q4	12M	Q1	Q2	H1	Q2 24 / Q2 23	H1 24 / H1 23
Melting shop	19	21	17	18	76	21	20	42	-3%	3%
Finishing shop	8	12	11	10	40	11	10	21	-13%	10%

Alternative Performance Measures
(Definitions of terms used)

Beyond Excellence: Acerinox's plan to improve operational excellence and competitiveness through specific targets for its pillars.

Excellence 360° Plan: estimated efficiency savings for the 2019 to 2023 period

Operating Working Capital: Stock + accounts receivable - commercial creditors

Net cash flow: Profit after tax and non-controlling interests + depreciation and amortization

Net financial debt: Bank borrowings + bond issuance - cash

Net financial debt / EBITDA: Net financial debt / annualized EBITDA

EBIT: Operating income

Adjusted EBIT: EBIT, net of material extraordinary items

EBITDA: Operating income + depreciation and amortization charge + variation of current provisions

Adjusted EBITDA: EBITDA, net of material extraordinary items

TIR: Total Incident Rate ((Total Accidents) * 1,000,000 / hours worked)

Debt Ratio: Gearing ratio: net financial debt / equity

Net financial result: Financial income – financial expenses ± exchange rate variations

ROCE: Annualized net operating income / (Equity + Net financial debt)

ROE: Annualized profit after tax and non-controlling interests / equity

ICR (interest coverage ratio): EBIT / financial expenses

Payout: Shareholder remuneration / Profit after tax and non-controlling interests

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