

ACERINOX, S.A. AND SUBSIDIARIES



Consolidated Financial Statements of the Acerinox Group

December 31, 2025

In-house translation of the original Spanish version.
This version does not constitute an official translation.
In the event of any discrepancy, the original Spanish version prevails.



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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Figures in thousands of euros at December 31, 2025 and 2024)

	Note	2025	2024 (*)
ASSETS			
Non-current assets			
Goodwill	8	164,486	179,346
Other intangible assets	8	117,963	136,433
Property, plant and equipment	9	1,882,255	1,852,632
Investment property	10	25,091	32,067
Rights of use assets	11	20,223	22,542
Investments accounted for using the equity method	6.3	390	390
Financial assets at fair value through other comprehensive income	13	282	413
Deferred tax assets	20	142,403	177,683
Other non-current assets	12, 17	29,790	13,085
TOTAL NON-CURRENT ASSETS		2,382,883	2,414,591
Current assets			
Inventories	12	1,678,592	2,061,560
Trade and other receivables	13	546,720	619,107
Other current financial assets	13	14,197	91,292
Current income tax assets	20	28,246	17,827
Cash and cash equivalents	14	969,890	1,262,806
TOTAL CURRENT ASSETS		3,237,645	4,052,592
TOTAL ASSETS		5,620,528	6,467,183

(*) 2024 figures restated due to the provisional closing of the goodwill valuation under IFRS-3 (See Note 6.1)

The accompanying Notes 1 to 23 are an integral part of these Consolidated Financial Statements.

(Figures in thousands of euros at December 31, 2025 and 2024)

	Note	2025	2024
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity			
Subscribed capital	15	62,334	62,334
Issue premium	15	268	268
Reserves	15	2,349,945	2,260,462
Profit/(loss) for the year	15	-40,074	224,946
Interim dividend	15	-77,292	-77,286
Translation differences	15	-237,539	51,248
Other equity instruments	15	6,425	5,591
Shares of the Parent	15	-97	-246
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		2,063,970	2,527,317
Non-controlling interests	15	33,663	47,754
TOTAL EQUITY		2,097,633	2,575,071
Non-current liabilities			
Deferred income	16	29,355	45,891
Bank borrowings	13	1,321,519	1,464,314
Non-current provisions	17	217,067	233,180
Deferred tax liabilities	20	222,484	248,279
Other non-current financial liabilities	13	18,404	23,533
TOTAL NON-CURRENT LIABILITIES		1,808,829	2,015,197
Current liabilities			
Bank borrowings	13	836,970	918,737
Trade and other payables	13	775,200	817,226
Current income tax liabilities	20	21,014	46,532
Other current financial liabilities	13	80,882	94,420
TOTAL CURRENT LIABILITIES		1,714,066	1,876,915
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,620,528	6,467,183

(*) 2024 figures restated due to the provisional closing of the goodwill valuation under IFRS-3 (See Note 6.1)

The accompanying Notes 1 to 23 are an integral part of these Consolidated Financial Statements.

2. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Figures in thousands of euros at December 31, 2025 and 2024)

	Note	2025	2024
Revenue	18	5,780,513	5,413,128
Other operating income	18	66,369	35,148
Work performed by the Group on non-current assets	18	4,439	2,991
Changes in inventories of finished goods and work in progress		-261,485	-133,174
Supplies		-3,461,820	-3,423,060
Staff costs	18	-824,098	-670,957
Depreciation and amortization charge	8,9,10,11	-195,472	-159,910
Other operating expenses	18	-955,270	-865,213
Gain (loss) on sale of shares	6	-	146,064
Impairment of assets	8.9	-	3,086
OPERATING INCOME		153,176	348,103
Finance income	19	41,914	91,605
Finance costs	19	-93,427	-108,114
Exchange differences	19	-9,681	1,183
Revaluation of financial instruments at fair value	19	-2,081	8,825
Impairment and loss on disposal of financial instruments	19	-100	-
PROFIT FROM ORDINARY ACTIVITIES		89,801	341,602
Income tax	20	-143,219	-126,310
Other taxes	20	-799	-645
PROFIT/(LOSS) FOR THE YEAR		-54,217	214,647
Attributable to:			
NON-CONTROLLING INTERESTS		-14,143	-10,299
NET INCOME (LOSS) ATTRIBUTABLE TO THE GROUP		-40,074	224,946
<i>Basic and diluted earnings per share (in euros)</i>	15.9	-0.16	0.90

The accompanying Notes 1 to 23 are an integral part of these Consolidated Financial Statements.

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Figures in thousands of euros at December 31, 2025 and 2024)

	Note	2025	2024
A) RESULTS OF THE STATEMENT OF PROFIT OR LOSS			
		-54,217	214,647
B) OTHER COMPREHENSIVE INCOME - ITEMS NOT RECLASSIFIED TO PROFIT OR LOSS FOR THE PERIOD			
		13,106	2,681
1. Arising from valuation of equity instruments at fair value through other comprehensive income	13.2.5	-	-
2. Arising from actuarial gains and losses and other adjustments	17.1	17,652	4,030
3. Tax effect	20	-4,546	-1,349
C) OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS FOR THE PERIOD			
		-280,856	49,856
1. Arising from cash flow hedges			
- Valuation gains / (losses)	13.2.6	5,847	-8,648
- Amounts transferred to the income statement	13.2.6	6,549	-7,085
2. Translation differences			
- Valuation gains / (losses)		-288,807	155,611
- Amounts transferred to the income statement		-	-94,408
3. Tax effect			
	20	-4,445	4,386
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		-321,967	267,184
a) Attributed to the parent company		-307,804	275,493
b) Attributed to non-controlling interests		-14,163	-8,309

The accompanying Notes 1 to 23 are an integral part of these Consolidated Financial Statements.



4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Figures in thousands of euros at December 31, 2025 and 2024)

	Equity attributable to shareholders of the parent company											Non-controlling interests	TOTAL EQUITY
	Subscribed capital	Issue premium	Retained earnings reserves (includes profit/(loss) for the year)	Reserves for revaluation of non-current assets	Cash flow hedge reserves	Reserve for actuarial adjustments	Translation differences	Other equity instruments	Treasury shares	Interim dividend	TOTAL		
Equity December 12/31/2023	62,334	268	2,385,389	5,242	7,881	29,465	-7,990	4,157	-1,055	-77,261	2,408,430	54,696	2,463,126
Profit/(loss) for the year 2024	Note	0	224,946	0	0	0	0	0	0	0	224,946	-10,299	214,647
Cash flow hedges (net of tax)	13.2.6	-	-	-	-11,347	-	-	-	-	-	-11,347	-	-11,347
Actuarial valuation of employee benefit obligations (net of tax)	17.1	-	-	-	-	2,656	-	-	-	-	2,656	25	2,681
Translation differences	15.4	-	-	-	-	-	59,238	-	-	-	59,238	1,965	61,203
Income and expenses recognized in equity		-	-	-	-11,347	2,656	59,238	-	-	-	50,547	1,990	52,537
Total comprehensive income		0	0	224,946	0	-11,347	2,656	59,238	0	0	275,493	-8,309	267,184
Interim dividend	15.2	-	-	-	-	-	-	-	-	-77,286	-77,286	-	-77,286
Dividends paid	15.2	-	-	-154,522	-	-	-	-	-	77,261	-77,261	-	-77,261
Transactions with shareholders		0	0	-154,522	0	0	0	0	0	-25	-154,547	0	-154,547
Acquisition of treasury shares	15.1	-	-	-	-	-	-	-	-961	-	-961	-	-961
Acquisition of non-controlling interests	6.2	-	-	-599	-	-	-	-	-	-	-599	1,280	681
Long-term incentive plan for senior executives	17.1.3	-	-	-864	-	-	-	1,434	1,770	-	2,340	63	2,403
Hyperinflation adjustments	15.6	-	-	1,406	-	-	-	-	-	-	1,406	-	1,406
Other changes	15.4	-	-	-4,246	1	-	-	-	-	-	-4,245	24	-4,221
Equity December 12/31/2024		62,334	268	2,451,510	5,243	-3,466	32,121	51,248	5,591	-246	-77,286	47,754	2,575,071
Profit/(loss) for the year 2025		0	0	-40,074	0	0	0	0	0	0	-40,074	-14,143	-54,217
Cash flow hedges (net of tax)	13.2.6	-	-	-	-	7,951	-	-	-	-	7,951	-	7,951
Actuarial valuation of employee benefit obligations (net of tax)	17.1	-	-	-	-	-	13,106	-	-	-	13,106	-	13,106
Translation differences	15.4	-	-	-	-	-	-288,787	-	-	-	-288,787	-20	-288,807
Income and expenses recognized in equity		-	-	-	-	7,951	13,106	-288,787	-	-	-267,730	-20	-267,750
Total comprehensive income		0	0	-40,074	0	7,951	13,106	-288,787	0	0	-307,804	-14,163	-321,967
Interim dividend		-	-	-	-	-	-	-	-	-77,292	-77,292	-	-77,292
Dividends paid	15.2	-	-	-154,576	-	-	-	-	-	77,286	-77,290	-	-77,290
Transactions with shareholders		0	0	-154,576	0	0	0	0	0	-6	-154,582	0	-154,582
Acquisition of treasury shares	15.1	-	-	-	-	-	-	-	-718	-	-718	-	-718
Long-term incentive plan for senior executives	17.1.3	-	-	648	-	-	-	834	864	-	2,346	53	2,399
Hyperinflation adjustments	15.6	-	-	488	-	-	-	-	-	-	488	-	488
Other changes	15.4	-	-	-3,080	-	-	-	-	3	-	-3,077	19	-3,058
Equity December 12/31/2025		62,334	268	2,254,916	5,243	4,485	45,227	-237,539	6,425	-97	-77,292	33,663	2,097,633

The accompanying Notes 1 to 23 are an integral part of these Consolidated Financial Statements.

5. CONSOLIDATED STATEMENTS OF CASH FLOWS

(Figures in thousands of euros at December 31, 2025 and 2024)

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Pretax income		89,801	341,602
<i>Adjustments to the result:</i>			
Depreciation of fixed assets	8,9,10,11	195,472	159,910
Impairment losses	9.12	26,615	-37,244
Changes in provisions		1,569	2,129
Allocation of subsidies	16	-22,495	-7,689
Gain or loss on disposal of fixed assets	9.10	910	590
Gain (loss) on disposal of financial instruments		100	-146,064
Changes in fair value of financial instruments		-6,484	-4,374
Finance income	19	-41,914	-91,605
Finance costs	19	92,843	106,378
Other income and expenses		8,000	5,057
<i>Variations in working capital:</i>			
(Increase)/decrease in trade and other receivables		49,530	100,590
(Increase) / decrease in inventories		284,826	199,057
Increase / (decrease) in trade and other payables		-14,879	-193,047
<i>Other cash flows from operating activities</i>			
Interest payments		-88,228	-101,142
Interest income		41,158	90,727
Income tax paid		-161,335	-131,202
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES		455,489	293,673
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		-304,954	-202,323
Acquisition of intangible fixed assets		-4,849	-2,462
Dependent acquisition net of cash acquired	6	0	-709,289
Acquisition of other financial assets		-1,285	-593
Proceeds from disposal of property, plant and equipment		169	596
Proceeds from disposal of other financial assets		33	378
Dividends received		344	455
Other receivables / (payments) for divestments	6	68,268	16,778
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		-242,274	-896,460
Issuance of own equity instruments		0	-48
Acquisition of treasury shares	15	-718	-960
Collection of third-party resources	13.2.3	453,201	1,010,654
Repayment of interest-bearing liabilities	13.2.3	-686,102	-891,136
Dividends paid	15	-154,576	-154,538
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		-388,195	-36,028
NET INCREASE IN CASH AND CASH EQUIVALENTS		-174,980	-638,815
Cash and cash equivalents at beginning of year	14	1,262,806	1,793,683
Effect of changes in exchange rates		-117,936	107,938
CASH AND CASH EQUIVALENTS AT YEAR-END	14	969,890	1,262,806

The accompanying Notes 1 to 23 are an integral part of these Consolidated Financial Statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – GENERAL INFORMATION

Name of the Parent: Acerinox, S.A. (hereinafter, “the Company”).

Incorporation: the Company was incorporated as a public limited liability company for an indefinite period of time on September 30, 1970.

Registered office: calle Santiago de Compostela, nº 100, Madrid - Spain.

Corporate purpose and main business activities: the Group’s main business activities, which coincide with the Corporate purpose, consist of the manufacture, processing and marketing of stainless-steel products and special alloys. These activities are performed through its subsidiaries.

The Acerinox Group is an international manufacturer and distributor of stainless steel and high-performance alloys and is one of the most competitive companies in its industry. Present on all five continents, the Group is a leader in the stainless-steel markets in the United States and Africa, and one of the best positioned companies in the sector in Europe. It is also the world’s leading company in the production of high-performance alloys sector.

As explained in the 2024 Financial Statements, on November 21, 2024, the Group completed the acquisition of Haynes International, strengthening Acerinox’s position in the high-performance alloys segment, as well as in the attractive US market and aerospace sector. **Note 6** includes detailed information on this transaction. Haynes, together with VDM, is part of the Acerinox Group’s High-Performance alloys Division. Haynes is headquartered in Kokomo, Indiana, where its main plant is located, and has other plants in Louisiana and North Carolina. It also has sales subsidiaries and service centers in other European countries and in Asia.

The Acerinox Group has five stainless-steel factories on three continents, located in Campo de Gibraltar, Ponferrada and Igualada (Spain), Ghent (Kentucky, USA) and Middelburg (Mpumalanga, South Africa). The High-Performance Alloys Division, consisting of VDM Metals and Haynes International, operates 10 production centers across Germany and the United States: five in Germany (Unna, Duisburg, Siegen, Werdohl, and Altena) and five in the United States (New Jersey, Nevada, Indiana, Louisiana, and North Carolina). The Group also has an extensive distribution network that enables it to sell in more than 80 countries.

On the other hand, as was explained in the 2024 Financial Statements, and as detailed in **Note 6**, on December 3, 2024, the Group sold the Malaysia-based subsidiary Bahru Stainless Sdn Bhd Group. Production overcapacity in this market and price pressure motivated the sale. However, the Group continues to maintain a commercial subsidiary in that country, which will allow it to continue to supply the Asian market with less commodity and high value-added products from other Group factories.

Note 6.3 details all the companies included in the scope of consolidation of Acerinox and the business activities they each perform.

The Parent’s main business activity is that of a holding company, in its condition as the parent of the Acerinox Group. Acerinox, S.A. approves and supervises the strategic business areas. It also provides various corporate services (including legal, accounting and consulting) and is responsible for the management and administration of financing within the Group.

Fiscal year: the fiscal year of Acerinox, S.A. and of all its Group companies covers 12 months. It begins on January 1 and ends on December 31. As detailed in the financial statements for 2024, on January 1, 2025, an amendment was made to the bylaws changing the fiscal and accounting year to the calendar year for the companies that make up the Haynes Group, with the fiscal year beginning on January 1, 2025, and ending on December 31, 2025. Therefore, all balances as of December 31, 2025 are included.

Authorization for issue of the financial statements: these consolidated financial statements were authorized for issue by the Board of Directors of Acerinox, S.A., on February 25, 2026.



NOTE 2 – ACCOUNTING POLICIES

2.1 Declaration of conformity

These Consolidated Financial Statements of the Group were prepared in accordance with the International Financial Reporting Standards (IFRSs) and related interpretations (IFRICs) adopted by the European Union (EU-IFRSs hereinafter) and with the other provisions of the applicable regulatory financial reporting framework.

As a result of the acquisition of Haynes in 2024, the Group reviewed its accounting policies to ensure they align consistently with those established by Acerinox, as detailed in this note.

In addition, in line with amendments to IAS 1, the Group assessed the disclosures in the report related to its accounting policies to ensure they provide adequate information. It did not find it necessary to make any modifications.

The 2025 Financial Statements were prepared using the same accounting principles (EU-IFRS) as for 2024, except for the standards and amendments adopted by the European Union and required to be applied from January 1, 2025. These are the following:

- 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 has had no impact on the Group as it does not carry out significant transactions in these currencies.

2.2 Assessment of the main standards, amendments and interpretations that will be mandatorily applicable the coming years

There are new standards and interpretations which will be mandatorily applicable in the coming years and have not been applied early by the Group.

The standards, interpretations and amendments approved by the European Union and applicable as of January 1, 2026 which have not been adopted in advance by the Group and which could have an impact, are as follows:

- Amendments to IFRS 9 and IFRS 7 "Amendments to the classification and measurement of financial instruments". These amendments clarify the criteria for classification of financial assets, as well as the criteria for derecognition of financial liabilities settled through electronic systems. It also introduces additional breakdown requirements. Specifically, it established the following:
 - The dates on which a financial asset or liability may be derecognized when settled by these means are clarified. The standard allows a financial liability settled in cash via an electronic payment system to be derecognized before the settlement date if certain conditions are met: i) a payment order has been initiated that cannot be canceled, ii) there is no access to the cash used for the payment, or iii) the risk of the transaction not being settled is insignificant.
 - Regarding the classification of non-recourse financial assets, an asset is considered "non-recourse" if an entity's right to receive cash flows is contractually confined to the cash flows generated by specific assets.
 - Additional criteria have been clarified and introduced to determine if an asset satisfies the principal and interest payment criteria.
 - New disclosure requirements are established for equity instruments designated at fair value through other comprehensive income.



- There is now a requirement to provide a qualitative description of contractual terms that might alter the timing or amount of cash flows, as well as the carrying amount of financial assets or the amortized cost of liabilities.
- Amendment to IFRS 9 and 7 “Nature-dependent electricity contracts”. This amendment clarifies the accounting treatment of electricity contracts, differentiating between purchase-sale contracts and those that must be recorded as financial instruments. On the one hand, the “own use” requirements are clarified, the possibility of applying hedge accounting is introduced and new breakdown requirements are added.
- Annual improvements to IFRS accounting standards, Volume 11. The purpose of the amendments is to avoid possible confusion from inconsistencies in the wording of the regulations by addressing changes in the following standards: IFRS 1 “First-time adoption of IFRS”; IFRS 7 “Financial instruments: Disclosures”; IFRS 9 “Financial instruments”; IFRS 10 “Consolidated financial statements” and IAS 7 “Statement of cash flows”.

The Group does not expect any significant impact from applying these standards.

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

- IFRS 18 – Presentation and Disclosure of Financial Statements. The aim of this new standard is to establish requirements for the presentation and disclosure of Financial Statements, replacing the currently effective IAS 1. While many existing principles from IAS 1 remain, the main changes introduced are as follows:
 - Introduction of mandatory subtotals in the income statement, specifically: i) operating profit, ii) profit before finance costs and tax, and iii) profit for the period.
 - Introduction of five categories of income and expenses in the income statement: i) operating, ii) investing, iii) financing, iv) tax, and v) discontinued operations.
 - Mandatory disclosures related to Management performance measures; and
 - Enhanced principles for aggregation and disaggregation applicable to the primary Financial Statements and the notes to the Financial Statements.
 - Changes to improve comparability among entities in the Statement of Cash Flows.

This new standard is effective for financial years beginning on or after January 1, 2027, and is also applicable to interim financial statements. A retrospective application is required.

The Group has analyzed the impacts that the application of this standard could have, but considers that they are not significant and do not incorporate very relevant changes. The Group will adopt the necessary presentation formats and disclosures when they become mandatory.

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”: This new standard has been developed to enable non-publicly accountable subsidiaries that have a parent that applies IFRS standards in its consolidated financial statements to apply IFRS standards with reduced disclosure requirements. Generally, it allows for a reduction in the disclosures typically required by other IFRS standards. Explicit mention must be made if this standard is applied. This standard is effective for financial years beginning on or after January 1, 2027. In addition, an amendment to this standard has been published that further reduces the disclosures.
- IAS 21 (Amendment) “Translation to a hyperinflationary presentation currency”: This amendment clarifies how an entity should translate its financial statements when the presentation currency is hyperinflationary, even if the functional currency is not. It establishes a consistent method of translation to improve the comparability and usefulness of financial information. The amendment requires all amounts (including comparative figures) to be translated using the closing exchange rate at the date of the latest statement of financial position. The effects of translation must be recognized in other comprehensive income. This amendment is effective for financial years beginning on or after January 1, 2027.



2.3 Basis of presentation of the Consolidated Financial Statements

These Consolidated Financial Statements of the Group were formally prepared by the Parent's directors to present a fair view the Group's consolidated equity and consolidated financial position as at December 31, 2025 and 2024, and the consolidated results of its operations, the changes in consolidated equity and the consolidated cash flows of the Group for the years then ended.

The figures for 2025 are presented for comparison purposes with last financial year's figures for each item in the Financial Statements.

Changes in the consolidation scope at the end of 2024, mainly related to the acquisition of the Haynes Group and the sale of Bahru Stainless, Sdn. Bhd., make the data of the income statement not directly comparable, as this year includes Haynes' consolidated data for the 12-month period, whereas last year it was only consolidated from the date of acquisition. Haynes is part of the high-performance alloys segment and therefore also affects the segment breakdowns referred to in the income statement. Likewise, this year does not include figures for Bahru Stainless, which last year was part of the consolidation scope and of the stainless steel segment.

These Consolidated Financial Statements were prepared in euros, rounding the figures off to the nearest thousand, and were prepared on a historical cost basis, except for the following assets and liabilities which were measured at fair value: derivative financial instruments and the defined benefit plans. Inventories were measured at the lower of cost and net realizable value. For the Group's company in Argentina (Acerinox Argentina, S.A.), the rules relating to hyperinflationary economies are applied, as established in **Note 15.6**.

These Consolidated Financial Statements were prepared on the basis of the separate accounting records of the Parent and of each of the subsidiaries that make up the Acerinox Group. The Consolidated Financial Statements include certain adjustments and reclassifications made to unify the accounting and presentation policies applied by the Group companies with those applied by the Company. The consolidation principles applied are detailed in **Note 2.5**.

As in the 2024 financial year, and for the fiscal year beginning on January 1, 2025, and ending on December 31, 2025, the three German companies of the High-Performance Alloys Division (VDM Metals Holding GmbH, VDM Metals GmbH and VDM Metals International GmbH) as well as the stainless steel division German distributor Acerinox Deutschland GmbH have availed themselves of the exemption permitted under section 291.1 HGB (Handelsgesetzbuch, German Commercial Law) and section 264.3 of the same Law. These exemptions free them from the obligation to present consolidated financial statements of the VDM subgroup, as well as the sustainability report, as they are part of a public interest Group that consolidates and publishes its financial statements, and also allow them certain simplifications in the authorization for issue of separate financial statements. Additionally, the three entities - VDM Metals Holding GmbH, VDM Metals GmbH and VDM Metals International GmbH - are exempt from the obligation to prepare the sustainability report

Preparation of the Consolidated Financial Statements in accordance with EU-IFRS standards requires the parent Company's directors to make certain judgments, estimates and assumptions that affect the application of the accounting policies and, therefore, the figures presented in the statement of financial position and consolidated income statement. The estimates made are based on historical experience and other factors that are considered reasonable. The Group could revise such estimates if changes were to occur in certain events or circumstances. The areas requiring the greatest degree of judgment in applying EU-IFRSs and those involving estimates that are significant for the consolidated financial statements are disclosed in **Note 3**. Also, **Note 5** provides qualitative and quantitative information on the risks assumed that could affect future years.

The Consolidated Financial Statements for 2024 were approved by the shareholders at the General Shareholders' Meeting held on May 6, 2025. The Group's Consolidated Financial Statements for 2025 have not yet been approved by the shareholders at the General Shareholders' Meeting. The Company's Board of Directors considers that these Consolidated Financial Statements will be approved by the shareholders at the General Shareholders' Meeting without any changes.

2.4 Going concern and accrual bases of accounting

The Consolidated Financial Statements were prepared on a going concern basis. Revenue and expenses are recognized on an accrual basis and not on the basis of their dates of collection or payment.



2.5 Basis of consolidation

a) Subsidiaries

Subsidiaries are companies over which the Company directly or indirectly exercises control. The Company is deemed to exercise control when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Also, the Company is deemed to have power when it has existing substantive voting rights that give it the current ability to govern the financial and operating activities and policies of the subsidiary.

The Financial Statements of the subsidiaries are included in the Annual Consolidated Financial Statements from the date on which the Group obtains control, and are excluded from consolidation on the date that control ceases to exist.

The Group assesses the date on which control is obtained, also taking into account the possible restrictions established in the contracts that prevent control from being obtained until circumstances that are beyond the Group's control arise, such as approval by an international body or any other condition precedent provided for in the contract.

The Group takes into account potential voting rights to assess the degree of control it exercises over the Group companies.

The accounting policies of the subsidiaries are adapted to the Group's accounting policies.

All the subsidiaries that form part of the Acerinox Group and were included in the scope of consolidation at December 31, 2025 and 2024 are listed in **Note 6**.

b) Non-controlling interests

"Non-controlling interests" represents the portion of the Group's profit or loss and net assets attributable to non-controlling shares. The share of non-controlling shares both in the Group's net assets and in comprehensive income for the year are presented separately in consolidated equity, in the consolidated income statement and in the consolidated statement of comprehensive income.

Non-controlling interests in the subsidiaries acquired are recognized at the date of acquisition at the proportionate share of the fair value of the net identifiable assets.

The profit or loss and each component of other comprehensive income are allocated to the equity attributable to shareholders of the parent and to non-controlling shares in proportion to their relative interests, even if this results in the non-controlling shares having a deficit balance.

When the share of equity held by non-controlling shares changes, the Group adjusts the book value of the controlling and non-controlling shares to reflect the changes that have arisen in its relative interests in the subsidiary. The Group recognizes directly in equity the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attributes that difference to the owners of the parent. The profit or loss attributable to the non-controlling shareholder from the date of acquisition is recognized as profit or loss attributable to non-controlling shares.

The Group assesses whether there are any clauses or financial instruments in contracts with non-controlling shares that could oblige the entity to deliver cash or another financial asset, or to settle it as if it were a financial liability, in order to determine its classification and measurement. For this purpose, all the terms and conditions agreed between the members of the Group and the holders of the instrument are considered. To the extent that there is an obligation or liquidation provision, the instrument is classified as a financial liability in the Consolidated Financial Statements.

These options are occasionally conditional on the occurrence of an uncertain future event beyond the control of both the issuer and the holder of the instrument. If, in addition, the issuer of such an instrument does not have the unconditional right to avoid delivering cash or another financial asset, it is deemed to be a financial liability of the issuer unless, inter alia, the part of the contingent liquidation provision that could require liquidation in cash or another financial asset is not genuine, i.e. is extremely exceptional, highly abnormal and very unlikely.



c) Affiliates

Associates are all entities over which the Group exercises significant influence in relation to financial and operating decisions, but over which it does not have control or joint control. In general terms, the Group is considered to exercise significant influence when it holds more than 20% of the voting power.

The Financial Statements of the affiliates are included in the consolidated Financial Statements using the equity method. The Group's share of the post-acquisition profits or losses of its associates is recognized in the income statement for each year with a credit or charge to "share of results of companies accounted for using the equity method" in the consolidated income statement.

Losses of associates attributable to the Group are limited to the value of the net investment, since the Group has not incurred legal or constructive obligations.

The Group does not have any significant investments in affiliates.

d) Business combinations

The Group applied IFRS 3, "Business Combinations" (revised 2008) to business combinations carried out on or after January 1, 2010.

The Group applies the acquisition method for business combinations.

The acquisition date is that on which the Group obtains control of the acquiree. The Group considers that control is obtained when the investor, due to its involvement with the acquiree, is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over the affiliate. In an acquisition, the Group is generally deemed to have obtained control when the consideration is legally transferred and the assets and liabilities of the acquiree are acquired and assumed, respectively. However, control may be obtained at a prior date if, by means of a written agreement, a prior date of obtainment of control is envisaged. The Group considers all pertinent facts and circumstances in order to identify the acquisition date.

The consideration transferred in a business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity interests issued and any contingent consideration that depends on future events or the fulfillment of certain conditions in exchange for control of the acquiree.

The consideration transferred excludes any amounts that are not part of the exchange for the acquiree. The costs associated with an acquisition are recognized as expenses on an accrual basis.

The Group recognizes at their acquisition-date the fair value of assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The liabilities assumed also include contingent liabilities to the extent that they represent present obligations that arise from past events and their fair value can be measured reliably. In addition, at the acquisition date the Group recognizes the indemnification assets granted by the seller following the same measurement criteria of the indemnification item of the acquired business, considering, where appropriate, the insolvency risk and any contractual limitation on the indemnified amount.

Until they are settled, canceled or expire, contingent liabilities are measured at the higher of the amount initially recognized less the amounts that should be recognized in the income statement in accordance with the standard on recognition of revenue from customers and the amount that would be recognized in accordance with the standard on measuring provisions.

The following are exempted from the application of the general measurement criteria: non-current assets and disposal groups classified as held for sale, long-term defined benefit obligation liabilities, share-based payment transactions, deferred tax assets and liabilities and intangible assets arising from the acquisition of previously granted rights, which shall be measured in accordance with their respective accounting policies.

The assets acquired and liabilities assumed are classified and designated for subsequent measurement on the basis of the contractual terms, economic conditions, operating and accounting policies and other pertinent conditions existing at the acquisition date, except in the case of lease agreements in which the business acquired is the lessor, and insurance contracts.



The acquirer's application of the recognition principle and conditions may result in recognizing some assets and liabilities that the acquiree had not previously recognized as assets and liabilities in its Financial Statements.

Any excess of the consideration transferred plus the value assigned to the non-controlling shares over the net amount of the assets acquired and the liabilities assumed is recognized as goodwill.

If the business combination can only be provisionally calculated, the identifiable net assets are initially recognized at their provisional amounts, recognizing the valuation adjustments made in the measurement period as if they had been known at the acquisition date and restating, where applicable, the comparative figures for the previous year. In any event, adjustments to provisional amounts only reflect information on facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognized at that date. The measurement period will end as soon as the acquirer receives the information it was seeking about facts and circumstances that existed at the date of acquisition or concludes that no further information can be obtained. However, such measurement period shall not exceed one year from the date of acquisition.

After the measurement period ends, the initial accounting for a business combination is revised only to correct an error.

As of 2024, the Group, through its US subsidiary North American Stainless, Inc., acquired 100% of Haynes International, Inc and its group of entities. This policy was applied by the Group for initial recognition. To establish the fair value of the assets and liabilities acquired, the Group engaged an independent appraiser.

As of the date of issuance of last year's financial statements, although the exercise of allocating the price to the assets acquired and liabilities assumed was at an advanced stage, it was not yet completed. Accordingly, the values of the assets and liabilities recorded as well as the impacts of the business combination were provisional.

The Group has retroactively adjusted the provisional amounts of goodwill recognized at the acquisition date at the end of the measurement period, as required under IFRS 3 and as explained in this policy. As explained in **Note 6.1**, the Group has definitively closed the valuation year at fair value of the net assets acquired and the determination of goodwill, with no significant variations with respect to the values obtained at the close of 2024.

e) Balances and transactions eliminated on consolidation

Intra-Group balances and transactions, as well as unrealized gains or losses with third parties arising from such transactions, are eliminated on preparation of the Consolidated Financial Statements.

2.6 Translation differences

a) Functional and presentation currency

The items included in the Financial Statements of each Group company are measured using the currency of the primary economic environment in which the Company operates (its functional currency). The functional currency for most of the Group's entities is their local currency, except for NAS Canada, Inc. and NAS Mexico, S.A. de CV, whose functional currency is the USD.

The Consolidated Financial Statements are presented in thousands of euros, since the euro is the functional and presentation currency of the parent.

b) Foreign currency transactions, balances and cash flows

Foreign currency transactions are translated to the functional currency using the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date at the exchange rates then prevailing. Any exchange differences that arise from such translation are recognized in the consolidated income statement.



Non-monetary assets and liabilities denominated in foreign currencies and recognized at historical cost are translated to the functional currency using the exchange rates prevailing at the date of the transaction. The historical cost of non-monetary assets belonging to countries considered to be hyperinflationary is remeasured at the end of each reporting period, applying a price index to express them in terms of the measuring unit current at the end of the reporting period. Section d) includes a detailed description of the measurement of line items corresponding to hyperinflationary economies.

Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value are translated to the corresponding functional currency by applying the measurement date exchange rate. Exchange differences on non-monetary items measured at fair value are presented as a component of the fair value gain or loss.

In presenting the consolidated statement of cash flows, cash flows arising from transactions in a foreign currency are translated to the functional currency by applying the exchange rates prevailing at the date of the cash flow.

Exchange differences resulting from the liquidation of foreign currency transactions and from translation to the functional currency of monetary assets and liabilities denominated in foreign currency are recognized in the income statement.

c) Translation of foreign operations

For the preparation of the Group's Consolidated Financial Statements, the assets and liabilities of the companies whose functional currency is not the euro are translated to euros by applying the exchange rates prevailing at the reporting date; on the other hand, income and expenses are measured at the average exchange rate for the period. Any exchange differences arising from that measurement are recognized as a separate component of equity and of the consolidated statement of comprehensive income ("translation differences"). The translation differences are reclassified to profit or loss when the company that generates them ceases to form part of the Group.

The Group applied the exemption for first-time application provided for in IFRS 1 in relation to cumulative translation differences and, accordingly, the translation differences recognized in the Consolidated Financial Statements that were generated prior to January 1, 2004 are shown in retained earnings in reserves.

In presenting the consolidated statement of cash flows, cash flows, including the comparative balances of foreign subsidiaries, are translated to euros by applying the same criteria as those applied for the restatement of the Financial Statements.

d) Restatement of financial information concerning hyperinflationary economies

On July 1, 2018, Argentina was declared to be a hyperinflationary economy, as it met the classification requirements established in IAS 29. The Acerinox Group has an entity in Argentina, as detailed in **Note 6**.

The Financial Statements of an entity that reports in the currency of a hyperinflationary economy are stated in terms of the measuring unit current at the reporting date. Both the comparative figures for the previous year and the information for prior periods are restated only when they are significant for the Group, in terms of the measuring unit current at the end of the reporting period. Since most of the non-monetary items are recognized at historical cost, the restated cost of each item is determined by applying to the historical cost and to the accumulated depreciation and depreciation charge the change in a general price index from the date of acquisition until the end of the reporting period. The Group did not restate the balances for prior years since the impact is not significant.

At the beginning of the first period of application of this standard, the components of owners' equity, except retained earnings and asset revaluation surpluses, shall be restated by applying a general price index to the various items from the dates on which they were contributed or from the date on which they otherwise arose. The restated retained earnings shall arise from the remaining amounts in the statement of financial position. At the end of the first period and in subsequent periods, all the components of equity shall be restated by applying a general price index from the beginning of the period, or from the contribution date, if later.

All the items in the statement of comprehensive income shall be stated in the monetary unit current at the end of the reporting period. For this purpose, all the amounts shall be restated to reflect the change in the



general price index from the date on which the income and expenses were included in the Financial Statements.

Gains or losses arising from the net currency position shall be included in the income statement for the year.

Note 15.6 includes the impacts of the measurement of the Financial Statements of Acerinox Argentina pursuant to this standard both in 2025 and 2024.

2.7 Intangible assets

The Group recognizes an intangible asset only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and if the cost of the asset can be measured reliably.

The Group recognizes all the intangible assets identified in a business combination separately from goodwill, irrespective of whether the acquiree had recognized the asset prior to the business combination occurring.

Intangible assets are initially recognized at cost. The cost of intangible assets acquired in a business combination is equal to the acquisition-date fair value. The fair value of an intangible asset will reflect the expectations of the market participants at the acquisition date about the probability that the expected future economic benefits embodied in the asset will flow to the entity.

a) Goodwill

Business combinations are accounted for using the acquisition method. Goodwill represents the excess of the cost of acquisition of the Group's interest over the fair value of the identifiable net assets of the acquiree at the acquisition date (assets, liabilities and contingent liabilities).

For the Acerinox Group, the goodwill reported in these Financial Statements includes both the amount arising in 2020 from acquiring 100% of VDM Metals Holding GmbH and the amount arisen in the previous year from the acquisition of the Haynes Group, as detailed in **Note 6.1**.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not depreciated but rather is assessed annually (or more frequently if events indicating a potential impairment loss on the asset are identified) for impairment, pursuant to IAS 36. Accordingly, goodwill is allocated to each of the cash-generating units of the company to which the economic benefits of the business combination synergies are expected to flow. If the recoverable amount of the cash-generating unit is lower than the book value of the goodwill, the corresponding impairment loss shall be recognized. The recoverable amount of the cash-generating units to which the Group's goodwill is allocated is determined based on calculations of their value in use (see **Note 2.11**).

Gains from a bargain purchase arising from a business combination are recognized directly in the income statement, once the assets, liabilities and contingent liabilities of the acquiree have been remeasured, as established in the standard.

Internally generated goodwill is not recognized as an asset.

b) Internally generated intangible assets

Research expenditure aimed at acquiring new scientific or technical knowledge is recognized as an expense in the consolidated income statement when incurred.

Development expenditure relating to research findings applied to produce new products and processes, or to significantly improve existing products and processes, is capitalized if the product or process is considered technically and commercially feasible, if the Group has the resources required to complete the development program and if it is considered that it will generate future cash flows that will enable its recovery.

Development expenditure is capitalized by crediting "work performed by the Group on non-current assets" in the consolidated income statement. The capitalized costs include the cost of materials, direct labor and directly attributable general expenses.



The Group does not capitalize development expenditure in cases in which, following the start-up of the project, the future cash flows of the projects obtained through research and development activities are not monitored.

The costs incurred in performing activities for which the costs attributable to the research phase cannot be clearly distinguished from those corresponding to the intangible asset development phase are recognized in the consolidated income statement.

Capitalized development expenditure is not depreciated when the project is under way. Once these projects have been successfully concluded, the expenditure is depreciated systematically over their estimated useful lives. In the event that the circumstances that permitted capitalization of the project expenditure change, the portion not yet depreciated is taken to the income statement in the year of the change in circumstances.

The findings of the R&D&I activities are patented in some cases, especially in the Group's new division dedicated to the manufacture of high-performance alloys. Due to the business combination carried out last year, pertaining to the high-performance alloys segment, an asset was recognized for the fair value of some of the special alloy patents held by Haynes at the time of the acquisition and which are expected to generate economic benefits in the coming years. The fair value was estimated using the Relief from Royalty (RFR) method.

Haynes has recognized on the balance sheet some trademarks over the names of certain alloys. It is an asset with an indefinite useful life, which the Group analyzes annually to see if its recoverable value is greater than its book value.

In addition, following the acquisition of the Haynes Group and having carried out the acquisition price allocation exercise, an intangible asset has been recognized for the value of the trademark

Finally, patents recognized by the Group on the consolidated statement of financial position correspond to those recognized in the allocation of the price paid in the Haynes business combination (see **Note 6.1**).

Trademarks and patents acquired in business combinations are recognized at acquisition-date fair value. They have a useful life of 15 years and after initial recognition are recorded at cost less accumulated amortization and accumulated impairment losses.

c) Customer relationships

In the business combinations carried out with both the acquisition of the VDM Group and the acquisition of the Haynes Group, the Group recognized an intangible asset resulting from the acquired companies' customer relationships.

The valuation used the Multi-period Excess Earnings method.

As in the case of VDM, Haynes also has a long history of enduring relationships with customers, which are formalized through agreements.

The Group considers that the relationship with customers arising from a business combination is an identifiable asset provided that it arises from contractual or other legal rights, the rights are separable and they are expected to generate future economic benefits. It is an asset with a finite useful life.

d) Computer software

Acquired licenses for computer software are capitalized based on the costs incurred to acquire them and prepare them for use of the specific software.

Computer software maintenance costs are recognized as such on an accrual basis.

Costs directly related to the production of unique and identifiable computer software by the Group, provided that they are likely to generate economic benefits exceeding those costs over more than one year, are recognized as intangible assets. The capitalized costs include direct labor and directly attributable general expenses.



e) Depreciation and amortization charge

Intangible assets with finite useful lives are depreciated systematically over the years of their useful life. Intangible assets are depreciated from the date on which they become ready for use.

The estimated useful lives are as follows:

- Industrial property: 5 years
- Patents: 14-15 years
- Customer relationships: 15 years
- Computer software: 2-5 years

The Group does not have any intangible assets with an indefinite useful life.

The residual value, the depreciation method and the useful life of the assets are reviewed, and adjusted if necessary, at each reporting date. Changes in the criteria initially established are accounted for as a change in estimate.

2.8 Property, plant and equipment

a) Owned assets

Property, plant and equipment are stated at acquisition cost or deemed cost less any accumulated depreciation and any recognized impairment losses. Property, plant and equipment acquired in business combinations are recognized at acquisition-date fair value.

In the event that an item of property, plant and equipment requires a period of time to get ready for its intended use, it is classified as property, plant and equipment in the course of construction. An asset is considered to be ready for its intended use when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Once in use, it is reclassified to the corresponding category of property, plant and equipment, depending on its nature.

The cost of the property, plant and equipment constructed by the Group is determined by following the same principles that would be used had it been acquired, also taking into account the criteria established for the production cost of inventories. The production cost is capitalized by crediting the costs attributable to the asset to accounts under "work performed by the Group on non-current assets" in the consolidated income statement.

Borrowing costs arising from loans directly related to financing the construction of items of property, plant and equipment are capitalized as a portion of the cost until the start-up of the asset. Also, the Group capitalizes certain borrowing costs corresponding to loans that are not directly earmarked for the financing of investments, applying a capitalization rate to the amounts used to finance these assets. This capitalization rate is calculated based on the weighted average of the borrowing costs applicable to loans received by the entity which differ from those specifically designated to finance the asset. The amount of the capitalized costs does not in any case exceed the total amount of borrowing costs incurred in the period.

The cost of property, plant and equipment includes the costs related to major repairs, which are capitalized and depreciated over the estimated period until the next major repair.

After initial recognition of the asset and once it is ready for use, only the costs incurred for improvements that it is probable will give rise to future economic benefits and that can be measured reliably are capitalized. In this connection, the costs of day-to-day servicing of property, plant and equipment are recognized in the income statement as they are incurred.

The Group classifies spare parts as inventories, unless they are expected to be used for more than one year, in which case they are classified as property, plant and equipment and are depreciated over their useful life. Once a spare part has been used to replace a damaged part, the latter is written off at its book value. Property, plant and equipment spare parts are classified under "plant and machinery" in the breakdown of property, plant and equipment in **Note 9**.



Gains or losses on the sale or disposal of property, plant and equipment are recognized in the income statement as operating income or expenses.

b) Depreciation and amortization charge

Items of property, plant and equipment are depreciated systematically on a straight-line basis over the years of their useful life. For these purposes, depreciable amount is understood to be acquisition or deemed cost less residual value. The Group calculates the depreciation charge separately for each part of an item of property, plant and equipment whose cost is significant in relation to the total cost of the item.

The residual value, the depreciation method and the useful life of the assets are reviewed, and adjusted if necessary, at each reporting date. Changes in the criteria initially established are accounted for as a change in estimate.

Land is not depreciated, unless it is acquired in usufruct for a certain number of years, in which case it is depreciated over the term of the usufruct.

Property, plant and equipment are depreciated over the following years of useful life:

- Buildings: 10-50
- Plant and machinery: 3-30
- Other items of property, plant and equipment: 2-10

2.9 Investment property

Investment property is considered to consist of the buildings owned by the Group that are not occupied by it and are held to earn returns, either through rental or for capital appreciation.

The Group only transfers items between "property, plant and equipment" and "investment property" when a change in the use of the property occurs.

Investment property is initially recognized at cost, including transaction costs. After initial recognition, the Company applies the same requirements established for property, plant and equipment.

Lease income is recognized as indicated in **Note 2.20 b)**.

2.10 Right-of-use assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

When the Group acts as lessee, it recognizes in the consolidated statement of financial position the assets and liabilities arising from the lease agreement (except in the case of short-term leases and leases for which the underlying asset is of low value). The Group measures the right-of-use asset at cost, corresponding to the present value of the lease payments expected to be made over the lease term.

In order to determine the lease payments, the Group takes into account:

- a) fixed payments, less any lease incentives receivable;
- b) variable lease payments that depend on an index or a rate;
- c) the amounts expected to be payable by the lessee under residual value guarantees;
- d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.



The Group measures lease liabilities at the present value of the total remaining lease payments, discounted using either the interest rate implicit in the lease, if that rate can be readily determined, or the lessee's incremental borrowing rate, for cases in which the rate is not established in the lease.

The Group considers the lease term to be the non-revocable period of a lease, plus the periods covered by the option to extend the lease, if the lessee is reasonably certain to exercise that option.

In determining the term of the lease and assessing the length of the non-revocable period of a lease, an entity applies the definition of a contract and determines the period for which the contract is enforceable. A lease is no longer enforceable when the lessee and the lessor each has the right to terminate the lease without permission from the other party.

After the commencement date, the Group measures the asset at its initial cost less accumulated depreciation and any accumulated impairment losses, adjusted to reflect any remeasurement of the lease liability.

Also, after the commencement date the Group measures the lease liability at depreciated cost using the effective interest rate method. Whenever there are changes in contracts, the lessee shall remeasure the lease liability in order to reflect the new lease payments. The amount of the remeasurement of the lease liability shall be recognized as an adjustment to the right-of-use asset.

In the case of short-term leases and leases for which the underlying asset is of low value, the Group recognizes the lease payments as expenses on a straight-line basis over the lease term.

Note 11 includes detailed information on the right-of-use assets and lease liabilities recognized by the Group.

2.11 Impairment of non-financial assets

The book value of the Group's non-financial assets other than inventories and deferred tax assets is reviewed at the end of each reporting period in order to assess whether any indication of impairment thereof exists. If such an indication exists, the Company estimates the recoverable amount of the asset.

The Group considers that indications of impairment exist when there is 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. That is to say, the assessment of the existence of indications of impairment takes into account both external sources of information (technological changes, significant variations in market interest rates, market values of assets, etc.) and internal sources (evidence of obsolescence).

As established in **Note 2.7**, the recoverable amount of goodwill, which is not depreciated, and of intangible assets not yet available for use is estimated at the end of each reporting period, unless prior to this date indications of a possible loss of value had been identified, in which case the assets would be tested for impairment.

Impairment losses on an asset are recognized whenever the book value of the asset, or of the corresponding cash-generating unit, exceeds its recoverable amount. Impairment losses on an asset are recognized as an expense in the consolidated income statement.

The recoverable amount of an asset is the higher of fair value less costs of disposal and value in use.

In order to determine the recoverable amount, the Group occasionally may hire an independent expert.

Value in use is the present value of estimated cash flows, applying a discount rate that reflects the present market valuation of the time value of money and the specific risks of the asset in question. For assets that do not generate cash inflows themselves, the recoverable amount is calculated based on the cash-generating unit to which the asset belongs, considered as the smallest identifiable group of assets capable of generating cash inflows for the entity that are largely independent of the cash inflows from other assets or groups of assets.

In estimating the value in use of an asset, the Group takes into account the estimated future cash flows that the entity expects to obtain from the asset, expectations regarding possible variations in the amount or timing



of those future cash flows, the time value of money and the risks inherent in the asset in question and any other factors that any other market participant would reflect in pricing the future cash flows derived from the asset. The Group also takes climate risks into account in determining future projections.

The effects of uncertainties in estimating the asset's value in use may be reflected as adjustments to future cash flows or as adjustments to the discount rate, with the result being a weighted average of all possible outcomes.

In determining value in use, the Group bases its cash flow projections on reasonable and well-founded assumptions that represent management's best estimates of the set of economic conditions that will prevail over the remaining life of the asset, giving greater weight to external evidence. Also, these cash flow projections are based on the budgets most recently approved by the Board of Directors. These projections generally cover a maximum period of five years, unless a longer time period can be justified.

The Group estimates cash flow projections beyond the period covered by the budgets, extrapolating such projections using a constant growth rate which does not exceed the average long-term growth rate of the stainless-steel industry, or the rate of the country or countries in which the entity operates.

Management assesses the reasonableness of the assumptions on which its current cash flow projections are based by examining the causes of differences between past and current cash flow projections, ensuring that the assumptions on which its current cash flow projections are based are consistent with the methodology used, and considering that the effects of subsequent events or circumstances that did not exist when those actual cash flows were generated justify those differences.

Future cash flows for assets are estimated based on their current condition and do not account for cash inflows or outflows from restructurings not yet committed or improvements in asset performance.

Notes 8.1 and **9.1** describe the variables and assumptions used by the Group to calculate recoverable amounts of both goodwill and tangible assets of the Group for which there are indications of impairment, as well as to identify the cash-generating units.

Except in the case of goodwill, impairment losses on an asset which were recognized in prior years are reversed through profit or loss only if there has been a change in the estimates used to determine the asset's recoverable amount since the most recent impairment loss was recognized. However, the new book value may not exceed the book value (net of depreciation and amortization) that would have been determined had no impairment loss been recognized.

2.12 Financial instruments

The Group recognizes a financial asset or financial liability in its consolidated statement of financial position when, and only when, it is a party to the contractual terms and conditions of the instrument in question.

2.12.1 Classification

The Group classifies financial assets in the following categories on the basis of their measurement either at depreciated cost or at fair value through profit or loss or other comprehensive income. The basis for classification depends on the entity's business model and the characteristics of the financial asset's contractual cash flows.

Financial liabilities are classified on the basis of their measurement. In general terms, they are classified as being measured at depreciated cost, except for financial liabilities measured at fair value through profit or loss or other comprehensive income.

The Group does not generally reclassify any financial assets or liabilities from their original category, unless the business model changes.

2.12.2 Financial assets

A financial asset is any contractual right to receive cash or another financial asset.



Financial assets are initially recognized at fair value plus the transaction costs that are directly attributable to their acquisition or issue.

They are subsequently measured on the basis of each of the categories in which they have been classified:

a) Financial assets at fair value through profit or loss

The Group includes derivative financial instruments in this category, unless they are designated as hedge accounting instruments and meet the effectiveness conditions to be accounted for as such.

The derivative financial instruments included in this category are classified as current assets and are measured at fair value. Transaction costs that are directly attributable to the acquisition are recognized as an expense in the income statement.

The changes in fair value are recognized in the income statement. The fair value of financial instruments used to hedge items classified in financial profit or loss (mainly exchange differences) is recognized under "revaluation of financial instruments at fair value". However, for derivatives used to hedge the prices of commodities used by the Company in the production cycle or earmarked for sale and which are not designated as hedges for accounting purposes, such changes are recognized under "other operating income" or "other operating expenses", depending on whether the measurement gives rise to a profit or a loss.

b) Financial assets at depreciated cost

This category includes non-derivative financial assets with fixed or determinable payments which are not traded in an active market. Specifically, it includes loans granted and accounts receivable. They are classified as non-current only when they mature after more than 12 months from the reporting date. They are initially recognized at fair value which, in the absence of evidence to the contrary, is the transaction price plus any directly attributable transaction costs, and are subsequently measured at depreciated cost using the effective interest rate method, except for accounts receivable measured at their transaction price as they do not have a significant financial component, they are expected to be received in the short-term and the effect of not discounting the related cash flows is not significant.

The Group makes the required valuation adjustments in accordance with the expected credit loss model, which takes into account historical claims incurred and other external factors. The impairment losses are calculated as the difference between the book value of the aforementioned assets and the present value of the estimated future cash flows that they are expected to generate, discounted at the effective interest rate calculated upon initial recognition. These losses are recognized as an expense in the consolidated income statement and are reversed with the recognition of income in the income statement when the causes of their original recognition cease to exist.

The impairment loss model used by the Group is based on a historical analysis of the average credit losses at each of the subsidiaries and on the claims incurred under the credit insurance policies taken out, taking into account any non-recoverable amount and any post-claim recoveries, whether from the insurance company or the customers themselves. These estimates are reviewed within the Group's credit risk control system, which continuously monitors the particular markets of each subsidiary, receives the input of specialists from insurance companies and reviews future estimates from international organizations of renowned prestige (IMF, OECD, etc.), also taking into account the macroeconomic estimates of each country. The Group takes into account and monitors significant changes in credit risk that may arise during the terms of the loans.

Amounts relating to discounted notes and bills and factoring of trade receivables are classified until maturity as trade receivables and, simultaneously, as current loans, unless substantially all the risks and rewards associated with those assets have been transferred, in which case they are derecognized.

The Group considers that it has transferred a financial asset when it has transferred the rights to receive the cash flows from the asset, or when it has retained the rights but has assumed the contractual obligation to pay those assets to another entity. In this case, the Group also considers the various additional conditions established in the standard (it has no obligation to pay any amount to another entity, unless it receives the cash flows derived from the financial asset; it cannot sell or offer the transferred financial assets as collateral; and it has an obligation to pay the cash flows received without significant delay). Also, if the Group does not retain the risks and rewards associated with those assets, it derecognizes them.



Most of the factoring arrangements entered into by the Group meet this definition and, therefore, are derecognized from the consolidated statement of financial position.

c) Financial assets at fair value through other comprehensive income

This category includes the Group's ownership interests in the capital stock of other companies over which it does not have control or exercise significant influence, and which it does not hold for trading.

These assets are generally classified as assets measured at fair value through profit or loss; however, the Group availed itself of the irrevocable option permitted by the standard to choose, on initial recognition, to present subsequent changes in fair value in other comprehensive income, since these assets are not held for trading.

They are initially recognized at fair value which, unless there is evidence to the contrary, is the transaction price plus any directly attributable transaction costs.

These assets are subsequently measured at fair value, provided that this can be measured reliably, recognizing the gain or loss in other comprehensive income.

The fair value of listed securities is determined by reference to the share price. The fair value of financial assets not listed on an organized market is calculated by discounting future cash flows.

Ownership interests in the capital stock of companies included in this category and whose market value cannot be measured reliably are measured at acquisition cost less any impairment losses.

Acquisitions and disposals of investments are recognized at the date on which the Group undertakes to acquire or sell the asset. Investments are derecognized when the rights to the cash flows from the investments expire or have been transferred and the Group has transferred substantially all the risks and rewards of their ownership.

The difference between the selling price and the fair value of financial assets at fair value through other comprehensive income is recognized in other comprehensive income.

2.12.3 Financial liabilities

For measurement purposes, the Group's financial liabilities are classified under the following categories:

a) Financial liabilities at depreciated cost

This category includes the accounts payable and bonds issued by the Group.

It includes non-derivative financial liabilities with fixed or determinable payments. They are initially recognized at cost, which matches their fair value, less any transaction costs incurred. They are subsequently measured at depreciated cost using the effective interest rate method. Any difference between the amount paid (net of transaction costs) and the repayment value is recognized in the income statement. However, trade payables maturing within one year which do not have a contractual interest rate and are expected to be paid at short-term are stated at their par value.

The Group derecognizes a financial liability when the obligation specified in the contract is either settled or canceled or expires.

When debt is refinanced, the Company assesses the significance of the variations made to determine whether they are substantially different and, therefore, assess whether the effects of the new agreement should be recorded as an extinguishment and, simultaneously, the recognition of new financing. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, qualitative factors will be taken into account in the evaluation. If an exchange of debt instruments or variation of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or variation is not accounted for as an extinguishment,



any costs or fees incurred adjust the book value of the liability and are depreciated over the remaining term of the modified liability.

Among the qualitative factors, the Group considers there is a substantial modification of the terms of the debt in the following circumstances: a substantial extension of the maturity; significant modification of the margin; increase in the amount of the outstanding nominal amount of the financing; transfer from a debt at a variable interest rate to another debt at a fixed interest rate or vice versa, and/or the change of currency.

On the other hand, the Group has contracts with several financial institutions for the management of supplier payments. Trade payables payment of which is managed by the financial institutions are recognized under "trade and other payables" until the related obligation is settled or canceled or expires. The Group uses Reverse Factoring as a payment instrument and financial institutions can provide the Group's suppliers with the possibility of financing through Confirming without extending payment terms. **Note 13.2.3** includes detailed information on these contracts.

b) Financial liabilities at fair value through profit or loss

The Group includes derivative financial instruments in this category, provided that they are not financial guarantee contracts or designated as hedging instruments.

They are measured at fair value. The amount of the change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income. The remaining amount of the change in the fair value of the liability shall be presented in the income statement, unless such treatment would create an accounting mismatch in the income statement, in which case the entire fair value change shall be recognized in the income statement.

The fair value of financial instruments used to hedge items classified in financial profit or loss (exchange differences and interest) is recognized under "revaluation of financial instruments at fair value". However, for derivatives used to hedge the prices of commodities used by the Company in the production cycle or earmarked for sale and which are not designated as hedges for accounting purposes, such changes are recognized under "other operating income" or "other operating expenses", depending on whether the measurement gives rise to a profit or a loss.

At the Acerinox Group, derivative financial instruments are generally used on a short-term basis and, therefore, the change attributable to the credit risk is not significant.

2.12.4 Hedge accounting

The aim of hedge accounting is to represent in the Financial Statements the effect of the Group's risk management activities in which derivative financial instruments are used to hedge exposure to certain risks that might affect the income statement. A hedging relationship qualifies for hedge accounting under IFRS 9 only if the following criteria are met:

- a) The hedging relationship consists only of eligible hedging instruments and eligible hedged items.
- b) At the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.
- c) The hedging relationship meets the following hedge effectiveness requirements:
 - i. There is an economic relationship between the hedged item and the hedging instrument.
 - ii. The credit risk does not dominate the value changes resulting from that economic relationship.
 - iii. The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

At the inception of the hedge, the Group designates and formally documents the hedging relationship and the objective and strategy for undertaking the hedge.

Derivative financial instruments are initially recognized at acquisition cost, which matches fair value, and are subsequently measured at fair value.



Derivative financial instruments that do not qualify for hedge accounting are classified and measured as financial assets or liabilities at fair value through profit or loss. Derivative financial instruments that fulfill the criteria for cash flow hedge accounting are treated as such. Therefore, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income and subsequently recognized in the income statement in the same period or periods during which the hedged expected future cash flows affect profit or loss.

The Group prospectively discontinues hedge accounting when the hedging instrument expires, is sold or the hedge no longer meets the criteria for hedge accounting. In such cases, the cumulative gain or loss recognized in equity is recognized in the income statement.

The Group only undertakes cash flow hedges.

2.12.5 Fair value measurement

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

LEVEL 1: includes financial instruments the fair value of which is determined by reference to quoted prices in active markets.

LEVEL 2: includes financial instruments the fair value of which is determined by reference to variables, other than quoted prices, observable in the market.

LEVEL 3: includes financial instruments the value of which is determined by reference to variables that are not observable in the market.

2.12.6 Renewable Energy Contracts (PPA)

The Group has signed PPA (Power Purchase Agreement) contracts for the purchase of long-term renewable energy. These contracts are concluded through the physical purchase of energy consumed by the Group in its stainless-melting shop production facilities. These contracts do not allow cancellation through the exchange of financial instruments. They are therefore supply contracts for the Group's own use and the Group recognizes the energy purchases in the income statement at the time of delivery for consumption and does not treat them as financial instruments.

This policy also applies to renewable energy certificates, as many are linked to PPA contracts. When the entity acquires only renewable energy certificates not associated with energy delivery, the Group records the cost in the statement of profit or loss when they are delivered.

2.13 Inventories

Inventories are initially recognized at acquisition or production cost. Subsequently, when the net realizable value of inventories is lower than their acquisition or production cost, the appropriate write-downs are made, with the related effect recognized in the income statement.

The Group uses the same cost formula for all inventories that have the same nature and a similar use within the Group. They are measured using the weighted average cost formula.

Finished goods and work in progress are measured at the weighted average cost of raw and other commodities consumed, incorporating the attributable portion of direct and indirect labor and general manufacturing costs based on the higher of normal production capacity or actual production. The Group does not include the cost of underutilization of production capacity in the value of finished goods and work in progress. These are recorded directly as expenses for the period.

Net realizable value is the expected selling price of those goods less costs to sell. In the case of work in progress, the estimated costs of completion are also deducted from this price.

The Group does not write down commodities if the finished products in which they will be incorporated are expected to be disposed of at or above production cost.



Any write-downs that reduce inventories to their net realizable value are reversed, up to the cost of the inventories, if the circumstances that gave rise to the write-downs cease to exist.

2.13.1 Emission allowances

The Group recognizes CO₂ emission allowances as inventories.

CO₂ emission allowances purchased in the market are measured at acquisition cost.

Freely allocated emission allowances are initially recognized at their market value on surrender. Simultaneously, a balancing entry for a grant is recognized for the same amount under "deferred income" (see **Note 16**).

Emission allowances remain classified as inventories until surrendered or sold.

At the end of each reporting period the Group assesses whether the market value of the allowances is lower than their book value in order to determine whether there are any indications of impairment. If such indications exist, the Group determines whether the allowances will be used in the production process or earmarked for sale, and only in the second case shall the appropriate write-downs be recognized. These write-downs are reversed when the causes that gave rise to the write-down of the emission allowances cease to exist.

A provision for contingencies and charges is recognized for expenses relating to greenhouse gas emissions. These expenses are incurred as the greenhouse gases are emitted. The provision is recorded monthly at the average price of the allowances in stock. This provision is maintained until the Group is required to discharge this obligation by surrendering the corresponding emission allowances.

In the case of freely allocated emission allowances, at the same time as the expense is recognized, the corresponding part of the deferred income account is canceled, using an operating income account as the balancing entry.

For emission allowances swaps, the Group uses the accounting treatment applicable to non-commercial swaps. The Group derecognizes allowances surrendered at their book value, and the amount received is recognized at fair value on surrender. For freely acquired emission allowances, the difference between the two values is recognized under "deferred income".

In the case of sales of emission allowances, provided that the allowances are received free of charge, the Group derecognizes the allowances sold at book value and simultaneously recognizes a reduction in the "deferred income" account. The amount of the consideration received is recognized as income for the year under "other operating income".

Detailed information about the movements in the emission allowances account in 2025 and 2024 is included in **Note 12**, under inventories.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits at banks and other short-term, highly liquid investments, provided that they are readily convertible to cash and are subject to an insignificant risk of changes in value.

In the consolidated statement of cash flows, the Group classifies interest received and paid as cash flows from operating activities, dividends received as cash flows from investing activities and dividends paid as cash flows from financing activities.

2.15 Deferred income

The Group categorizes subsidies and other income to be distributed over several years in this way, as detailed below.



2.15.1 Grants related to assets

Grants related to assets are grants received by the Group for the acquisition of property, plant and equipment and intangible assets. They are recognized under "deferred income" in the consolidated statement of financial position. They are initially recognized at the original amount awarded, provided that there is reasonable assurance that the grants will be received and the Group fulfills all the conditions attaching to them. They are subsequently taken to the income statement on a straight-line basis over the useful lives of the related assets financed by the grants.

2.15.2 Grants related to income

Grants related to income are grants received to finance specific expenses. They are recognized as income as the expenses are incurred. Subsidies related to the free allocation of CO₂ emission rights are credited to the income statement at the same time as the gas emission expense is recognized or at the time the free allocation emission rights are sold.

2.15.3 Other deferred income

As a result of the acquisition of Haynes, the Group saw an increase in this item due to the recognition of an existing liability for this item.

In 2006, Haynes International received a cash payment from Titanium Metals Corporation (TIMET) under an agreement to provide transformation services exclusively and with priority for 20 years, up to a maximum tonnage specified in the contract. The services are invoiced at the contractually agreed prices.

Cash received and initially recognized against this item is credited to the income statement on a straight-line basis over the contractual term. Accordingly, the amount recognized at year-end as deferred income in the consolidated balance sheet corresponds to the portion of the initial royalty not recognized as income to date.

Although the contract includes breach provisions that could lead to termination and compensation for damages, the entity has evaluated each clause and the likelihood of a breach. Based on experience, the nature of potential triggering events, and the presence of cure periods in the agreement, the Company has concluded that such circumstances are unlikely to occur. Therefore, no reduction in recognized revenue over the contract term has been considered.

If a breach does occur and is not remedied within the allowed grace period, the Company would recognize the impact of the liquidated damages in the period of default and reassess revenue recognition for future periods under the Conversion Services Agreement.

2.16 Employee benefits

Employee benefits may comprise both short-term and long-term obligations. Short-term commitments include:

- Short-term compensation: that which is expected to be paid in full within twelve months from the end of the reporting period in which the employees rendered their services. They are recognized as expenses in the year in which the service is rendered. They include wages and salaries, social security contributions, paid annual leave and sick leave, profit sharing and incentive or non-monetary compensation.
- Termination benefits: these are recognized as staff costs only when the Group is demonstrably committed to severing its link to an employee or group of employees prior to the normal retirement date.

Long-term commitments include:

- Post-employment benefits or obligations, such as retirement benefits or any other form of compensation to employees upon termination of their employment.

- Other long-term employee benefits such as length of service awards.
- Pension benefits.
- Share-based payment transactions.
- Collective redundancy procedures: The Group recognizes a liability and an expense for severance payments provided that the entity can no longer withdraw the offer of severance payments and there is a formal and detailed plan, which implies that: the activities and locations affected, the approximate number of employees affected, the disbursements to be made and the dates on which the plan will be implemented have been identified. On July 1, 2024, the Group company Acerinox Europa, S.A.U., signed the IV collective bargaining agreement for its factory in Campo de Gibraltar. This agreement included, *inter alia*, the commitment to sign a social pact agreement for employment. On December 20 of this year, together with the main labor unions, the principle of this agreement was signed. Among other aspects, it includes an employment rejuvenation program based on the voluntary adhesion of persons who meet the requirements specifically agreed therein. On the same date, the conditions of the rejuvenation plan applicable for 2025 were agreed upon. During this year, the conditions applicable for 2026 have been determined. This agreement will allow the employees included in the plan to opt for early retirement under the conditions established in the plan, once they reach a certain age. The Group has recorded a liability, both in the prior year and in the current year, reflecting the present value of the commitments resulting from this plan. Severance pay has been recognized as a provision for employee benefits and as a personnel expense since the entity is committed through this agreement to terminate the relationship with a certain group of employees before the normal retirement date.

The accounting policies followed by the Group where there are long-term commitments to its employees are as follows:

a) Defined contribution plans

A defined contribution plan is a pension plan or insurance scheme under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employees the benefits relating to the services rendered in the current and prior periods.

Certain Group companies make mandatory, voluntary or contractual pension plan, life or other insurance policy contributions. Once the contributions have been paid, the Group does not have additional payment obligations. The contributions are classified as employee benefits and are recognized in the income statement on an accrual basis. The benefits paid in advance are recognized as an asset to the extent that they may give rise to a cash refund or a reduction in future payments. No provisions are recognized for the defined contribution plans, since they do not give rise to future obligations for the Group.

b) Defined benefit plans and other obligations

A defined benefit plan is an obligation acquired by the Company to its employees to remunerate services rendered. These obligations are established in accordance with the local legislation in certain countries or contracts signed to that effect, or are included in collective bargaining agreements prevailing at certain Group companies.

Accrued obligations are calculated as the present value of the accumulated benefits accrued by the employees until the reporting date, using actuarial assumptions. The calculations are made by independent experts. The Group companies recognize any corresponding provisions to cover these obligations.

The existing obligations may be classified as follows:

- Pension plans: certain Group companies have acquired obligations to certain of their employees when they reach retirement age.
- Early retirement benefits: certain Group companies are required to pay benefits to some of their employees if they opt to take early retirement.
- Supplements: these plans relate to obligations agreed upon with certain Group employees to supplement their remuneration on retirement.
- Other post-employment obligations: certain Group companies offer medical care to their retired former employees. The right to benefits of this nature is usually conditional upon the employee remaining at the Group until retirement and for a specified minimum number of years. The expected expenditure relating to these benefits is accrued over the employees' working lives.



The Group meets the obligations relating to the outsourcing of these commitments in the countries where this is applicable.

The defined benefit liability recognized in the consolidated statement of financial position corresponds to the present value of the defined benefit obligations existing at the reporting date less the fair value of the plan assets at that date. The Group recognizes changes in the actuarial valuation of the obligations in other comprehensive income.

The asset's value is capped at the present value of the economic benefits the entity can gain either through plan reimbursements or by reducing future contributions to the plan.

Where plan assets include qualifying insurance policies that exactly match the amount and timing of some or all of the benefits payable under the plan, the fair value of the insurance policies is considered equal to the present value of the related payment obligations and, accordingly, the Group nets the two positions in the consolidated statement of financial position.

The actuarial value of both the post-employment obligations and the pension benefits that have not been outsourced is calculated by an independent expert. The measurement is performed using the projected unit credit method, taking into account mortality tables, interest rates, discount rates, expected future salary increases and growth rates. In the case of post-employment obligations, estimates of future increases in healthcare expenses are also taken into account.

The Group recognizes as an expense for the year the cost of services rendered, which corresponds to the increase in the present value of the defined benefit obligation resulting from the provision of services by the employee in the current year.

In addition, the Group recognizes as an expense the net interest on the defined benefit obligation, which corresponds to the change during the year in the defined benefit obligation resulting from the passage of time.

c) Share-based payment transactions

The Group applies IFRS 2, Share-based Payment, to equity-settled transactions in which the entity receives goods or services in exchange for shares of the parent.

In accordance with the terms of the share-based payment plans approved by the Group, the equity instruments granted do not vest immediately, and do so when a certain service period is completed, so the Group recognizes an expense on a straight-line basis over the period in which the rights to receive such shares vest, recognizing at the same time the corresponding increase in equity.

The Group measures the goods or services received, as well as the corresponding increase in equity, at the fair value of the equity instruments granted, at the grant date. Fair value is determined by the market price of the entity's shares adjusted to take into account the terms and conditions on which those shares were granted (except for vesting conditions, other than market conditions, which are excluded from the determination of fair value). The Group uses the appraisal of an independent expert, who uses the Monte Carlo method for this valuation.

When the obligation to deliver its own equity instruments is to the employees of a subsidiary, the events must be qualified as a "contribution", in which case the parent recognizes an increase in the value of its interest in the subsidiary, with a credit to its own equity instruments, and measures it at the fair value of the equity instruments transferred at the grant date.

Upon delivery of the shares, the accounting difference between the equity item canceled and the treasury shares delivered is recognized with a charge to the parent's reserves.



2.17 Provisions

The Group recognizes a provision when:

- (i) it has a present obligation, whether legal or constructive, as a result of past events;
- (ii) it is more likely than not that an outflow of resources will be required to settle the obligation; and
- (iii) the amount can be estimated reliably.

The amounts recognized in the consolidated statement of financial position correspond to the best estimate at the reporting date of the disbursements required to discharge the present obligation, after taking into account the risks and uncertainties relating to the provision and, where significant, the interest cost arising from discounting, provided that the disbursements that are to be made in each period can be reliably estimated. If discount rates are used, the increase in the provision as a result of the time elapsed is recognized as financial expense for the year.

2.18 Current/Non-current assets and liabilities classification

In the consolidated statement of financial position the Group classifies assets and liabilities as current and non-current items. For such purpose, assets and liabilities are considered to be current when they are expected to be realized or settled within 12 months after the reporting date, or when they are cash or cash equivalents. 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.

2.19 Income tax

The income tax expense comprises current tax and deferred tax.

Current tax is the tax expected to be paid in respect of the consolidated taxable profit or tax loss for the year, using tax rates enacted at the consolidated statement of financial position date and applicable to the current year. Current tax also includes any adjustment to the tax payable or receivable for prior years.

Deferred taxes are calculated using the balance sheet liability method, based on the temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred taxes are determined by applying the tax rates (and laws) enacted, or substantively enacted, at the consolidated statement of financial position date, and which are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

The effect of a change in the tax rate on the deferred tax assets and liabilities is recognized in the income statement, except to the extent that it relates to items previously charged or credited directly to the consolidated statement of comprehensive income.

Deferred tax liabilities are always recognized. Deferred tax assets are recognized to the extent that it is considered probable that taxable profits or deferred tax liabilities will arise in the future against which the temporary differences can be offset.

The Group recognizes in the consolidated statement of financial position the deferred tax assets arising from tax loss or tax credit carryforwards, provided that they are likely to be recoverable in a reasonable period of time, also taking into account the legally established limits for their use. The Group considered a period of ten years to be reasonable if permitted by tax legislation. For this purpose, the Group performs future earnings projections approved by Management, which take into account present macroeconomic and market circumstances, and adjusts these projections based on current tax legislation in order to determine the taxable profit or tax loss. The Group also assesses the likelihood of future tax profits, as well as the positive and negative evidence supporting the expectation of such profits, to ensure that the positive evidence outweighs the negative evidence. Where there is a history of recurring losses, the Group ensures that forecasts of future taxable profits are not dependent on uncertain events outside the entity's control and therefore only considers verifiable positive evidence to determine the existence of future profits with which to recover such tax losses.

Deferred tax assets are reduced when it is no longer considered probable that sufficient future taxable income will be generated or there are no deferred tax liabilities against which the assets can be offset. Reductions are



reversed if there is renewed expectation that sufficient taxable income will be available against which the derecognized balance can be utilized. Both the deferred tax asset reduction and its subsequent reversal are recognized as an increase or decrease in the tax expense, respectively, in the income statement in the year in which they arise.

The Group only offsets deferred tax assets and liabilities if it has a legally enforceable right to do so. The assets and liabilities correspond to the same tax authority and the Group plans to realize current tax assets or settle current tax liabilities on a net basis.

Deferred tax assets and liabilities are recognized in the consolidated statement of financial position under non-current assets or non-current liabilities, irrespective of the expected date of realization or settlement.

When tax audits result in a tax deficiency to be settled, the Group generally recognizes such amounts as a current expense for the amount payable, and a deferred tax expense for the change in assets or liabilities arising from temporary differences resulting from the related tax assessment. If the amount payable is contested and the Group decides to file an appeal against the tax assessment, and furthermore considers that a favorable outcome for the Group is highly probable, it recognizes an asset for the amounts previously paid and which it estimates will be recovered.

In connection with the limited scope amendments introduced by the IASB related to the new Pillar 2 tax regulations approved by the OECD, the Group has applied the temporary exception for recognizing deferred tax assets and liabilities arising from the calculation of the global minimum tax. **Note 20** contains detailed information on the above tax standard and the analysis carried out by the Group during the year and its potential impact.

Certain companies forming part of the Consolidated Group have reserves which could be taxable if distributed, since certain legislation envisages withholdings at source that affect the payment of dividends. The Group recognizes the tax effect in this connection whenever it considers that the reserves will have to be distributed in the foreseeable future, which will give rise to the reversal of the temporary difference. That is to say, the parent shall not recognize a deferred tax liability when it considers that such reserves will not be distributed in the foreseeable future. The Group shall also reverse the temporary difference, against profit or loss for the year, when legislative changes eliminate or reduce the tax liability relating to those reserves.

The Company has been taxed under the consolidated tax regime since 1998. As agreed by the shareholders at the General Shareholders' Meeting held on May 28, 2003, Acerinox, S.A. and certain of the subsidiaries with registered office in Spain form part of a consolidated tax group on an indefinite basis, with the exception of Metalinox Bilbao, S.A.U. and Inoxidables de Euskadi, S.A.U., which file tax returns separately. At December 31, 2025 and 2024, the consolidated tax group was made up of: Acerinox, S.A., Acerinox Europa, S.A.U., Roldan, S.A., Inoxfil, S.A., Inoxcenter, S.L.U. and Inoxcenter Canarias, S.A.U. As a result of the consolidated tax regime, reciprocal receivables and payables between Group companies arise, due to the offset of tax bases between them.

2.20 Revenue

Revenue is an increase in economic benefits during the year in the form of inflows or increases in the value of assets or decreases in liabilities that result in an increase in equity and are not related to owners' contributions.

Revenue depicts the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized when a customer obtains control of the good or service sold, i.e. when the customer has the ability to direct the use of, and obtain substantially all of the benefits from the good or service.

The Group takes into consideration the five-step model to determine when, and for what amounts, revenue should be recognized:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when (or as) the entity satisfies a performance obligation.



A contract is an agreement between two or more parties that creates enforceable rights and obligations. A contract does not exist if each party to the contract has the unilateral enforceable right to terminate an unperformed contract without compensating the other party (or parties).

The main types of the Group's revenue and other income are as follows:

a) Sales and services

Revenue from the sale of goods is recognized in the consolidated income statement when control of the goods is transferred to the buyer. No revenue is recognized if significant doubts exist in relation to the recovery of the amount owed or the possible return of the goods. Sales revenue is recognized at the transaction price, which is the amount of consideration to which the entity expects to be entitled in exchange for transferring the goods or services promised to a customer, excluding amounts collected on behalf of third parties.

A contract is an agreement between two or more parties that creates enforceable rights and obligations. A contract does not exist if each party to the contract has the unilateral enforceable right to terminate a contract without compensating the other party (or parties). The stainless-steel sales process is performed through sales orders. From this perspective, the orders arranged by the Group with customers do not give rise to a right or obligation enforceable in advance, since the parties are entitled to unilaterally terminate an unperformed contract without compensating the other party until such time as the goods are delivered. Therefore, no obligation arises until the goods are delivered.

Depending on the commercial terms and conditions of sale, the control and risk of the goods may be transferred when the materials are shipped from the Group's facilities or when they are delivered to the customer. The Group takes into account these terms and conditions of sale to determine the timing of revenue recognition. Revenue from the sale of goods is recognized in the income statement when control over the goods is transferred to the buyer.

The Group considers all of the following factors when determining the transaction price:

- variable consideration;
- constraining estimates of variable consideration;
- the existence of a significant financing component in the contract;
- non-cash consideration; and
- consideration payable to the customer.

Revenue is recognized net of taxes, returns and discounts that the Group considers probable at the date the revenue is recognized, and after the elimination of intra-Group sales.

b) Lease income

Lease income is recognized in the income statement on a straight-line basis over the term of the lease.

c) Dividend income

Dividend income is recognized when the right to receive it is established.

2.21 Environment

The Group carries out actions the main objective of which is to prevent, reduce or repair the damage that might be caused to the environment as a result of its business activities.

Expenses arising from environmental activities are recognized as expenses in the year in which they are incurred. However, the Group may recognize environmental provisions, where necessary, by applying the general criteria detailed in **Note 2.17**.

The items of property, plant and equipment acquired to be used on a lasting basis in the Group's operations and the ultimate purpose of which is to minimize environmental impact and protect and improve the



environment, including the reduction or elimination of pollution, are recognized as assets using measurement, presentation and disclosure criteria consistent with those discussed in **Note 2.8**.

2.22 Changes in accounting estimates and policies and correction of errors

The Group applies IAS 8 to recognize changes in accounting estimates, changes in accounting policies and the correction of errors. In this regard, the Group recognizes changes in accounting estimates in the year in which they occur. Accounting errors are corrected in the year in which they occurred, restating the comparative information presented in the Financial Statements, where the errors are material. Changes in policies are recognized retrospectively, adjusting the opening balances of each affected equity component, from the previous year presented, unless a specific transitional provision exists for the initial application of a standard or interpretation.

2.23 Discontinued operation

An activity is classified as discontinued when it has been disposed of or alternative channels are used, or when it has been classified as held for sale, if the following conditions are met:

- It represents a line of business or geographical area of the operation that is significant and can be considered separate from the rest;
- it is a subsidiary acquired for the purpose of selling it.

The results of discontinued operations are presented separately in the income statement.

NOTE 3 – ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the consolidated financial statements, Group Management is required to make certain judgments, estimates and assumptions that affect the application of the accounting policies and, therefore, the figures presented in these consolidated financial statements.

The accounting estimates and judgments are assessed on an ongoing basis and are based on historical experience and other factors, including expectations regarding future events that are considered to be reasonable. The Company may revise such estimates if changes were to occur in certain events or circumstances.

The Group makes estimates and judgments regarding the future. The resulting accounting estimates may differ from the corresponding actual results. Changes in estimates are recognized in the Group's Financial Statements prospectively, as established in IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The main estimates made by the Group are as follows:

a) Impairment losses on goodwill and other non-financial assets

Once a year, the Group tests goodwill for impairment, in accordance with the accounting policy detailed in **Note 2.11**.

At each reporting date the Group reviews whether there is any indication that its property, plant and equipment has become impaired, taking into account the criteria established in the policy. If any such indications exist, the entity estimates the recoverable amount of the asset in question. The recoverable amount of an asset is the higher of fair value less costs to sell and value in use.

The recoverable amounts of the cash-generating units in this year have been determined based on calculations of their value in use. Some estimates were made by an independent valuer.

The calculations of value in use are made using reasonable assumptions based on past returns and future market production and development expectations. Some of these assumptions relate to sales, margins,

discount rates and perpetuity growth rates, which involve a high degree of judgment. These assumptions are in line with the Group's climate-related strategy, plans and commitments as detailed in **Note 5.4**.

Notes 8.1 and **9.1** detail the analyses conducted by the Group in 2025 and 2024.

b) Business combinations

As described in the valuation standard for business combinations (**Note 2.5**), the Group assesses business combinations according to IFRS 3.

The consideration transferred in a business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity interests issued and any contingent consideration that depends on future events or the fulfillment of certain conditions in exchange for control of the acquiree.

The Group engaged an independent expert to estimate the fair value and determine the resulting goodwill from acquiring the Haynes Group, as detailed in **Note 6.1**.

c) Useful lives of plant and equipment

The Group's Management determines the estimated useful lives and related depreciation charges for its plant and equipment based on valuations provided by technical experts. These estimates could change significantly due to technical innovations, changes in factory activity levels, and other factors. Management reviews depreciation charges periodically and adjusts them if the estimated useful lives differ from those previously applied. They also amortize or remove from the books any technically obsolete or non-strategic assets that have been abandoned or sold.

As a result of last year's business combination with the acquisition of Haymes, the Group estimated the fair values of its plant and equipment as well as the depreciation periods to be applied in the future.

d) Fair value of derivatives and other financial instruments

The Group acquires derivative financial instruments to hedge its exposure to exchange rate and interest rate fluctuations, as well as to fluctuations in certain commodity prices. The fair value of financial instruments not traded in active markets is determined using valuation techniques based mainly on market conditions existing at each reporting date, and provided that financial information is available to carry out this valuation. **Note 13.2.4** provides further information on the financial instruments measured on the basis of these assumptions.

e) Provisions

As indicated in **Note 2.17**, the provisions recognized in the consolidated statement of financial position reflect the best estimate at the reporting date of the amount expected to be required to settle the obligation, provided that the materialization of this outflow of resources is considered probable. Changes in envisaged circumstances could cause these estimates to vary, and they would be revised if necessary.

In the case of provisions arising from litigation in respect of which there are legal proceedings under way, the lawyers or independent experts determine the likelihood of occurrence of the events giving rise to the need to recognize a provision. In cases in which it is considered possible, although not probable, that an outflow of resources will occur or it is difficult to reliably determine the amount of the provision, the Group shall consider the provision to be a contingent liability and disclose the information in the notes (**Note 17**).

f) Net realizable value

As mentioned in **Note 2.13**, the Group estimates the net realizable values of its inventories in order to recognize the appropriate valuation adjustments. The expected selling prices of the inventories less costs to sell are taken into account when determining the net realizable value.

g) Determination of employee benefit obligations

Pension and similar obligations are determined on the basis of actuarial valuations which take into account statistical rates published by official bodies relating to future valuations such as expectations of salary increases, growth rates, mortality rates, discount rates, etc. These rates may vary significantly depending on

economic and market conditions, which would cause variations in the obligations recognized in the Financial Statements. These assessments are carried out by independent experts.

The Group recognizes in the consolidated statement of financial position the amounts arising from its employee benefit obligations, based on the actuarial valuations performed by independent experts.

Note 17.1 includes detailed information on the assumptions used in 2025 to perform the valuations.

h) Recognition of deferred tax assets and recoverability of tax credits for tax loss carryforwards and deductions to be offset

Separately from tax legislation, which in many cases allows the recovery of tax losses without limitation, as established in the related accounting policy (**Note 2.19**), the Group recognizes in the consolidated statement of financial position the deferred tax assets arising from tax loss and tax credit carryforwards, provided that they are recoverable over a reasonable period of time, which the Group has set at a maximum of ten years. The Group regularly assesses the recoverability of its available tax credits either by means of management-approved income forecasts, when these are reasonable and do not depend on uncertain events beyond the entity's control, or using verifiable positive evidence to determine the existence of future profits with which to recover such tax losses, in order to conclude whether or not they will be recoverable in that reasonable period.

The Group takes into account the tax laws applicable to the determination of tax bases in the future, the restrictions on offsetting tax bases imposed by certain laws and the impact of minimum payments set in certain countries. **Note 20.3** includes detailed information on the Group's existing tax assets and the bases used to determine the recoverability of recognized tax assets.

That said, due to the recurrence of accumulated losses in the Spanish tax consolidation, this year the Group has taken into account for the analysis of recoverability of tax credits of this scope, only the positive evidence with a probability of occurrence higher than 50%, such as the parent company obtaining dividends or the claims filed due to the declaration of unconstitutionality of Royal Decree 3/2016. Following the analysis, the Group has recorded a derecognition of tax credits of EUR 48,129 thousand of the deferred tax assets recognized at the end of last year (derived from tax loss carryforwards and deductions). In addition, in 2025, deferred tax assets amounting to EUR 6,693 thousand have been written off related to the reversal of the 50% compensation limitation for losses in the Spanish consolidated group for the 2023 and 2024 financial years.

In the current year, the Group has not recognized any additional amounts.

i) Recognition of a deferred tax liability arising from investments in subsidiaries

As established in the accounting policies (**Note 2.19**), certain companies forming part of the Consolidated Group have reserves which could be taxable if distributed, since certain legislation envisages withholdings at source that affect the payment of dividends, as well as limitations on the deductibility of gains from other countries distributed in the form of dividends. The Group recognizes the tax effect in this connection provided that it considers that such reserves will have to be distributed in the foreseeable future. At the same time, the Group shall also reverse this temporary difference against profit or loss when new legislative changes eliminate or reduce the tax liability of these reserves.

Since 2022, as a result of the entry into force in Spain of the amendment to income tax affecting the tax exemption for dividends received from Group companies, the aforementioned tax exemption for dividends received from qualifying ownership interests applicable to the parent of the Acerinox Group has been reduced to 95%, whereby it will be taxed on 5% of the dividends it receives from its subsidiaries, which will be treated as non-deductible expenses relating to management of the ownership interest. This limitation also exists in other countries such as Germany. As with the distributable reserves mentioned in the previous paragraph, the Group also takes into account the tax effect if it believes that the distribution of reserves from subsidiaries will be required in the foreseeable future.

Although there is no dividend distribution policy for subsidiaries, the Group analyses annually whether retained earnings of Group companies should be distributed to the parent company. Exceptionally, this fiscal year, the parent company received dividends from some subsidiaries, partially from reserves. The positive results generated by the entities year after year guarantee the parent company's equity position; therefore, management does not consider it necessary to distribute reserves of its subsidiaries in the future. Up to the current year, dividend repatriations have been made against earnings rather than against reserves. The Group



expects to continue with the same policy and it does not therefore consider it necessary to recognize a deferred tax liability associated with such retained earnings.

)) Recognition of deferred tax liabilities under Pillar 2 standards

As explained in accounting policies, in December 2021, the Organization for Economic Co-operation and Development ("OECD") published the "Pillar 2" model standards for reforming international corporate taxation. The standard requires affected large multinational companies to calculate their effective GloBE ("Global Anti-Base Erosion") tax rate for each jurisdiction in which they operate. These companies will be required to pay an additional tax on the difference between their effective GloBE tax rate, broken down by jurisdiction, and the minimum rate of 15%. The aforementioned Directive was transposed into Spanish law on December 20, 2024 by Law 7/2024, which establishes, among other measures, a Supplementary Tax to guarantee an overall minimum level of taxation for multinational groups and large domestic groups.

Prior to performing the detailed calculation required by Pillar 2, the Group analyzed the application of the Transitional Safe Harbors provided for in the Fourth Transitional Provision of Law 7/2024 and in the OECD administrative guidelines.

These safe harbors are applicable for the first three years (2024-2026), now extended to 2027.

While, as permitted by the amendment introduced by IAS 12, the Group has made use of the temporary exemption for the recognition and disclosure of deferred tax assets and liabilities related to income tax arising from Pillar 2, the preliminary analysis carried out by the Group indicates that most of the jurisdictions in which the Group operates, and therefore most of its entities, including the most relevant ones (located in the USA, Germany, South Africa, and Spain), would be covered by these safe harbors. This mitigates the impact on the current tax burden in the short term, though it does not exempt the Group from its formal reporting obligations.

NOTE 4 - EVENTS DURING THE YEAR

Below we highlight the most relevant events that occurred this year in both the stainless steel and high-performance alloys divisions, as well as the situation of both markets:

2025 was again marked by uncertainties arising from geopolitical tensions, such as the continued conflict between Ukraine and Russia and the crisis in Gaza. In commercial terms, the year was marked by the adoption of policies promoting strategic autonomy and the protection of domestic industry. The Trump administration implemented a universal tariff policy, while the EU responded with a proposal of trade defense measures aimed at mitigating the adverse effects of global overcapacity, specifically by limiting steel imports into the EU. In this scenario of uncertainty and volatility caused by trade wars, industrial production has been negatively affected.

Stainless steel market

The stainless steel market maintained low levels of activity throughout 2025. The expected recovery following the prolonged period of inventory adjustment that began in the second half of 2022 failed to materialize, having driven inventories to all-time lows in both the US and Europe in 2024—levels that remained relatively stable throughout the year.

Stainless steel production continued its recovery in the United States, under the protection of the US administration's regulatory changes. In Europe, by contrast, demand contracted once again due to the impact of rising imports in anticipation of the CBAM measures taking effect on January 1, 2026, and the new trade measure set to replace the current safeguard measures no later than July 1, 2026, which are expected to have a positive impact on the sector.

In connection with the new tariff measures in Europe, the European Commission is supporting the steel industry through the Steel Action Plan, which was presented in March 2025. This initiative seeks to strengthen the competitiveness and sustainability of the iron and steel industry in Europe in a context of geopolitical uncertainty and global excess capacity.

In December, the Council of the European Union adopted a negotiating mandate with the European Parliament on the Regulation addressing the adverse effects of global overcapacity on the EU steel market.



The new Regulation is designed to replace the existing steel safeguard measure, which is due to expire on June 30, 2026.

The EU Council's mandate retains the main protective elements of the Commission's proposal, specifically a significant reduction in import quotas (capping duty-free import volumes at 18.3 million metric tons per year), representing a 47% reduction compared to the 2024 imports, and an increase in the out-of-quota tariff to 50%, up from the current 25% safeguard tariff.

High-performance alloys market

The high-performance alloys market experienced a markedly weaker year compared to prior periods. Activity in the oil and gas sector remained subdued due to the absence of new projects. Likewise, demand in the chemical industry was significantly weaker.

The automotive and electronics sectors remained stable; however, previously strong OLED and fuel cell applications recorded softer demand.

The aerospace sector—where Haynes International maintains a significant presence—continued to trend positively and outperformed 2024.

NOTE 5 – FINANCIAL RISK MANAGEMENT

The Group's activities, in both its stainless steel and special alloy divisions, are exposed to various financial risks: market risk (foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and climate risk. The Group aims to minimize the potential adverse effects on its financial profitability through the use of derivative financial instruments, where appropriate to the risks, and by taking out insurance policies. **Note 13.2.6** includes a detailed analysis of the Group's derivative financial instruments at year-end.

The Group does not arrange financial instruments for speculative purposes.

In recent years, the growing war tensions coupled with the trade war being waged by the world's major powers and the impact on demand and markets, have made it increasingly important to analyze geopolitical risks and their impact on the Group. Section **5.5** includes an analysis of this risk

5.1 Market risk

Market risk arises from changes in market prices due to exchange rate or interest rate fluctuations or changes in prices of commodities and other materials or supplies, which can affect the Company's earnings, its equity and the measurement of its assets and liabilities.

5.1.1 Foreign currency risk

The Group operates internationally and in various currencies, particularly in the US dollar, and is therefore exposed to foreign currency risk. Foreign currency risk arises from commercial transactions as well as from financing and investment operations, and from the translation of Financial Statements the functional currencies of which is not the Consolidated Group's presentation currency (the euro).

Monetary assets and liabilities denominated in foreign currencies are translated to the Group's functional currency at the reporting date at the exchange rates then prevailing. Any exchange differences that arise from such translation are recognized in the consolidated income statement. To avoid fluctuations in the consolidated income statement due to changes in exchange rates, and to ensure the expected cash flows, the Group uses derivative financial instruments to hedge most of its commercial and financial transactions performed in currencies other than the functional currency of each country. To this end, at the beginning of each month and subject to fortnightly review, each company considers its loans in non-local currency, the balances of its trade receivables and payables to suppliers in foreign currency, the sales and purchases in foreign currency forecast for that period and the currency forwards arranged. The Group may take



commercial or financial transactions as a whole into account to evaluate its total exposure when hedging foreign currency transactions. The Group hedges balances with third parties and between Group companies.

The Group's business model is to hedge foreign currency risk through the use of derivative financial instruments and there is an economic relationship between the hedged item and the hedging instrument. The Group, mainly in its stainless steel division, hedges cash flow risks for transactions performed in foreign currencies that are recognized in the consolidated statement of financial position; accordingly, any change in the derivative valuation is recognized in the consolidated income statement and is offset by any changes that occur at each reporting date in the monetary items recognized in foreign currencies. The designation of these instruments as hedging instruments does not give rise to any accounting differences in the Group's consolidated income statement.

In the high-performance alloys division, following the incorporation of Haynes into the Group, hedging policies and currency exposure risks are different. In the case of VDM, as the manufacturing period is longer and orders are negotiated at a fixed price and much further in advance than in the stainless-steel division, hedging is performed immediately upon receipt of customer orders to ensure that the cash flow received matches the cash flow of the negotiations performed. The financial instruments arranged are valued at fair value through profit or loss. At year-end, Haynes has no outstanding financial instruments to mitigate foreign exchange risk due to its lower currency exposure. There is a high percentage of purchases and sales in the same currency, giving rise to natural hedges.

The derivative financial instruments used by the Group to hedge this risk consist of foreign currency purchase and sale forward contracts in accordance with the policies approved by management.

The fair value of foreign currency forward contracts is equal to their market value at the reporting date, i.e. the present value of the difference between the current forward rate and the contract rate.

Note 13.2.6 details the financial instruments arranged by the Group to hedge this type of risk at December 31, 2025 and 2024.

Lastly, the Group is exposed to foreign currency risk as a result of the translation of the separate Financial Statements the functional currency of which differs from the Group's presentation currency, particularly the US dollar and the South African rand. The USD/EUR exchange rate at 2025 year-end was 1.1750, while at 2024 year-end it stood at 1.0389 (USD depreciation of 13% for the year). The exchange rate of the South African rand to the euro at 2025 year-end was 19.4439, while at 2024 year-end it was 19.6188 (rand appreciation of 0.90%).

The Group does not use financial instruments to hedge foreign investments, since these are strategic long-term investments.

Neither the Group's future profits nor the expected dividends are hedged, the latter only being hedged, in any case, as soon as they are approved. **Note 15.4** includes a breakdown of the changes in translation difference items in the year.

Sensitivity to changes in these currencies with respect to the euro, with other variables remaining constant and based on the translation rates at the end of 2025 and 2024, respectively, was as follows:

(Amounts in thousands of euros)

	Profit or loss		Equity	
	10% appreciation	10% depreciation	10% appreciation	10% depreciation
December 31, 2025				
USD	37,533	-30,709	256,292	-209,694
ZAR	-4,938	4,040	15,583	-12,750
December 31, 2024				
USD	38,734	-30,481	356,967	-292,064
ZAR	-3,603	2,948	22,064	-18,053



5.1.2 Interest rate risk

The Group's financing comes from various countries and is provided in various currencies (mainly in the euro, the South African rand, and the US dollar), with a range of maturity dates and with loans mostly tied to variable interest rates.

The Group's financial liabilities and financial assets are exposed to fluctuations in interest rates. To manage this risk, interest rate curves are analyzed regularly and derivatives are occasionally used. These derivatives take the form of interest rate swaps which qualify for recognition for accounting purposes as cash flow hedging instruments. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account interest rates at that date and the credit risk associated with the swap counterparties.

In addition, the Group takes out fixed interest rate loans to reduce its exposure to interest rate fluctuations. During the year, the Group took out one fixed-rate loan for a total of EUR 50 million.

The 2024-2025 period was marked by a cycle of official interest rate cuts by the European Central Bank (ECB) and the Federal Reserve (Fed) from more than 20-year highs. In 2025, the ECB made four cuts to bring the end-December 2025 deposit facility rate to 2% and the Fed made three cuts of 25 b.p., each to the 3.50%-3.75% range.

In this context and to continue to reduce interest rate risk, an interest rate derivative was contracted in the first quarter (Interest Rate Swap) for a total of EUR 50 million. For 2024, four interest rate derivatives were contracted for a total of EUR 260 million.

At December 31, 2025, the Group's total gross debt with credit institutions and similar entities amounted to EUR 2,158 million, 51% of which corresponds to fixed-rate debt (including debt contracted at variable interest rates but hedged with interest rate derivatives) and the remaining 49% to floating-rate debt. In addition, more than 60% of the Group's total debt has a maturity of more than one year.

If we take into account only loans (excluding the Columbus Borrowing Base Facility and Revolving Credit Facilities), which totaled EUR 1,839 million at the end of December, the percentage of fixed-rate term debt (including debt contracted at variable interest rates but hedged with interest rate derivatives) rises to almost 60%.

As in 2024, the Group has continued to actively manage its loans during 2025. The majority of the Group's financing at December 31, 2025 corresponded to term loans (around 85%).

Note 13.2.3 explains all new financing lines contracts undertaken throughout the year.

Note 13.2.6 details the financial instruments arranged by the Group to hedge this type of risk at December 31, 2025 and 2024.

In relation to the Group's interest rate sensitivity, had interest rates on its outstanding amount at year-end been 100 basis points higher, with all other variables remaining constant, the consolidated profit after tax would have been EUR 12.7 million lower (2024: also EUR 12.7 million lower) due to higher borrowing costs on floating-rate debt not covered by interest rate swaps. The effect on the Group's equity of such an increase in interest rates across the entire interest rate curve would have been a decrease of EUR 3.9 million (2024: an increase of EUR 0.2 million), since the borrowing costs would have pointed higher than increases in the values of its interest rate hedging derivatives held at the reporting date.

5.1.3 Price risk

The Group is exposed to several types of price risk:

1. Risk due to energy price fluctuation

Over the last years, the high volatility in the price of supplies, principally gas and electricity, have acquired special relevance.

As the Group's factories are electro-intensive consumers of energy, these variations pose a risk due to the impact they have on the manufacturing costs of both stainless steel and high-performance alloys.



The steel industry requires an intensive use of energy to melt scrap and ferroalloys in electric furnaces to obtain molten material, as well as the use of fossil fuels such as natural gas in the heating and melting processes. Acerinox is therefore working to continuously improve its production processes, promoting innovation and the development of more efficient and cleaner technologies in melting shop production and supporting advances in less polluting and more sustainable processes. In addition, the Group has exhaustive controls and monitoring methods for all processes, with advanced technologies and systems to achieve efficient energy consumption.

Although swings in energy prices have not been as relevant this year, it continues to be a variable subject to great volatility and with a significant impact on the Group's costs and therefore on its results.

Due to its electro-intensive nature, energy cost management is a strategic area for the Group and a constant element in excellence plans. The Group is constantly analyzing alternative sources of supply in order to reduce costs and its environmental impact.

The Group's plants most affected by energy price volatility are those in Europe. Energy prices in Europe (especially Spain and Germany) continue to be higher than in other countries, which means a loss of competitiveness with respect to other producing countries in the world. The Group has factories in Spain, Germany, the United States, and South Africa.

The Group seeks to mitigate the effects of volatile energy costs by making energy consumption more efficient for which it has defined specific energy intensity targets for its facilities.

In addition, the Group contracts PPAs (Power purchase agreements). As explained in the section on the Group's accounting policies, forward purchase contracts for energy are realized through the physical purchase of energy consumed by the Group in its stainless-melting shop production facilities. They are therefore supply contracts for own use. The expense is recorded in the income statement as the contracted energy is consumed.

The objectives pursued by contracting PPAs are threefold:

- Adequate hedging so that the final price is not so exposed to the fluctuations of the daily market.
- Fulfill the requirements of electricity-intensive consumers and those of indirect CO₂.
- The consumption of green and/or renewable energy, as all of the Group's PPAs are linked to guarantees of origin.

Management of the PPAs for the Spanish factories is centralized through Acerinox Europa, which generates the highest consumption, and they are subsequently assigned to the other factories. The PPAs contracted guarantee 43% of Acerinox Europa's consumption until 2029, considering normal production levels. Acerinox has contracted an annual volume of 380.32 GWh until 2029. These are 10-year contracts that guarantee the contracted supply at a fixed price determined in the contract.

The Group also purchases renewable energy certificates (GdO and REC). These are in response to its commitment to reducing its carbon footprint and mitigating climate change, and therefore do not constitute an instrument for reducing the risk of energy price volatility. Acerinox has acquired certificates to reduce its carbon footprint by a total of 806,185 MWh with Guarantees of Origin in 2025 (2024: 465,000 MWh). The impact of the acquisition of renewable energy certificates not linked to energy delivery on the Group's income statement was not material and amounted to EUR 390 thousand (2024: EUR 172 thousand).

Electricity consumption in the Group's factories in 2025 was 2,606,612.5 MWh (2024: 2,356,668.22 MWh), of which 1,311,439.83 MWh have Guarantees of Origin (2024: 962,202 MWh).

There are no commitments for the future acquisition of renewable energy certificates except for those linked to renewable energy supply contracts (PPAs). The decision on the purchase of these certificates is made on an annual basis based on emission reduction needs and market price.

Due to the impact of energy price fluctuations on the Group's costs, management has included this variable as assumptions of relevant importance in valuations and forward estimates, particularly in Europe, and sensitivity analyses to energy price fluctuations are under way. A 10% fluctuation in the price of energy, both electricity and gas, compared to 2025 prices would have meant an upward or downward change in expenditure of around EUR 28 million, with all other variables remaining constant (20 million for electricity and 8 million for gas). These variations refer to the net invoice price, including PPAs and GdO, in the case of electricity and maintaining constant consumption in MWh.



2. Risk of changes in commodity prices

The Group's exposure to commodity price fluctuations is different in the Stainless-Steel Division than in the High-Performance Alloys Division, since, although both of the Group's divisions use commodities listed on the London Metal Exchange (LME), the performance of demand and the way in which these commodity price changes affect both markets are substantially different in each division.

2.1. Commodities used for the stainless-steel division

Stainless steel is an alloy of iron, chromium (> 10.5%) and carbon (< 1.2%) to which other minerals such as nickel or molybdenum are added to give it certain properties. Nickel is one of the minerals that are present in all austenitic alloys, the most common on the market, in a variable percentage between 6 and 22%. Both nickel and molybdenum are listed on the LME and their prices are therefore subject to fluctuations in market prices.

The cost of commodities accounts for about 70% of the total cost of the product, and of this, nickel accounts for about 50%. Therefore, nickel price volatility has a direct and significant effect on the cost of stainless steel. Consequently, the strategy in relation to setting selling prices and the repercussion of such fluctuations is one of the most critical functions and requires significant market knowledge. The price of nickel, because of its influence on the cost of stainless steel, ultimately determines the price of the final product, and there is a direct correlation between the two prices.

However, stainless steel is often a "commodity" product where consumers, in many cases metal traders, construction, engineering, automotive, kitchen appliances or industrial machinery, value trust in some manufacturers more than others, but where the final price is ultimately the key to supplier selection.

Producers try to pass on the volatility of commodities in the price of the final product through a variable price mechanism called "alloy surcharge". The alloy surcharge is a mathematical formula, calculated on a monthly basis by each of the market's stainless-steel producers, that takes into account changes in the prices of certain commodities (particularly nickel, chromium and molybdenum) and fluctuations in the EUR/USD exchange rate. The application of this alloy surcharge allows nickel price fluctuations on the LME to be passed on to customers during the order manufacturing phase, as well as fluctuations in the prices of other commodities and in the EUR/USD exchange rate.

While this mechanism is consistently respected in some markets, such as the United States and South Africa, it does not operate in the same way in Asia, where producers offer fixed prices when negotiating, which does not imply that prices are actually fixed, since they vary according to the commodity costs of these producers. This has repercussions in those markets with higher imports, such as the European market, which prevents the transfer of this price system to the end customer.

As was the case in 2024, in 2025, the mitigating effect of the alloy surcharge on the risk of price changes performed differently in the United States and in Europe. While in the North American market, the alloy surcharge is always respected by the market and provides a price stability factor, in Europe, the traditional base price plus alloy surcharge scheme has been replaced in part by an effective price system due to the pressure from imports and the weak demand, which has kept prices at minimum levels throughout the year.

This year, although stainless steel inventory levels in the German market supply chain remained below the historical average, pressure from imports and low levels of demand in Europe turned prices downward throughout the year.

In the United States, although apparent consumption has remained stable at low levels, the changes introduced by the US Administration in Section 232 (increase in tariffs from 25% to 50%) led to price increases in the second half of the year.

At the beginning of 2025, nickel prices recovered slightly to above USD 16,000 in March. In early April, however, prices fell sharply below USD 14,000, driven primarily by concerns that new tariffs could dampen demand in the base metals sector, particularly in the United States.

Prices subsequently stabilized around USD 15,000, reflecting a balance between global oversupply and regulatory uncertainty in Indonesia. Nickel remained broadly stable through year-end. Toward the close of the year, renewed concerns over potential restrictions on nickel ore supply in Indonesia pushed prices back above USD 16,500.



The Group aims to minimize the impact of fluctuating commodity prices by keeping low inventory levels across the production chain, along with applying an alloy surcharge mechanism. In addition, the Group is rethinking its strategy towards high value-added products, which allows it less exposure to the volatility of commodity steels competing with Asian producers.

Due to all the variables involved in the price mechanism and the influence of the markets, determining the Group's sensitivity to price volatility in the stainless-steel division is very difficult.

2.2. Commodities used for the high-performance alloys division

The high-performance alloys division involves alloys whose content of listed metals such as nickel is much higher than that of stainless steel, reaching up to almost 100% in certain alloys. In addition, they may also contain other metals such as copper, cobalt, aluminum and molybdenum. The metal content in this type of alloys accounts for 2/3 of the total cost of the product and the selling price of these alloys is up to 10 times higher than that of stainless steel. The manufacturing period lasts around three to four months and, accordingly, the Group must purchase metals several months before they are sold.

The policies used by VDM and Haynes to hedge these risks are different:

In the case of VDM, it offers its customers fixed prices which it guarantees upon receipt of orders, thus initially assuming in full the risk of volatility of raw materials. To mitigate this risk, it has a metals trading department, which is responsible for entering into derivatives on the LME to hedge the metal purchases required to manufacture the products demanded by customers. In the case of metals not listed on the LME, natural hedges through physical stock are undertaken.

In order to avoid the volatility caused by the valuation of these derivatives in the income statement, following the incorporation of the High-Performance Alloys Division into the Group, it was decided to carry out an analysis of the economic model and hedging relationships in order to assess the possible application of hedge accounting to these derivatives. At January 1, 2021, hedging relationships for new derivatives entered into from that date were documented and a model to ensure hedge effectiveness was implemented, so the Group started to apply hedge accounting for the recognition of a large number of these financial instruments. **Note 13.2.6** includes detailed information on these instruments.

A 20% increase in the price of listed metals, which the Group hedges through forward purchases and sales, would currently have an impact on the valuation of derivatives of EUR 9.2 million, which would have a direct impact on other comprehensive income (equity). On the other hand, a 20% drop in the price of these metals would have a negative impact of EUR -9.2 million on the Group's equity.

Haynes negotiates a price component based on commodity prices with most of its customers, which allows it to transfer part of the risk, meaning it does not have to insure this risk by contracting derivatives.

2.3. Risk of price distortion due to the accumulation of stock in the market

The stainless-steel market is characterized by robust demand, which has grown at an annual rate of approximately 6% for over 50 years. The demand for stainless steel for all industrial applications and its presence in all industries guarantee that this growth rate will be sustained in the coming years. Although end consumption continues to grow steadily, the fact that this market is largely controlled by independent wholesalers leads to volatility in apparent consumption, based on their expectations regarding nickel price trends on the London Metal Exchange (LME) and their resulting stockpiling or inventory realization strategies.

Fluctuations in the price of nickel also affect consumer demand. Reductions in the price of nickel tend to go hand in hand with short-term drops in demand. Conversely, a rise in nickel prices tends to go hand in hand with higher demand. To lessen the risk associated with the predominant market control held by independent stockists, the Group's strategic approach involves emphasizing direct sales to end customers rather than relying on stockists. The Group's commercial network allows for the distribution of products to end customers via warehouses and service centers, facilitating sales stability and mitigating this risk.

2.4. Risk of overvaluation of inventories

The convenience of maintaining sufficient inventory levels at the Group's warehouses entails the risk that these inventories might be overvalued with respect to their market price. The Group mitigates this risk by keeping strict control of its inventory levels.



The valuation of commodities, work in progress and finished goods at average cost also helps to reduce the volatility of costs and, therefore, the impact of nickel price fluctuations on margins.

Due to low prices this year, fundamentally in the European market, and high costs due to low production, it has been necessary to carry out an inventory adjustment to net realizable value of EUR 60 million.

5.2 Credit risk

Credit risk is defined as the possible loss that could be incurred through the non-performance of a customer or debtor to meet contractual obligations.

The Group's exposure to credit risk is determined by the individual characteristics of each customer and, where applicable, by the risk inherent to the country in which the customer operates. Due to the diversity of its customers and the countries in which the Group operates, credit risk is not concentrated in any individual customer, industry or geographical region. None of the Group's customers, whether in the stainless steel or the high-performance alloys division, account for more than 10% of the Group's total sales.

The Group's policy is to hedge commercial and political risks in markets where payment terms and business practices make it advisable to do so. Coverage is provided through credit insurance companies, documentary credits, or bank guarantees confirmed by banks of recognized solvency in countries with a low financial risk. Credit insurance hedges between 90% and 95% of declared commercial risks, depending on the country in which the customer is located and the insurance company, and between 90% and 95% of political risks. The Group's main credit insurer has an A1 credit rating from Moody's and an A (excellent) rating from A.M. Best.

In 2025, payouts of EUR 389 thousand were collected under the credit insurance policy (2024: EUR 420 thousand).

A Risk Committee is responsible for monitoring the Group's credit risk instruction. New customers are analyzed in conjunction with the insurance company, which assigns a covered amount, enabling the Group to offer its general payment terms to those that fulfill the required credit conditions. Where required, the Risk Committee also performs a case-by-case analysis of customers' creditworthiness, setting internal risk limits and payment terms. Otherwise, payment in cash is required.

The Risk Committee consists of representatives from the sales, financial and legal departments. The risks of companies making up the Acerinox Group are analyzed, receiving information from the Delegated Risk Committees in the Group's main companies.

Among other duties, the Risk Committee reviews the status of past-due debts, monitors sales with excessive exposure and authorizes the transfer of internal risk or, depending on the amount, requests approval from the Management Committee. The Group has a formalized internal commercial credit risk management instruction that ensures the control of credit risk in the sales subsidiaries by defining various internal risk levels, which must be approved by the responsible persons named in the instruction.

The Group has long-standing commercial relationships with many of its customers. Delays in payment result in specific monitoring of future deliveries, payment terms and the review of credit limits.

Where permitted under local legislation in the country in which the customer operates, retention of title clauses may exist, to secure recovery of goods in the event of default.

The Group occasionally uses other financial instruments to reduce credit risk, such as factoring operations. The Group derecognizes factored financial assets when the risks and rewards of these assets have been substantially transferred.

The Group makes the valuation adjustments to trade receivables it deems necessary based on an expected credit loss model which analyses the average credit losses at each of the subsidiaries and the claims incurred on the credit insurance policies taken out, as detailed in **Note 2.12.2**.

Note 13.2.1 details the changes in valuation adjustments to trade receivables.

The consolidated balance of trade receivables at December 31, 2025 was EUR 476,236 thousand (2024: EUR 550,715 thousand), and revenue in 2025 amounted to EUR 5,780,513 thousand (2024: EUR 5,413,128 thousand). This implies an average collection period in the Group of 37 days (31 days in 2024).

Credit risk insurance was taken out for 49% of consolidated net sales (2024: 53%). Cash conditions existed for 3% of sales (2024: 6%). Confirmed letters of credit or guarantees were used to hedge credit risk in 1% of consolidated net sales (2024: 1%). Domestic sales by North American Stainless Inc., which entail a very low risk due to the collection period of under 30 days, accounted for 38% of consolidated net sales (2024: 40%), allowing deliveries to be controlled and reducing potential impairment losses.

The analysis of the age of the receivables is as follows:

(Amounts in thousands of euros)

	2025	% receivables	2024	% receivables
Not past due	383,815	81 %	453,381	82 %
Less than 30 days	68,021	14 %	78,878	14 %
Between 30 and 60 days	14,318	3 %	13,808	3 %
Between 60 and 90 days	5,052	1 %	2,105	0 %
More than 90 days	5,030	1 %	2,543	0 %
TOTAL	476,236		550,715	

The Group has made provisions for EUR 4,275 thousand (2024: EUR 4,292 thousand). A provision was made for EUR 358 thousand in 2025 (2024: EUR 553 thousand), accounting for 0.006% of sales in 2025 (2024: 0.010%); the Group's expected credit loss ratio is 0.016% (2024: 0.017%). The amount of the provision for doubtful accounts that Haynes had recorded at the time of the acquisition amounted to EUR 607 thousand.

Most of the past-due receivables are insured and generally reflect customary delays in trading activity (74% of past-due receivables are aged less than 30 days). At February 18, 2026, over 78% of the aforementioned past-due balances had been collected (2024: 80%).

These figures confirm the success of the Group's commercial risk management strategy.

In short, neither the accident rate nor payment delays are higher than in any other year, even against the backdrop of geopolitical uncertainty. The Group does not expect significant impacts in the future in view of the risk coverage policy in place and the high percentage of risks covered.

Any advances to non-current asset suppliers are hedged through bank guarantees issued by the supplier and confirmed by banks of recognized creditworthiness.

In relation to the credit risk of bank balances, as a general rule only banks and financial institutions that are rated by an independent third party with an "investment grade" credit rating are accepted. The Group has no significant concentration of risk, as the likelihood of default by the banks and financial institutions thus authorized is remote, based on their high credit ratings.

5.3 Liquidity risk

Liquidity risk is the risk of not being able to meet present and future obligations, not having the funds required to perform the Group's activities.

The Group is primarily financed through the cash flows arising from its operations, in addition to loans and other financing facilities.

Despite the increase in the Group's net indebtedness from acquiring the Haynes Group at the end of 2024 for USD 799 million through a cash payment by the US subsidiary North American Stainless, the Group has



maintained good access to liquidity through long-term loans and financing that exceed requirements at any given time.

The Group's cash resources are centrally managed in order to optimize resources. The debt is primarily concentrated within Acerinox, S.A. (more than 75% of total gross debt at year-end).

In 2025 and 2024, no defaults occurred on the principal or interest of the Group's various financing facilities.

At year-end the Group had access to short- and long-term financing facilities totaling EUR 2,905 million and approved non-recourse factoring facilities amounting to EUR 530 million. The amount drawn down on the financing facilities at December 31, 2025 amounted to EUR 2,158 million and EUR 228 million on the factoring facilities. In 2024, the short- and long-term financing facilities available to the Group amounted to EUR 3,049 million, and non-recourse factoring facilities amounted to EUR 530 million, while the drawdowns against the financing facilities amounted to EUR 2,383 million and drawdowns against the factoring facilities amounted to EUR 240 million. At December 31, 2025, cash and cash equivalents amounted to EUR 970 million (2024: EUR 1,263 million).

Cash and cash equivalent balances are available and there is no restriction on their use.

The Group makes short-term cash placements –never exceeding six months– and only at financial institutions of recognized creditworthiness.

In addition, the Group continuously monitors the maturity profile of its financial debt in order to establish the longest possible annual maturities.

In this regard, the most notable financing operations in 2025 were as follows:

- Signing of seven new long-term loans with various financial institutions for a total amount of EUR 236.5 million in Spain
- Renewal and extension of credit facilities up to a total amount of EUR 525 million and USD 135 million
- Following the maturity of several VDM financing facilities during 2025 for a maximum of EUR 290 million, VDM has entered into new bilateral financing facilities for a total of EUR 300 million.
- Renewal of Syndicated Factoring in Spain until 2027 for a maximum amount of EUR 380 million.

These financing transactions are explained in **Note 13.2.3**.

Haynes has no bank financing at the end of December since it received a loan from its parent company to pay off this debt. Like the other Group companies, its liquidity risk is also monitored centrally.

The most noteworthy financing transactions in 2024 were as follows:

- Signing of 13 new long-term loans with various financial institutions for a total of EUR 855 million, of which EUR 70 million was pending drawdown at year-end.
- Renewal and extension of credit facilities up to a total amount of EUR 480 million and USD 135 million
- Signing of a new loan by VDM in the amount of EUR 40 million, not drawn down at year-end.
- Extension for an additional year of two of the bilateral financing lines signed with VDM for a total amount of EUR 80 million.
- Signing of a USD 20 million credit facility for Bahru Stainless (at the end of December, this policy had expired).

The analysis of the Group's payment obligations at the end of 2025 is as follows:

(Amounts in thousands of euros)

	2025							Undetermined maturity
	Future cash flow maturities (payments)							
	Amount at 12/31/2025	Amount of future payments	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	
Long-term borrowings	1,321,519	-1,442,094	-26,360	-22,402	-521,909	-839,837	-31,586	
Current payables	836,970	-854,758	-328,762	-525,996				
Payable to suppliers and other payables	748,218	-748,218	-748,218					
Other non-current financial liabilities	17,931	-17,931			-11,881	-3,238	-1,407	-1,405
FINANCIAL DERIVATIVES								
Hedges through interest rate swaps	-4,124	4,215	1,568	727	1,120	800		
Commodity derivatives - purchases	-4,035	4,035	4,035					
Commodity derivatives - sales	56	-56	-56					
Currency forwards against exports	-2,865	2,865	2,865					
Currency forwards against imports	999	-999	-999					
TOTAL	2,914,669	-3,052,941	-1,095,927	-547,671	-532,670	-842,275	-32,993	-1,405

The first column reflects the closing balances shown in the accounts. Positive amounts are credit balances (liabilities) and negative amounts are debit balances (assets). The following columns reflect the cash outflows that will be carried out to settle liabilities and meet payment terms. Negative amounts represent disbursements (cash outflows), while positive amounts reflect cash inflows.

The balances of "payable to suppliers and other payables" do not include payables to Public Administrations. All the maturities of the debt with suppliers are short-term.

"Other non-current financial liabilities", which are categorized as liabilities with an indefinite maturity, mainly relate to deposits and guarantees that have no specific maturity date or for which the date of repayment is unknown. The remainder are leasing payments.

Future cash flow maturities include the principal plus interest based on contractual interest rates and the interest rates expected by the market at year-end.

Approved investments not recognized under property, plant and equipment under construction at the reporting date are not included.



5.4. Climate risk

Stainless steel is a sustainable and durable material, and one which is highly resistant and infinitely recyclable. Despite these positive qualities, the steel industry accounts for a considerable proportion of global industrial emissions. This phenomenon is due to the intensive use of energy needed to melt scrap and ferro-alloys in electric furnaces in order to obtain molten material, as well as to the use of fossil fuels, such as natural gas, in the heating and melting processes. Reducing emissions in the steel industry is essential to mitigate climate change and meet global targets.

Similarly, the Group's industrial activity is subject to the effects of climate change (droughts, floods, etc.), which may affect the operation of its factories due to the difficulty of accessing certain resources (water, raw materials, etc.), impacts on its operations, etc.

Acerinox is aware of the risks it faces that stem from climate change. The company pays special attention to environmental protection and the efficient use of natural resources in the development of its activities.

In early 2025, the Board approved the new carbon emission reduction targets for 2030 and the associated Decarbonization Plan.

The new emissions reduction targets are more ambitious, aiming to be compatible with limiting global warming to 1.5°C, and based on science (SBTi). They include a 45.28% reduction in Scope 1 and 2 emissions by 2030 compared to 2021. The Group has also set a target of a 15% reduction in Scope 3 by the same year. By the end of 2025, these targets were revised, incorporating Haynes, and a reduction was set of 44.76% for Scope 1 and 2 emissions, and 15% for Scope 3 in 2030 versus 2021.

The Decarbonization Plan includes the main initiatives related to the improvement of energy efficiency, heat recovery systems, system electrification, and the use of electricity and renewable fuels. It is aligned with the Beyond Excellence 2024-2026 plan.

The Group has also established a sustainability policy and climate change policy supported by complementary policies defining its commitments to address climate change mitigation and adaptation. These were approved by the Board of Directors in 2025.

Acerinox's model for managing climate change follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and includes information on governance, strategy, risk management and opportunities, as well as metrics and targets. Acerinox understands that business management is linked to a commitment to sustainability which takes the form of the specific, ambitious and measurable objectives that are set out in the company's Sustainability Plan.

The Board of Directors is ultimately responsible for the Group's climate change management through the sustainability and audit committees within their spheres of influence.

The Group's climate risk management is integrated into corporate risk management. Climate risks are overseen by the Audit Committee of the Board of Directors, as part of its function of overseeing the comprehensive risk control system. Likewise, climate risks are examined in the Board's Sustainability Committee.

In 2025, the Acerinox Group updated its climate risk and opportunity analysis. This new analysis covers all of the Group's own assets (including factories, service centers, warehouses and main offices), also takes into account the main customers and suppliers of the production plants, and can be periodically updated through a proprietary tool.

The climate risk assessment has been framed within climate scenarios aligned with best practices, and the typology of risks and opportunities has been expanded and systematized to meet regulatory requirements.

For this process, the Group follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and applies the standardized method set out in ISO 14091, which is aligned with the Recommendations of the 5th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). The study considered three time horizons: short term (2026), medium term (2030) and long term (2050). For more information, see the Consolidated Management Report in the climate change chapter.



Considering the most aggressive risk scenarios, the most relevant inherent risks would be:

- **Physical risks:** In general, the inherent risk levels of Acerinox's own assets tend to be low. As in the preceding analysis, water stress represents a material inherent risk for Acerinox Europa and Columbus. Significant risks from extreme weather events (floods, storms, fires, etc.) have also been identified at certain facilities.

During the fiscal year, a Climate Adaptation Plan was drawn up, the implementation of which significantly reduces the risk level. Existing measures, both already implemented and in progress, have been identified, along with more than 200 additional adaptation measures derived from international best practices with a 2030 horizon.

- **Transition risks:** different market-related risks have been identified (energy consumption, customer preferences, raw material prices, etc.), regulatory (carbon prices including CBAM, access to subsidies and financing, etc.), technological (increased CAPEX / OPEX).

Mitigation and control measures have been identified to reduce risk, including the setting of the emissions reduction target and the associated Decarbonization Plan. No assets have been identified that are incompatible with a transition to a climate-neutral economy.

It should be noted that the risk levels identified are inherent, i.e., they are prior to the consideration of any Acerinox measures that could be implemented. They have also been evaluated in the most pessimistic scenario, to identify the maximum potential vulnerability of assets and operations, thus providing a solid basis for strategic planning and prioritization of mitigation measures.

The three key areas that may be affected by accounting estimates and judgments related to the effects of climate change are: analysis of recoverability of non-financial assets, determination of useful lives of plant and equipment, and credit valuations. As a result of this analysis and taking into account the mitigation measures implemented and the Acerinox's structure and business model, at the end of this year (short term), no material impacts related to climate change have been identified; accordingly, it is considered that there is no material impact of climate change risk that should be considered in future estimates for the calculation of cash flows.

Planned investments are related to improving the company's competitiveness, renovation processes, maintenance and recurring improvements, including improvements in efficiency and reduction of energy consumption, in turn reducing climate risks.

The Group always requires that investments have a return in order to be approved. In impairment analyses and for the determination of future cash flows, the Group does not take into account cash flows arising from improvements or increases in asset yields. Cash flows are estimated for assets in their current state, and this affects any investment plans made, including those investments that contribute to climate risk mitigation.

On the other hand, the growth rates, discount rates and risk rates used in the impairment tests are market ratios that implicitly reflect the valuation of climate risk. The discount rates used and the growth rates in perpetuity are based on the best estimates of companies or international organizations of recognized prestige (OECD, IMF, international financial institutions, rating companies or independent evaluators), which implicitly include in their estimates factors related to climate change risk, as this affects the following parameters: risk-free premiums, betas, market premiums or expected long-term inflation rates. These rates do not differ significantly from those applied in previous years.

As for the budgeted EBIT margin, which is another key assumption considered in the impairment tests, due to the type of customers and activity, no changes in demand directly related to climate change are expected, nor are changes in operating costs, as explained in the preceding paragraphs.

Regarding the determination of useful lives set out in **Note 3**, Group management determines the estimated useful lives and related depreciation charges of its plant and equipment based on valuations carried out by experts, taking into account technical innovations, variations in the activity levels of the plants, regulatory changes, or needs for improvements or replacements due to climate change. Management periodically reviews the depreciation charge, which is modified whenever the estimated useful lives are different from the lives previously applied. The recurrent maintenance plans and investment proposals carried out by the factories take into account efficiency objectives and adaptation to new technologies, thus contributing to climate change and making it unlikely that the Group's assets will become obsolete as a result of climate change.



With respect to credit ratings and the limitation that regulations impose on financial institutions to grant financing to companies that are not sustainable, climate risk also has no material impact on credit ratings. At year-end, there are ten sustainable financing lines with an outstanding amount of approximately EUR 700 million, linking the cost of financing to the evolution of established sustainability indicators that are reviewed annually. One of these indicators is carbon intensity (scopes 1+2) and is aligned with the decarbonization path set by the Company for 2030. Breach of the KPIs would result in a very marginal increase in the cost of these financing facilities, although it would never result in early maturity of the same.

Note 9 details the fixed assets whose purpose is the minimization of environmental impact and the protection and improvement of the environment, as well as the environmental expenses incurred by the Group.

5.5 Geopolitical risks

Geopolitical conflicts continue to affect the global risk landscape and have a widespread economic impact (uncertainty, economic developments, inflation rates, etc.).

During 2025, the global geopolitical situation has had a major impact on international markets and world trade. Increased tensions in the Strait of Hormuz, marked by the direct involvement of Iran, Israel and the US, has consolidated a panorama of uncertainty in international markets. Given its critical nature to global energy and logistics trade, Iran's threats to close the strait have raised serious concerns about a dramatic hike in oil and gas prices, triggering a global energy and economic crisis.

Although the trade sanctions imposed on Russia do not imply a total embargo on imports and exports, the Acerinox Group does not carry out any buying or selling commercial activity with Russia. The only remaining representative office in the country belongs to VDM and is dormant. These decisions have not led to any disruption in the supply chain or significant economic impacts.

One consequence of the war between Israel and Hamas has been the reorganization of trade routes, increasing transport times and costs, towards the Cape of Good Hope route, which has consolidated this year as the preferred shipping route. However, in no case have there been any disruptions in the supply chain.

The Acerinox Group continues to monitor entities and individuals that may be sanctioned or on blacklists published by the various States and Organizations.

At the same time, the US change of administration has brought important changes in tariffs for the steel industry.

On February 10, 2025, Section 232 of the US Trade Expansion Act was revised from its initial (March 2018) scope, applying a 25% tariff on all duty-free imports by country and product exclusions, and extending coverage to by-products containing stainless steel, effective March 12. Subsequently, a Proclamation of June 3 increased the tariff to 50%, effective June 4.

Finally, on June 16, 2025, the Department of Commerce announced the extension of Section 232 tariffs to more downstream products, including refrigerators, freezers, washers, dryers, dishwashers, stoves and more, effective June 23.

On the other hand, in April 2025, the US administration announced its intention to impose new "reciprocal" tariffs on imports from numerous countries and on non-Section 232 products. Many of these tariffs were initially suspended for 90 days, until July 9, 2025, to allow for bilateral trade negotiations. During this time, most products from the affected countries (except China, Canada and Mexico) were subject to a 10% base tariff. However, the suspension was then extended until August 1, 2025, the deadline for the entry into force of the new tariffs.

Finally, on July 27, 2025, a trade agreement was reached between the US administration and the EU, establishing a tariff ceiling of 15% for most sectors covered by previous policies. However, steel and aluminum were excluded from this, remaining subject to a 50% tariff.

On the European side, the safeguard measures implemented in 2018 have proven ineffective in recent years, and the market remains under enormous pressure from imports, especially from Asia, with overcapacity and dumping in Europe as a result of the tightening of Section 232 in the USA.

In this context, on March 19, 2025, the European Commission published the Steel & Metal Action Plan, which includes a commitment to implement an effective alternative to safeguard measures. This alternative was formally materialized with the legislative proposal presented on October 7, 2025, the main pillars of which are the following:

- a) Ensuring clean and affordable energy supply
- b) Preventing carbon leakage
- c) Strengthening and protecting European industrial capabilities
- d) Promoting the circularity of metals
- e) Defending quality industrial jobs

Following the final proposal, the regulatory framework that will replace the current safeguard measures is expected to be in place as of July 1, 2026. This new system, based on GATT Article 28, significantly tightens import controls along three main lines:

- Volume and Import Capacity Restriction: 47% reduction on the annual duty-free limit with respect to the 2024 quotas.
- Increase in Tariff Pressure: the tariff for volumes exceeding the allocated quotas doubles from 25% to 50%.
- Application of the "Melt and Pour" clause: a requirement is introduced that the steel must have been melted and poured in the country of origin to avoid circumvention through third countries.

Although the Group's geographic diversification and its strength in the United States act as a natural hedge, mitigating a significant impact via tariffs, the CAPEX allocated to buying European capital goods for Haynes International and NAS plants has been increased by the application of reciprocal tariffs.

These trade tensions and geopolitical uncertainty have spilled over into financial markets, causing high volatility in foreign exchange markets, where interest rate policies have behaved differently by region. In response to high inflation and weak growth, the ECB completed its easing cycle in the first half of 2025, stringing together four 25 b.p. cuts that brought the deposit rate to 2.00% in June 2025, a level that remained stable until year-end. The Fed maintained a more restrictive stance during the first half of the year in the 4.25-4.50% range, initiating new adjustments only in the last four months of the year to end 2025 in the 3.50-3.75% range. This initial divergence and subsequent convergence has marked a year of high volatility in the foreign exchange market, with the US dollar being the currency that has depreciated most. During 2025, the US dollar lost around 13% versus the euro and closed December 2025 at 1.1750 USD/EUR (December 31, 2024: 1.0389 USD/EUR).

The Group's access to financing has not altered as a result of the geopolitical conflicts, nor has there been any variation in the covenants imposed by the banks on the Group's borrowing.

Geopolitical uncertainties and tariff wars, coupled with increased imports, have negatively impacted the European market, making it difficult to meet the forecasts made at the end of last year. Therefore, the Group has performed a recoverability analysis of its main assets subject to signs of impairment (see **Notes 8.1, 9.1 and 20.3**), resulting in a write-off of tax credits amounting to EUR 48 million.

The +13% depreciation of the USD this year has had an impact on the income statement as well as on balance sheet and equity items. Specifically, the +conversion differences went from EUR 51,248 thousand at the end of 2024 to reduce equity by EUR -237.539 thousand at the end of this period (see **Note 15.4**).

5.6 Capital management

The aims of the capital management policy are:

- to safeguard the Group's capacity to continue its sustained growth;
- to provide sufficient returns to shareholders; and
- to maintain an optimal capital structure.



The Company manages its capital structure and makes adjustments to it based on changes in economic circumstances. To maintain and adjust the capital structure, the Company can adopt various policies relating to the payment of dividends, the reimbursement of the issue premium, share repurchases, self-financing of investments, non-current borrowings, etc.

Capital structure is controlled using various ratios, such as the net financial debt/EBITDA ratio, understood to be the period necessary for the resources generated by the Company to cover the level of debt; or the gearing ratio, i.e. the relationship between the net financial debt and equity of the Company.

Net financial debt is taken to be the sum of current and non-current loans, less cash and cash equivalents. EBITDA reflects profit or loss from operations, less depreciation and amortization, changes in operating provisions and allowances, and impairment losses recognized in the year.

The "net financial debt/EBITDA" ratio was x 3.4 this year (2024: x 2.2). While net financial debt increased by 6%, the Group's EBITDA decreased by 29% compared to the previous year.

The Group's net financial debt increased by EUR 68 million to EUR 1,189 million (2024: EUR 1,120 million). The gearing ratio stood at 56.7% (2024: 43.5%).

One of the Group's strategic pillars is the maintenance of its financial strength, which is defined as sustainable cash generation over time in order to utilize capital efficiently and generate shareholder value. Cash generation continues to be one of the primary objectives. This year, despite the lower results obtained, operating cash flow amounted to EUR 455 million (2024: EUR 294 million). This milestone is a direct result of a working capital reduction plan, which reduced the same by EUR 406 million (2024: EUR 71 million). The EUR 383 million reduction in inventory management is of particular note.

After investments of EUR 311 million (EUR 205 million in 2024), free cash flow was EUR 213 million (EUR -662 million in 2024 due to the Haynes acquisition).

In 2025, the Company invested EUR 155 million in shareholder remuneration, in line with the prior year (EUR 0.62 per share).

The Group recorded translation losses, mainly due to the weak dollar, of EUR 126 million.

Return on Capital Employed (ROCE) in 2025 was 4.7% (2024: 9.4%). ROCE is calculated by dividing the operating result in the income statement by the capital employed, i.e. equity plus net financial debt.

As of December 31, 2025, the Acerinox Group had liquidity amounting to EUR 1,716 million (2024: EUR 1,929 million). Of this, EUR 970 million corresponds to cash and cash equivalents and short-term deposits (2024: EUR 1,263 million) and EUR 746 million to available financing lines at various Group subsidiaries (2024: EUR 666 million).

The Group continuously monitors the maturity profile of its financial debt in order to establish the longest possible annual maturities. In this regard, as explained in both **Note 5.3** and **13.2.3**, the Group has maintained good access to liquidity through long-term loans and financing facilities outstanding in amounts in excess of those required at any given time.

At year-end, the Group had sustainable financing lines totaling EUR 701.3 million (2024: EUR 516.6 million), linking their cost to the evolution of the indicators to be reviewed annually.

The Group's total gross debt at December 31, 2025 was EUR 2.158 billion, of which 51% was fixed interest rate debt (including debt contracted at floating interest rates but hedged with interest rate derivatives) and the remaining 49% was floating interest rate debt. More than 60% of the Group's total gross debt has a maturity of more than one year.

5.7 Insurance

The geographical diversification of the Group's factories (with three integrated stainless-steel flat product manufacturing plants and three long product manufacturing plants) ensures that an accident would not affect more than one third of total stainless-melting shop production. This guarantees business continuity, while



adequate coordination between the other factories mitigates the consequences of material damage to any of the facilities.

The high-performance alloys division had seven manufacturing plants, five in Germany and two in the United States. The incorporation of Haynes International in this segment in 2024, with three manufacturing plants for flat products, long products and pipes, also reduces the consequences of any incident occurring in any of them.

Sufficient coverage has been arranged for the Group's factories through material damage and loss-of-profit insurance policies, which account for over 71.73% of the corporate insurance expenditure. Also, all assets under construction are covered by the insurance policies taken out by the respective suppliers as well as the specific coverage within the material damage policy. When required by the newly constructed entity, a specific construction and assembly policy is taken out.

The Acerinox Group has also arranged general third-party liability, environmental, cybersecurity, credit, transport and group life and accident insurance policies to reduce its exposure to these various risks.

The Group also has a reinsurance company based in Luxembourg (Inox Re), which manages these risks by assuming a portion as self-insurance and accessing the reinsurance market directly.

Haynes International has a set of insurance policies which is very similar, and in certain cases complementary, to the Acerinox Group's insurance program. In any case, a global review of policies is being carried out in connection with the integration of Haynes International in order to optimize the Group's insurance program.

NOTE 6 – SCOPE OF CONSOLIDATION

6.1 Business combinations

During 2025, there were no changes in the Group's consolidation scope.

In relation to last year's business combination with the acquisition of the Haynes Group, and which is explained below, the Group has definitively closed the valuation exercise at fair value of the net assets acquired and the determination of the goodwill without significant variations with respect to the values obtained at the end of 2024. During this year, the Group has concluded the estimation of the residual useful lives of the property, plant and equipment resulting from revaluing assets at fair value and also the allocation of the goodwill generated in this business combination to a specific CGU (Cash Generating Unit). For the valuation exercise, the methods used at year-end and detailed in these financial statements, as well as the discount rates and assumptions used for each of the items, have been maintained,

On February 5, 2024, Acerinox Group announced the signing of an agreement under which its North American subsidiary, North American Stainless ("NAS"), would acquire Haynes International ("Haynes"), a leading US company in the development, manufacture and commercialization of technologically advanced high-performance alloys.

The Haynes Board of Directors submitted to its shareholders the approval of the sale of 100% of its shares. On April 16, 2024, Haynes' shareholders approved the proposed cash acquisition by NAS for USD 61 per share. However, such transaction was subject to approvals from various authorities: on March 18, approval was obtained from the Department of Justice, on June 27 from the Committee on Foreign Investment in the United States (CFIUS), the European countries that were to review the transaction from a Foreign Direct Investment (FDI) point of view also gave their approval, and finally the competition authorities of the United Kingdom and Austria gave their approval, the latter on November 15, 2024. Therefore, the closing date of the transaction took place within five business days, as established in the contract.

On November 21, 2024, the Group completed the purchase, through its US subsidiary, North American Stainless, of 100% of the shares of Haynes International, representing 100% of the voting rights. Upon completion of the deal, the Company's common stock ceased trading on the Nasdaq Global Select Market.

This transaction is further evidence of Acerinox's strategy to diversify its activity towards higher value-added products and strengthens Acerinox's position in the high-performance alloys market, the US market and the aerospace sector. Haynes will integrate, together with VDM, the Acerinox Group's high-performance alloys segment.



Haynes, with 112 years' history, is one of the world's largest developers, producers and distributors of high-performance alloys, based in the United States. Products manufactured by Haynes are sold primarily in the aerospace, chemical processing and industrial gas turbine sectors, and consist of high temperature resistant alloys and corrosion resistant alloys. High temperature resistant alloys are used by manufacturers of equipment such as jet engines for the aerospace market, gas turbine engines used for power generation and industrial heating equipment. Corrosion resistant alloys are used in applications requiring resistance to highly corrosive areas such as chemical processing, power plant emission control and waste treatment.

Haynes has manufacturing facilities in Kokomo (Indiana), Arcadia (Louisiana) and Hendersonville (North Carolina). The Kokomo plant specializes in flat products, the Arcadia plant in tubular products and the Hendersonville plant in wire products and small diameter bars. Products manufactured by Haynes are sold primarily through its distribution network, which includes 11 service centers in the United States, Europe and Asia.

The acquired business generated revenues and income after taxes for the Group for the period from the acquisition date to December 31, 2024 amounting to EUR 42,214 thousand and EUR 381 thousand, respectively. If the acquisition had occurred on January 1, 2024, the Haynes Group's revenue and profit for the period ended December 31, 2024 would have amounted to EUR 547,248 thousand and EUR 19,728 thousand, respectively. These amounts do not include the amortization impact derived from the valuation of assets at fair value as a result of the allocation of the acquisition price.

The detail of the consideration given, the fair value of the net assets acquired and definitive goodwill is as follows:

	Thousands of euros
Cash paid	768,896
Total consideration paid	768,896
Fair value of net assets acquired	640,615
GOODWILL	128,281

As explained in the 2024 Financial Statements, there was no contingent consideration reliant on future events or the fulfillment of certain conditions in exchange for control of the acquired business.

The Group recognized transaction-related costs in the amount of EUR 20,578 thousand in the consolidated income statement, as indicated in **Note 18**.

IFRS-3 establishes that the valuation period of the business combination may not exceed one year from the acquisition date. At the end of last year, the goodwill shown in the Group's consolidated balance sheet was provisional, since the Group was within the valuation period established by the standard to obtain all the data necessary to conclude on such valuation. This year the Group has definitively closed the valuation exercise at fair value of the net assets acquired and determination of the goodwill without significant variations with respect to the values obtained at the end of 2024. The Group has completed the estimation of the residual useful lives of the property, plant and equipment resulting from revaluing assets at fair value and allocating the goodwill generated in this business combination to a specific CGU (Cash Generating Unit). For the valuation exercise concluded, the methods used at the end of the previous year, as well as the discount rates and assumptions used for each of the items, have been maintained.

The Group engaged an independent valuator to determine the fair values of the assets and liabilities acquired.

Goodwill represents the excess of the cost of acquisition of the investment in the Haynes Group over the fair value of the identifiable net assets of the acquiree at the acquisition date (assets, liabilities and contingent liabilities). The most relevant factors leading to recognition of goodwill were the Group's diversification, access to new markets with better margins, future potential synergies, as well as the technical expertise of Haynes employees. Goodwill is not deductible for tax purposes.

Another pending issue at the end of last year was allocating goodwill to the Group's Cash-Generating Units (CGUs), which are expected to benefit from the synergies of the business combination.

A CGU is the smallest identifiable group of assets capable of generating cash inflows independently.

In allocating goodwill, the Group took into account the following aspects:



- The CGU must represent the lowest level of the entity managed by the company's Management and on which the entity makes decisions.
- It must not exceed the operating segment recognized for the acquired business.

After analyzing these aspects, Management has determined that the smallest identifiable group of assets capable of generating cash inflows that are independent of cash flows from other assets is the Haynes subgroup as a whole.

The Haynes Group has 11 entities, as listed in Note 6.2, all of which are closely related. The production process is fully integrated, with Haynes International being the main factory that distributes its products to the Haynes Group's other units, either to continue the production process or for sale, requiring the participation of all the entities that make up the subgroup in order to obtain cash flows.

The Haynes Group also takes the entire subgroup into account in decision-making and in defining strategy, and monitors activity and results jointly. Accordingly, the goodwill generated in the business combination was fully allocated to the Haynes subgroup, which is part of the high-performance alloys operating segment.

The detail of the definitive fair values of the assets, liabilities and contingent liabilities determined by the independent expert were as follows:

	Fair value (EUR thousand)	Book value (EUR thousand)
Non-current assets		
Intangible assets	97,218	8,937
Property, plant and equipment	334,019	141,935
Right-of-use assets	6,727	6,727
Deferred tax assets	4,419	4,419
Other non-current financial assets	29	29
TOTAL NON-CURRENT ASSETS	442,412	162,047
Current assets		
Inventories	351,209	340,094
Trade and other receivables	82,862	82,862
Current income tax assets	6,143	6,143
TOTAL CURRENT ASSETS (excluding cash)	440,214	429,099
Non-current liabilities		
Bank borrowings	-110,764	-110,764
Non-current provisions	-50,414	-50,414
Deferred income	-4,728	-4,728
Deferred tax liabilities	-72,514	-1,453
Other non-current financial liabilities	-8,684	-8,684
TOTAL NON-CURRENT LIABILITIES	-247,104	-176,043
Current liabilities		
Bank borrowings	-2	-2
Trade and other payables	-54,119	-54,119
Current income tax liabilities	-393	-393
TOTAL CURRENT LIABILITIES	-54,514	-54,514
TOTAL NET ASSETS ACQUIRED (excluding cash)	581,008	360,589
Amount paid in cash	768,896	
Cash and cash equivalents	-59,607	-59,607
Net cash flow paid for the acquisition	709,289	-59,607



Following the valuation, it was determined that the net book value of the assets and liabilities at the date of acquisition corresponded to their fair value, except for the following items:

- Plant, machinery and equipment
- Patents and technology
- Inventories

The following methods were used for the valuation of these assets:

- Plant, machinery and equipment - Depreciated replacement cost at date of acquisition. The replacement cost method was used for the valuation of property, plant and equipment. This method provides the value of an asset by considering the cost that would be incurred to replace the asset with another of similar characteristics using current materials and techniques. Subsequently, the estimated replacement cost is reduced by the accumulated amortization over the economic life of the asset to reflect physical deterioration over time and adjusted to include functional and/or economic obsolescence (if any) to arrive at a conclusion on its fair value. The resulting fair value of tangible fixed assets was EUR 334,019 thousand.
- Patents and technology - Royalty Relief method. Under this method, the value of the asset reflects the savings obtained by owning the patent. The premise associated with this valuation technique is that in the event of having to acquire a license from an independent third party in order to use the patent, the latter would require payment of a percentage of the income obtained from its use. This cost savings, or exemption from royalty payments, represents the value of the patent, consisting of the discounted present value of the revenue expected to be earned from the patent over its remaining useful life. The estimated useful life is 15 years. The pretax royalty rate used in the valuation was 7.5% and the discount rate, 13%. The resulting value of this intangible asset amounted to EUR 35,615 thousand.
- Inventories: the top-down valuation approach was used and the expected selling price of the respective inventory was estimated, less all costs expected to be incurred for its completion, i.e. additional production costs for inventories in process as well as the costs for its disposal and sale. The revaluation amounted to EUR 11,115 thousand.

In addition, new intangible assets associated with the following elements were identified:

- Customer relationships - Haynes has a long history of customers, a lot of them have been with the company for many years. The multi-period excess earnings method was used to measure this group of assets. Based on this method, the value of the intangible asset is calculated as the present value of the cash flows generated by such asset. As this asset normally generates cash flows in combination with other tangible and intangible assets (fixed assets, working capital, trademark, labor force, etc.), the estimated cost of using the other assets mentioned above ("cost of the contributory assets") must be deducted from the estimated cash flows associated with the asset to be valued. The estimated useful life is 15 years, the customer churn rate is 7.5% and the discount rate 13%. The amount recognized for this item totaled EUR 39,465 thousand.
- Trademarks - Royalty Relief method. The amount recognized for this item totaled EUR 22,139 thousand.

As a result of the recognized increases in value versus their tax values, a deferred tax liability of EUR 71,061 thousand was recognized. This is the only value adjusted with respect to the provisional values estimated at the end of the last fiscal year following completion of the valuation exercise. The variation (EUR 2,136 thousand) is due to the adjustment of state tax rates to the applicable effective rates.

No contingent liabilities to be recorded as a result of the business combination have been identified.

Following the acquisition, North American Stainless gave Haynes a loan to pay off the bank debt outstanding at the time of the acquisition and to manage its working capital needs. This transaction was recognized separately from the acquisition of assets and assumption of liabilities in the business combination.

The recoverability of goodwill resulting from this business combination at year-end 2024 was based on the acquisition-date fair value exercise underlying the price paid. The main assumptions in the calculation of this fair value were: a discount rate of 10.8%, a perpetual growth rate of 2.5% and an EBITDA margin over budgeted average sales of 19.91% for the period considered until 2039.



6.2 Changes in the scope of consolidation

In 2025, there were no changes in the Group's scope of consolidation.

During the last fiscal year 2024, the changes in the Group's scope of consolidation were, on the one hand, the incorporation into the Group of Haynes International and its affiliate companies and, on the other hand, the sale of Bahru Stainless Sdn. Bhd, the incorporation of Cabaran Dunia Sdn.Bhd and the liquidation of the Acerinox Group's subsidiary Acerinox Russia. All these transactions are detailed below:

Haynes International, Inc.

As explained in the previous section, on November 21, 2024 the Group company North American Stainless acquired 100% of the shares of Haynes International, Inc. The company has interests in various entities, as shown in the table below, which are included in the Acerinox Group's Financial Statements from the date of acquisition:

Company	Country	% Ownership
HAYNES INTERNATIONAL INC.	USA	100%
LAPORTE CUSTOM METAL PROCESSING LLC	USA	100%
HAYNES INTERNATIONAL LTD.	Great Britain	100%
HAYNES INTERNATIONAL SARL	France	100%
HAYNES INTERNATIONAL AG	Switzerland	100%
HAYNES INTERNATIONAL SRL	Italy	100%
HAYNES PACIFIC PTE LTD	Singapore	100%
HAYNES INTERNATIONAL TRADING CO LTD	China	100%
HAYNES INTERNATIONAL CHINA CO LTD	China	100%
HAYNES INTERNATIONAL JAPAN KK	Japan	100%

Bahru Stainless, Sdn. Bhd

On October 10, 2024, the Group signed a contract with Worldwide Stainless Sdn. Bhd, a company registered in Malaysia, to sell 100% of the shares of Bahru Stainless, the company that owns the Group's factory in Johor (Malaysia), for USD 95 million. The transaction closed on December 3 of last year.

The impact of this sale on the results of the Consolidated Group was positive, i.e. EUR 146,260 thousand due to the difference between the amount of the sale (EUR 90,493 thousand) and the value of the net assets transferred at the date of the sale (EUR 38,826 thousand) and the translation differences accumulated in equity due to the valuation of the investment in euros at the historical exchange rate. In accordance with IAS 21, "when there is a disposal of a foreign operation, the cumulative amount of exchange differences recognized in other comprehensive income and accumulated in equity should be reclassified to the income statement for the year". The amount of translation differences recognized in Bahru's equity at the time of the sale amounted to EUR 94,593 thousand.

The amount of the sale of the shares was broken down as follows: USD 18,400 thousand were received in cash at the time of signing the contract, USD 73,600 thousand by means of a bank guarantee with Ambank to be collected during the first half of 2025, included under the heading "other financial assets" in the current assets of the balance sheet, and USD 3,000 thousand which would be paid as the buyer makes use of the tax credits or after the three-year period from the closing of the transaction in December 2024 has elapsed, which appears under "other long-term financial assets". In this fiscal year, EUR 68,268 thousand have been collected corresponding to the guaranteed outstanding amount.

In its 2024 Financial Statements, the Group included the results generated by Bahru up to the date of disposal, amounting to EUR -12,408 thousand.

Pursuant to the applicable accounting policy, the result of the sale was not considered a "discontinued operation" since neither an operating segment nor a geographic segment had been discontinued. Bahru Stainless belonged to the stainless steel production and sales segment, as do other Group companies that



engage in the same activity. The stainless steel segment includes Acerinox Europa, North American Stainless and Columbus, as well as the entire sales network.

On the other hand, this was not a geographic area that would be discontinued. The Acerinox Group has another trading subsidiary in Malaysia (Acerinox SC Malaysia), active in the distribution of stainless steel in the Asian region and which will continue its activity. There are also Haynes and VDM subsidiaries selling in this Asian region.

In addition, Bahru Stainless did not meet the definition of "significant component" at a lower level than the segment, given the percentages represented over the Group's two most relevant parameters, sales and total assets.

According to the purchase agreement signed, Acerinox, prior to the sale, had to settle all debts with credit institutions and third parties and Bahru Stainless had to transfer to Worldwide Stainless Sdn. Bhd. all assets existing at the date of sale except for the rights to use the undeveloped land and one piece of machinery. Prior to the sale, both assets were transferred to a new Group company in Malaysia (Cabaran Dunia, Sdn. Bhd) acquired for that special purpose. The sale was at market value as determined by an independent third party, although it is shown in the Consolidated Financial Statements at acquisition cost.

As a result of the valuation obtained for these lands, the Group reversed the impairment loss of EUR 3,086 thousand, since the fair value turned out to be higher than its carrying value before such impairment.

Prior to the acquisition, Acerinox acquired from Bahru Stainless' minority shareholder (Hanwa, Co. Ltd.) its stake of 1.1874% for EUR 47 thousand. This means that at the time of the sale of Bahru the Group held 100% of the shares. The amount recognized under minority interests at the time of the sale amounted to EUR 458 thousand and therefore the difference was taken to reserves, as required by the accounting standard,

Cabaran Dunia, Sdn. Bhd.

As indicated in the previous section on the divestment of Bahru. Cabaran Dunia was acquired last year. Although this is a business combination, given its immateriality, it had no impact on the consolidated financial statements.

Acerinox Russia, LLC,

In 2024, the Group's trading company in Russia (Acerinox Russia, LLC) was definitively closed. This entity was no longer in business and no longer had any employees at the time of closing. The result from the liquidation of the Group's subsidiary in Russia resulted in a loss of EUR 196 thousand as a result of translation differences recorded in equity.

6.3 Subsidiaries and associates

Subsidiaries

At December 31, 2025 and 2024, in addition to Acerinox, S.A., the scope of consolidation of the Acerinox Group included 65 fully consolidated subsidiaries.

The detail of investments in associates in 2025 is as follows:

2025					
OWNERSHIP					
FULLY CONSOLIDATED COMPANIES	COUNTRY	COST (in thousands of euros)*	% NOMINAL VALUE	HOLDER OF OWNERSHIP INTEREST	AUDITORS
ACERINOX (SCHWEIZ) A.G.	Mellingen - Switzerland	327	100%	ACERINOX, S.A.	PwC
		598	90%	ACERINOX, S.A.	
ACERINOX ARGENTINA S.A.	Buenos Aires - Argentina	13	10%	INOXIDABLES DE EUSKADI, S.A.U.	Estudio Canil



2025

OWNERSHIP

FULLY CONSOLIDATED COMPANIES	COUNTRY	COST (in thousands of euros)*	% NOMINAL VALUE	HOLDER OF OWNERSHIP INTEREST	AUDITORS
ACERINOX AUSTRALASIA PTY. LTD.	Sidney - Australia	385	100%	ACERINOX, S.A.	
ACERINOX BENELUX S.A. - N.V.	Brussels - Belgium	209	99.98%	ACERINOX, S.A.	PwC
		0	0.02%	INOXIDABLES DE EUSKADI, S.A.U.	
ACX DO BRASIL REPRESENTAÇÕES, LTDA.	São Paulo - Brazil	373	100%	ACERINOX, S.A.	
		0	0.001%	INOXIDABLES DE EUSKADI, S.A.U.	
ACERINOX CHILE, S.A.	Santiago de Chile - Chile	7,545	100%	ACERINOX, S.A.	PwC
ACERINOX COLOMBIA, S.A.S.	Bogotá D.C. - Colombia	468	100%	ACERINOX, S.A.	
ACERINOX DEUTSCHLAND GMBH	Langenfeld - Germany	45,496	100%	ACERINOX, S.A.	PwC
ACERINOX EUROPA, S.A.U.	Algeciras - Spain	278,541	100%	ACERINOX, S.A.	PwC
		18,060	99.98%	ACERINOX, S.A.	PwC
ACERINOX FRANCE, S.A.S	Paris - France	0	0.02%	INOXIDABLES DE EUSKADI, S.A.U.	
ACERINOX INDIA PVT LTD.	Mumbai - India	155	100%	ACERINOX, S.A.	ISK & Associates
ACERINOX ITALIA S.R.L.	Milan - Italy	78,844	100%	ACERINOX, S.A.	Collegio Sindicale - Studio Revisori Associatti
ACERINOX METAL SANAYII VE TICARET L.S.	Gümüşsuyu / Beyoğlu - Turkey	150	100%	ACERINOX, S.A.	
ACERINOX MIDDLE EAST DMCC (DUBAI)	Dubai - United Arab Emirates	10	100%	ACERINOX, S.A.	HLB Hamt
ACERINOX PACIFIC LTD.	Wan Chai - Hong Kong	7,467	100%	ACERINOX, S.A.	PwC
		25,178	99.98%	ACERINOX, S.A.	PwC
ACERINOX POLSKA, SP. ZO.O.	Warsaw - Poland	0	0.02%	INOXIDABLES DE EUSKADI, S.A.U.	
ACERINOX SCANDINAVIA AB	Malmö - Sweden	31,909	100%	ACERINOX, S.A.	PwC
ACERINOX S.C. MALAYSIA SDN. BHD	Johor - Malaysia	19,475	100%	ACERINOX, S.A.	PwC
ACERINOX SHANGAI CO., LTD.	Shanghai - China	1,620	100%	ACERINOX, S.A.	Shanghai Shenzhou Dalong
ACERINOX (SEA), PTE LTD.	Singapore - Singapore	193	100%	ACERINOX, S.A.	PwC
ACERINOX U.K, LTD.	Birmingham - United Kingdom	28,504	100%	ACERINOX, S.A.	PwC
ACEROL - COMÉRCIO E INDÚSTRIA DE AÇOS INOXIDÁVEIS, UNIPESOAL, LDA.	Trofa - Portugal	15,828	100%	ACERINOX, S.A.	PwC
COLUMBUS STAINLESS (PTY) LTD.	Middelburg - South Africa	152,169	76%	ACERINOX, S.A.	PwC
CORPORACIÓN ACERINOX PERU, S.A.C.	Lima - Peru	794	100%	ACERINOX, S.A.	
INOX RE, S.A.	Luxembourg	1,225	100%	ACERINOX, S.A.	PwC
INOXCENTER CANARIAS, S.A.U.	Telde (Gran Canaria) - Spain	270	100%	INOXCENTER	PwC
INOXCENTER, S.L.U.	Barcelona - Spain	17,758	100%	ACERINOX, S.A.	PwC
INOXFIL, S.A.	Igualada (Barcelona) - Spain	24,745	100%	ROLDAN, S.A.	PwC
INOXIDABLES DE EUSKADI, S.A.U.	Vitoria - Spain	2,705	100%	ACERINOX EUROPA, S.A.U.	PwC
INOXPLATE - COMÉRCIO DE PRODUCTOS DE AÇO INOXIDÁVEL, UNIPESOAL, LDA.	Trofa - Portugal	8,493	100%	ACEROL - COMÉRCIO E INDÚSTRIA DE AÇOS INOXIDÁVEIS, UNIPESOAL, LDA.	
METALINOX BILBAO, S.A.U.	Galdácano (Vizcaya) - Spain	3,718	100%	ACERINOX, S.A.	PwC
NORTH AMERICAN STAINLESS INC.	Kentucky - USA	547,264	100%	ACERINOX, S.A.	PwC
NORTH AMERICAN STAINLESS CANADA, INC.	Canada	5,091	100%	NORTH AMERICAN STAINLESS INC.	PwC
NORTH AMERICAN STAINLESS MEXICO S.A. DE C.V.	Apodaca - N.L.Mexico	18,948	100%	NORTH AMERICAN STAINLESS INC.	PwC
NORTH AMERICAN STAINLESS FINANCIAL INVESTMENTS LTD.	Kentucky - USA	15	100%	ACERINOX, S.A.	
ROLDAN, S.A.	Ponferrada - Spain	11,050	100%	ACERINOX, S.A.	PwC
VDM METALS HOLDING GMBH	Werdohl - Germany	313,607	100%	ACERINOX, S.A.	PwC
VDM METALS INTERNATIONAL GMBH.	Werdohl - Germany	51,404	100%	VDM METALS HOLDING, GMBH.	PwC
VDM METALS GMBH	Werdohl - Germany	107,086	100%	VDM METALS HOLDING, GMBH.	PwC
VDM (SHANGHAI) HIGH PERFORMANCE METALS TRAD. CO. LTD.	Shanghai - China	200	100%	VDM METALS, GMBH.	Pan-China Certified Public Accounts
VDM HIGH PERFORMANCE METALS NANTONG CO. LTD.	Nantong - China	2,087	100%	VDM METALS INTERNATIONAL GMBH.	Pan-China Certified Public Accounts
VDM METALS AUSTRALIA PTY. LTD.	Mulgrave - Australia	1,322	100%	VDM METALS, GMBH.	
VDM METALS AUSTRIA G.M.B.H.	Bad Erlach - Austria	4,515	100%	VDM METALS, GMBH.	
VDM METALS BENELUX B.V.	Zwijndrecht - Netherlands	2,535	100%	VDM METALS, GMBH.	BDO
VDM METALS CANADA LTD.	Vaughan - Canada	336	100%	VDM METALS, GMBH.	
VDM METALS DE MEXICO S.A. DE C.V.	Naucalpan de Juarez - Mexico	30	100%	VDM METALS, GMBH.	Rocha Camarillo y Cia

2025

OWNERSHIP

FULLY CONSOLIDATED COMPANIES	COUNTRY	COST (in thousands of euros)*	% NOMINAL VALUE	HOLDER OF OWNERSHIP INTEREST	AUDITORS
VDM METALS FRANCE S.A.S.	Saint-Priest - France	8,465	100%	VDM METALS, GMBH.	
VDM UNTERSTÜTZUNGSKASSE GMBH	Werdohl, Germany	0	100%	VDM METALS, GMBH.	
VDM METALS ITALIA S.R.L.	Sesto San Giovanni - Italy	10,704	100%	VDM METALS, GMBH.	LawaL Studio Legale e Tributario Associato
VDM METALS JAPAN K.K.	Tokyo - Japan	178	100%	VDM METALS, GMBH.	
VDM METALS KOREA CO. LTD.	Seoul - Korea	103	100%	VDM METALS, GMBH.	Samdo
VDM METALS UK LTD.	Richmond - United Kingdom	100	100%	VDM METALS, GMBH.	Lubbock Fine
VDM METALS USA LLC	Florham Park - USA	27,649	100%	VDM METALS, GMBH.	PwC
HAYNES INTERNATIONAL INC.	USA	768,896	100%	NORTH AMERICAN STAINLESS INC.	PwC
LAPORTE CUSTOM METAL PROCESSING LLC	USA	12,426	100%	HAYNES INTERNATIONAL INC.	PwC
HAYNES INTERNATIONAL LTD.	Great Britain	2,962	100%	HAYNES INTERNATIONAL INC.	PwC
HAYNES INTERNATIONAL SARL	France	2,228	100%	HAYNES INTERNATIONAL INC.	Deloitte
HAYNES INTERNATIONAL AG	Switzerland	7,233	100%	HAYNES INTERNATIONAL INC.	PwC
HAYNES INTERNATIONAL SRL	Italy	23	100%	HAYNES INTERNATIONAL AG	
HAYNES PACIFIC PTE LTD	Singapore	921	100%	HAYNES INTERNATIONAL INC.	Thong & Lim
HAYNES INTERNATIONAL TRADING CO LTD	China	426	100%	HAYNES PACIFIC PTE LTD	Zongzincal Guanhua
HAYNES INTERNATIONAL CHINA CO LTD	China	1,868	100%	HAYNES PACIFIC PTE LTD	Zongzincal Guanhua
HAYNES INTERNATIONAL JAPAN KK	Japan	278	100%	HAYNES PACIFIC PTE LTD	
CABARAN DUNIA, SDN.BHD	Johor - Malaysia	0	100%	ACERINOX, S.A.	PwC

(*) Amounts are shown net of impairments

The activities of the Group companies are as follows:

- Acerinox, S.A.: is the parent company of the Acerinox Group and holds directly or indirectly the shares of the companies comprising the Group. As the parent company of the Group, it assumes the highest level of management and control over the Group's business operations, corporate functions, and overall coordination with other entities. It approves and supervises the strategic business areas. It is responsible for establishing, designing and developing the Group's policies and financial strategy, designing investment and environmental policies, defining the R&D strategy, overseeing the management services provided to subsidiaries and developing corporate governance policies. It also provides a range of corporate services, including legal, accounting and advisory services to all Group companies.
- Acerinox Europa, S.A.U.: manufacture and marketing of flat stainless-steel products.
- North American Stainless, Inc.: manufacture and marketing of flat and long stainless-steel products.
- Columbus Stainless (PTY) Ltd.: manufacture and commercialization of flat stainless-steel products.
- Roldan, S.A.: manufacture and marketing of long stainless-steel products.
- Inoxfil, S.A.: manufacture and marketing of stainless-steel wire.
- VDM Holding Metals GmbH: is the holding company of the group of companies comprising the VDM subgroup, which belongs to the High-Performance Alloys Division.
- VDM Metals International GmbH, a company wholly owned by VDM Holding Metals GmbH, procures the commodities required for the production of the high-performance alloys, markets the finished products and centralizes the VDM Group's research and development by directly managing and administering the business and outsourcing production to another of the entities that are part of the subgroup. The company also has a quality assurance department.
- VDM Metals GmbH, the owner of the production facilities, processes commodities into high-performance alloys on behalf of VDM Metals GmbH.
- Haynes International, Inc.: is the parent company of the Haynes Group dedicated to the manufacture of high-performance alloys, headquartered in the United States.
- Inox Re, S.A.: Reinsurance company.
- Inoxplate, Comercio de productos de Aço Inoxidáveis, Unipessoal Lda: owner of the industrial building in which the Group company in Portugal -Acerol, Comércio e indústria de Aços inoxidáveis- carries out its operating activities, for the lease of which it receives income.
- North American Stainless Financial Investment, Inc.: provision of foreign trade advisory services.



- Cabaran Dunia, Sdn. Bhd: this is a special purpose entity acquired in Malaysia after the sale of Bahru Stainless Sdn. Bhd. This company owns certain land previously owned by Bahru Stainless and intended for sale.
- The rest of the companies, which are direct or indirect affiliates of Acerinox, S.A., as well as the VDM and Haynes subgroup entities, engage in the marketing of stainless-steel products or high-performance alloys.

The detail of investments in associates in 2024 is as follows:

2024					
FULLY CONSOLIDATED COMPANIES	COUNTRY	COST (in thousands of euros)*	% NOMINAL VALUE	HOLDER OF OWNERSHIP INTEREST	AUDITORS
ACERINOX (SCHWEIZ) A.G.	Mellingen - Switzerland	327	100%	ACERINOX, S.A.	PwC
ACERINOX ARGENTINA S.A.	Buenos Aires - Argentina	598	90%	ACERINOX, S.A.	Estudio Canil
		13	10%	INOXIDABLES DE EUSKADI, S.A.U.	
ACERINOX AUSTRALASIA PTY. LTD.	Sidney - Australia	385	100%	ACERINOX, S.A.	
ACERINOX BENELUX S.A. - N.V.	Brussels - Belgium	209	99.98%	ACERINOX, S.A.	PwC
		0	0.02%	INOXIDABLES DE EUSKADI, S.A.U.	
ACX DO BRASIL REPRESENTAÇÕES, LTDA.	São Paulo - Brazil	373	100.00%	ACERINOX, S.A.	
		0	0.001%	INOXIDABLES DE EUSKADI, S.A.U.	
ACERINOX CHILE, S.A.	Santiago de Chile - Chile	7,545	100%	ACERINOX, S.A.	
ACERINOX COLOMBIA, S.A.S.	Bogotá D.C. - Colombia	468	100%	ACERINOX, S.A.	
ACERINOX DEUTSCHLAND GMBH	Langenfeld - Germany	45,496	100%	ACERINOX, S.A.	PwC
ACERINOX EUROPA, S.A.U.	Algeciras - Spain	608,641	100%	ACERINOX, S.A.	
		18,060	99.98%	ACERINOX, S.A.	PwC
ACERINOX FRANCE, S.A.S	Paris - France	0	0.02%	INOXIDABLES DE EUSKADI, S.A.U.	
ACERINOX INDIA PVT LTD.	Mumbai - India	155	100%	ACERINOX, S.A.	ISK & Associates
ACERINOX ITALIA S.R.L.	Milan - Italy	78,844	100%	ACERINOX, S.A.	Collegio Sindicale - Studio Revisori Associati
ACERINOX METAL SANAYII VE TICARET L.S.	Gümüşsuyu / Beyoğlu - Turkey	150	100%	ACERINOX, S.A.	
ACERINOX MIDDLE EAST DMCC (DUBAI)	Dubai - United Arab Emirates	10	100%	ACERINOX, S.A.	HLB Hamt
ACERINOX PACIFIC LTD.	Wan Chai - Hong Kong	7,467	100%	ACERINOX, S.A.	PwC
		25,178	99.98%	ACERINOX, S.A.	PwC
ACERINOX POLSKA, SP. ZO.O.	Warsaw - Poland	0	0.02%	INOXIDABLES DE EUSKADI, S.A.U.	
ACERINOX SCANDINAVIA AB	Malmö - Sweden	31,909	100%	ACERINOX, S.A.	PwC
ACERINOX S.C. MALAYSIA SDN. BHD	Johor - Malaysia	19,476	100%	ACERINOX, S.A.	PwC
ACERINOX SHANGHAI CO., LTD.	Shanghai - China	1,620	100%	ACERINOX, S.A.	Shanghai Shenzhou Dalong
ACERINOX (SEA), PTE LTD.	Singapore - Singapore	193	100%	ACERINOX, S.A.	PwC
ACERINOX U.K, LTD.	Birmingham - United Kingdom	28,504	100%	ACERINOX, S.A.	PwC
ACEROL - COMÉRCIO E INDÚSTRIA DE AÇOS INOXIDÁVEIS, UNIPESSOAL, LDA.	Trofa - Portugal	15,828	100%	ACERINOX, S.A.	PwC
COLUMBUS STAINLESS (PTY) LTD.	Middelburg - South Africa	241,725	76%	ACERINOX, S.A.	PwC
CORPORACIÓN ACERINOX PERU, S.A.C.	Lima - Peru	794	100%	ACERINOX, S.A.	
INOX RE, S.A.	Luxembourg	1,225	100%	ACERINOX, S.A.	PwC
INOXCENTER CANARIAS, S.A.U.	Telde (Gran Canaria) - Spain	270	100%	INOXCENTER	PwC
INOXCENTER, S.L.U.	Barcelona - Spain	17,758	100%	ACERINOX, S.A.	PwC
INOXFIL, S.A.	Igualada (Barcelona) - Spain	16,545	100%	ROLDAN, S.A.	PwC
INOXIDABLES DE EUSKADI, S.A.U.	Vitoria - Spain	2,705	100%	ACERINOX EUROPA, S.A.U.	PwC
INOXPLATE - COMÉRCIO DE PRODUCTOS DE AÇO INOXIDÁVEL, UNIPESSOAL, LDA.	Trofa - Portugal	9,193	100%	ACEROL - COMÉRCIO E INDÚSTRIA DE AÇOS INOXIDÁVEIS, UNIPESSOAL, LDA.	
METALINOX BILBAO, S.A.U.	Galdácano (Vizcaya) - Spain	3,718	100%	ACERINOX, S.A.	PwC
NORTH AMERICAN STAINLESS INC.	Kentucky - USA	546,798	100%	ACERINOX, S.A.	PwC
NORTH AMERICAN STAINLESS CANADA, INC.	Canada	5,091	100%	NORTH AMERICAN STAINLESS INC.	PwC
NORTH AMERICAN STAINLESS MEXICO S.A. DE C.V.	Apodaca - N.L.Mexico	18,948	100%	NORTH AMERICAN STAINLESS INC.	PwC
NORTH AMERICAN STAINLESS FINANCIAL INVESTMENTS LTD.	Kentucky - USA	15	100%	ACERINOX, S.A.	
ROLDAN, S.A.	Ponferrada - Spain	17,405	100%	ACERINOX, S.A.	PwC
VDM METALS HOLDING GMBH	Werdohl - Germany	313,460	100%	ACERINOX, S.A.	PwC



VDM METALS INTERNATIONAL GMBH.	Werdohl - Germany	51,404	100%	VDM METALS HOLDING, GMBH.	PwC
VDM METALS GMBH	Werdohl - Germany	107,086	100%	VDM METALS HOLDING, GMBH.	PwC
VDM (SHANGHAI) HIGH PERFORMANCE METALS TRAD. CO. LTD.	Shanghai - China	200	100%	VDM METALS, GMBH.	Pan China
VDM HIGH PERFORMANCE METALS NANTONG CO. LTD.	Nantong - China	2,087	100%	VDM METALS INTERNATIONAL GMBH.	Pan China
VDM METALS AUSTRALIA PTY. LTD.	Mulgrave - Australia	1,322	100%	VDM METALS, GMBH.	
VDM METALS AUSTRIA G.M.B.H.	Bad Erlach - Austria	4,515	100%	VDM METALS, GMBH.	
VDM METALS BENELUX B.V.	Zwijndrecht - Netherlands	2,535	100%	VDM METALS, GMBH.	BDO
VDM METALS CANADA LTD.	Vaughan - Canada	336	100%	VDM METALS, GMBH.	
VDM METALS DE MEXICO S.A. DE C.V.	Naucalpan de Juarez - Mexico	30	100%	VDM METALS, GMBH.	Rocha Camarillo y Cia
VDM METALS FRANCE S.A.S.	Saint-Priest - France	8,465	100%	VDM METALS, GMBH.	
VDM UNTERSTÜTZUNGSKASSE GMBH	Werdohl, Germany	0	100%	VDM METALS, GMBH.	
VDM METALS ITALIA S.R.L.	Sesto San Giovanni - Italy	10,704	100%	VDM METALS, GMBH.	LawaL Studio Legale e
VDM METALS JAPAN K.K.	Tokyo - Japan	178	100%	VDM METALS, GMBH.	
VDM METALS KOREA CO. LTD.	Seoul - Korea	103	100%	VDM METALS, GMBH.	Samdo
VDM METALS UK LTD.	Richmond - United Kingdom	100	100%	VDM METALS, GMBH.	Lubbock Fine
VDM METALS USA LLC	Florham Park - USA	27,649	100%	VDM METALS, GMBH.	PwC
HAYNES INTERNATIONAL INC.	USA	768,896	100%	NORTH AMERICAN STAINLESS INC.	PwC
HAYNES WIRE COMPANY, MOUNTAIN HOME NC	USA		100%	HAYNES INTERNATIONAL INC.	
LAPORTE CUSTOM METAL PROCESSING LLC	USA	14,600	100%	HAYNES INTERNATIONAL INC.	PwC
HAYNES INTERNATIONAL LTD.	Great Britain	3,481	0%	HAYNES INTERNATIONAL INC.	PwC
HAYNES INTERNATIONAL SARL	France	0	0%	HAYNES INTERNATIONAL INC.	Deloitte
HAYNES INTERNATIONAL AG	Switzerland	0	0%	HAYNES INTERNATIONAL INC.	PwC
HAYNES INTERNATIONAL SRL	Italy	0	0%	HAYNES INTERNATIONAL AG	PwC
HAYNES PACIFIC PTE LTD	Singapore	0	0%	HAYNES INTERNATIONAL INC.	Thong & Lim
HAYNES INTERNATIONAL TRADING CO LTD	China	0	0%	HAYNES PACIFIC PTE LTD	Zongzingcai Guanhua
HAYNES INTERNATIONAL CHINA CO LTD	China	2,195	100%	HAYNES PACIFIC PTE LTD	Zongzingcai Guanhua
HAYNES INTERNATIONAL JAPAN KK	Japan	245	100%	HAYNES PACIFIC PTE LTD	
CABARAN DUNIA, SDN.BHD	Johor - Malaysia	0	100%	ACERINOX, S.A.	

(*) Amounts are shown net of impairments

Affiliates

The detail of investments in associates in 2025 and 2024 is as follows:

AFFILIATES	OWNERSHIP			
	COUNTRY	COST (in thousands of euros)	% NOMINAL VALUE	HOLDER OF OWNERSHIP INTEREST
BETINOKS PASLANMAZ ÇELİK A.S.	Turkey	0	25%	ACERINOX, S.A.
MOL Katalysatortechnik GmbH	Germany	16	20.45%	VDM METALS, GMBH.
Evidal Schmöle Verwaltungsgesellschaft mbH	Germany	15	50%	VDM METALS, GMBH.

The associates are entities which are scanty material for the Group, the ownership interests in which are measured at cost, as the Group is not involved in their management and therefore, does not have their Financial Statements. The entity Betinoks Paslanmaz Celik, A.S., based in Turkey, is in the process of liquidation. MOL Katalysatortechnik, GmbH, based in Germany, engages in the production and distribution of mineral and metal catalysts. On the other hand, EVIDAL Schmöle Verwaltungsgesellschaft GmbH manages the pension funds of one of the former manufacturing companies.



6.4 Capital increases and reductions

The following capital increases were carried out during the year:

Acerinox Europa

The difficult situation of the European market, the increased imports as a result of the world tariff crisis and the downward pressure on prices have led Acerinox, S.A., the Group's parent company and sole shareholder, on December 22 this year, to carry out a capital increase with a share premium for a total amount of EUR 200,000 thousand in Acerinox Europa, S.A.U., domiciled in Spain. The capital increase, fully subscribed by Acerinox, S.A., was carried out by issuing 1 million shares with a par value of EUR 1 each and an issue premium of EUR 199,000 thousand (EUR 199 per share). This capital increase, like the one carried out the previous year, is a response to the existence of a situation of equity imbalance of the Company, derived from the decrease in the equity figure, which, according to the latest available financial information, would have been reduced to an amount of less than half of the capital stock at year-end.

The capital stock after the capital increase amounted to EUR 65,000 thousand and equity amounted to EUR 166,147 thousand at the year-end.

In turn, Acerinox, S.A. has recognized an increase in its investments in Group companies amounting to EUR 200,000 thousand, equivalent to the issue price of the shares, which does not differ from its carrying amount at that date.

Additionally, on December 12 of the previous year, a non-cash capital increase was carried out through a share premium, offsetting credits totaling EUR 430,000. This amount corresponds to a loan granted by Acerinox, S.A. to its subsidiary. The capital increase was carried out by issuing 2 million shares with a par value of EUR 1 each and an issue premium of EUR 428,000 thousand (EUR 214 per share).

Acerinox, S.A. recognized an increase in its investments in Group companies amounting to EUR 430,000 thousand, equivalent to the fair value of the capitalized credit, which did not differ significantly from its carrying amount at that date.

Roldán

In a meeting held in November 2025, the Board of Directors of Acerinox, S.A. approved a capital increase with share premium through the compensation of the credit right owned by Acerinox, S.A., majority shareholder of the Group company Roldan, S.A. As there are minority shareholders (representing 0.23% of the voting rights), an extraordinary shareholders' meeting was called on December 3. This Extraordinary Shareholders' Meeting of the Company was held on January 8, 2026 and approved the capital increase for a total of EUR 55,000 thousand, of which EUR 1,022 thousand corresponds to the par value of the new shares and EUR 53,978 thousand to the share premium. The capital increase was fully subscribed by Acerinox, S.A. with no preemptive subscription rights. On January 14, the aforementioned increase was notarized.

Due to the date on which the Meeting was held, this increase has not been recorded in this fiscal year.

Inoxfil

On December 22 of this year, Roldan, S.A., a Group company and sole shareholder, carried out a capital increase in Inoxfil, S.A.U. with a share premium for a total of EUR 8,200 thousand. The capital increase, fully subscribed by Roldan, S.A., was carried out by issuing 237,530 shares with a par value of EUR 4.21 each and a total issue premium of EUR 7,200 thousand (EUR 30.31 per share). This capital increase will allow Inoxfil to have greater liquidity to meet payments to its sole shareholder and main supplier. Roldan is Inoxfil's main supplier, as it provides the wire rod necessary for the manufacture of wire.

Roldan, S.A. has recognized an increase in its investments in Group companies amounting to EUR 8,200 thousand, equivalent to the fair value of the consideration given.



In the previous year, a non-cash capital increase was carried out with a share premium by offsetting receivables amounting to EUR 10,297 thousand corresponding to invoices pending payment by Inoxfil to its parent company, Roldán, S.A.

The capital increase was carried out by issuing 44,649 shares with a par value of EUR 4.21 each (EUR 188 thousand) and an issue premium of EUR 10,109 thousand (EUR 226.42 per share).

Inoxplate

During this year, as in 2024, the Group company Inoxplate, Lda, based in Portugal and wholly owned by the Portuguese company Acerol, Ltda, made a repayment of additional contributions to its parent company in the amount of EUR 700 thousand (2024: EUR 500 thousand).

With respect to 2024, in addition to those already mentioned in previous sections, we would have the following:

Bahru Stainless

In accordance with the sale and purchase agreement signed with Worldwide Stainless and as explained in **Note 6.2**, the agreement established a transfer of shares, on a cash-free, debt-free basis, which meant that Acerinox, S.A. had to settle all debts both with credit institutions and third parties. For this purpose, it was necessary to carry out two capital increases in USD equivalent to EUR 155,692 thousand.

Acerinox, S.A. recognized an increase in its investments in Group companies for the same amount equivalent to the fair value of the consideration given.

Acerinox Colombia, S.A.S.

Acerinox Colombia is a commercial office of the Group in Colombia. The activity of this company is not material for the Group. This company receives commissions on sales made in that country. In August last year, a capital increase of EUR 400 thousand was carried out in this company. The increase was made partly by means of a cash contribution of EUR 229 thousand and partly by offsetting loans granted. The equity of this company at the end of the year amounted to EUR 202 thousand.

Corporación Acerinox Perú, S.A.C.

This is a commercial office of the Group in Peru. This company receives commissions on sales made in that country. In October last year, a capital increase of EUR 480 thousand was carried out. The increase was made partly by means of a cash contribution of EUR 173 thousand and partly by offsetting loans granted (EUR 307 thousand). The equity of this company at the end of the year amounted to EUR 212 thousand.

NOTE 7 – 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 Group's operating segments also have separate Management.

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

- Stainless steels: includes both flat and long stainless steel products, as well as the production and sale of carbon steel in South Africa, which is not significant in the Group's figures as a whole.



- High-performance alloys: special alloys with high nickel content. This segment includes all the companies both in the VDM Metals subgroup as well as Haynes.

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

Last year, the Group, through its US subsidiary North American Stainless, acquired 100% of the shares of Haynes International, a group dedicated to the manufacture of high-performance alloys. This acquisition enables the Group to expand its activities in the alloys segment as well as in the United States. With regard to comparative information, due to the acquisition of the Haynes Group in November, it should be noted that only one month of the Group's activity was included in the consolidated income statement, compared to 12 months this year.

The "unallocated" segment includes the activities of the holding company that cannot be allocated to any of the specific operating segments. As described in **Note 1**, the main activity of the holding company, the parent company of the Acerinox Group, is to approve and oversee the strategic businesses. 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 a large portion of the Group's financing in Acerinox, S.A.

Revenue and all items reflected in the income statement 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 pretax income. 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.

7.1 Operational segments

Segment results for the year ended December 31, 2025 are as follows:

(Amounts in thousands of euros)

	2025				
	Stainless steel	High-performance alloys	Unallocated	Adjustments	Total
Income statement					
Revenue	4,143,772	1,705,161	4,568	-2,180	5,851,321
Inter-segment sales		-2,180		2,180	0
Total revenue	4,143,772	1,702,981	4,568	0	5,851,321
Gross profit from operations	264,257	134,459	-50,068		348,648
Depreciation and amortization charge	-117,295	-76,891	-1,286		-195,472
Impairment losses					0
Finance income	35,657	3,828	2,429		41,914
Finance costs	-28,528	-20,351	-44,548		-93,427
Exchange differences	513	-3,483	-8,792		-11,762
Impairment and loss on disposal of financial instruments	-100				-100
Pretax income	154,504	37,562	-102,265	0	89,801
Income tax	-124,220	-8,333	-11,465		-144,018
Consolidated profit (loss) for the year	30,284	29,229	-113,730	0	-54,217
Attributable to:					
Non-controlling interests					
	-14,143				-14,143
Net income (loss) attributable to the Group	44,427	29,229	-113,730	0	-40,074
Statement of financial position					
Segment assets	3,690,052	1,824,758	105,328		5,620,138
Investments accounted for using the equity method		390			390
Total consolidated assets	3,690,052	1,825,148	105,328	0	5,620,528
Segment liabilities	1,020,682	759,380	1,742,833		3,522,895
Total consolidated liabilities (excluding equity)	1,020,682	759,380	1,742,833	0	3,522,895
Property, plant and equipment	1,306,319	589,513	11,514	0	1,907,346
Investments in non-current assets	217,198	100,063	1,781	0	319,042

Unallocated liabilities essentially comprise the financial debt, which is mainly centralized in the parent company.

The data for 2024 are as follows:

(Amounts in thousands of euros)

	2024				
	Stainless steel	High-performance alloys	Unallocated	Adjustments	Total
Income statement					
Revenue	4,102,058	1,347,937	2,558	-1,286	5,451,267
Inter-segment sales		-1,286		1,286	
Total revenue	4,102,058	1,346,651	2,558	0	5,451,267
Gross profit from operations	451,074	117,422	-63,569		504,927
Depreciation and amortization charge	-122,412	-36,348	-1,150		-159,910
Impairment losses	3,086				3,086
Finance income	86,965	905	3,735		91,605
Finance costs	-43,136	-23,469	-42,529		-109,134
Exchange differences	-936	9,754	2,210		11,028
Pretax income	374,641	68,264	-101,303	0	341,602
Income tax	-109,449	-23,234	5,728		-126,955
Consolidated profit (loss) for the year	265,192	45,030	-95,575	0	214,647
Attributable to:					
Non-controlling interests					
	-10,299				-10,299
Net income (loss) attributable to the Group	275,491	45,030	-95,575	0	224,946
Statement of financial position					
Segment assets	4,212,498	2,044,735	211,696		6,468,929
Investments accounted for using the equity method		390			390
Total consolidated assets	4,212,498	2,045,125	211,696	0	6,469,319
Segment liabilities	1,141,043	936,350	1,816,855		3,894,248
Unallocated liabilities					
Total consolidated liabilities (excluding equity)	1,141,043	936,350	1,816,855	0	3,894,248
Property, plant and equipment	1,280,024	594,393	10,282		1,884,699
Investments in non-current assets	169,891	40,227	794		210,912

There are no significant items that have not been reflected in cash flows other than depreciation and amortization and impairment.

7.2 Geographical segments

Revenue from geographical segments is presented on the basis of customer location. Segment assets are determined by the geographical location of those assets.

The Group does not analyze the profitability of the different geographic areas in its business management and therefore does not consider this segment as an operating segment.

The data relating to geographical segments in 2025 is presented below:

(Amounts in thousands of euros)

2025

	Spain	Rest of Europe	America	Africa	Asia	Other	Total
Revenue by destination of goods	386,348	1,724,452	3,101,893	235,737	325,655	6,428	5,780,513
Segment assets	1,041,693	1,234,855	2,815,182	412,204	111,288	5,306	5,620,528
Property, plant and equipment	447,037	312,285	978,260	138,481	6,153	39	1,882,255
Investment property	150	9,025			15,916		25,091
Investments in non-current assets	40,174	66,146	194,530	18,172	20		319,042

The data for 2024 are as follows:

(Amounts in thousands of euros)

2024

	Spain	Rest of Europe	America	Africa	Asia	Other	Total
Revenue by destination of goods	328,206	1,597,160	2,837,610	290,818	351,211	8,123	5,413,128
Segment assets	1,367,797	1,363,408	3,187,534	409,498	135,732	5,350	6,469,319
Property, plant and equipment	447,872	283,225	985,839	134,854	792	51	1,852,633
Investment property	153	9,268			22,646		32,067
Investments in non-current assets	34,057	38,114	111,106	27,364	270		210,912

The Group sells its products in about 80 countries across the five continents. The Group's sales in each of the following countries exceeded 5% of total consolidated sales in 2025: the United States 43.45%, Germany 10.31%, and Spain 6.68%. The Group's sales in each of the following countries exceeded 5% of total consolidated sales in 2024: the United States 39.36%, Germany 11.40%, Canada 6.26%, Spain 6.06%, Mexico 5.73%, and South Africa 5.25%. These sales also include the sales of the high-performance alloys segment.

No single transaction with an external customer exceeded 10% of the Consolidated Group's total revenue for 2025 or 2024.

NOTE 8 – INTANGIBLE ASSETS

The detail of the main classes of intangible assets and of the changes therein is as follows:

(Amounts in thousands of euros)

COST	Development expenses	Industrial property	Computer applications and others	Customer relationships	Trademarks	SUBTOTAL	Goodwill (*)
Balance as of December 31, 2023	19,630	32,265	55,917	29,200		137,012	118,953
Business combinations		35,615		39,465	22,139	97,219	128,282
Acquisitions	1,520	176	1,944			3,640	
Liquidation through sale			-1,403			-1,403	
Disposals		-35	-568			-603	
Translation differences			241			241	
Balance as of December 31, 2024	21,150	68,021	56,131	68,665	22,139	236,106	247,235
Acquisitions	1,866	51	2,959			4,876	
Transfers				1,352		1,352	
Disposals	-216	-34	-1,409			-1,659	
Translation differences		-4,125	-184	-4,728	-2,564	-11,601	-14,860
Balance as of December 31, 2025	22,800	63,913	57,497	65,289	19,574	229,073	232,375
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSS	Development expenses	Industrial property	Computer applications and others	Customer relationships	Trademarks	SUBTOTAL	Goodwill
Balance as of December 31, 2023	10,393	26,977	50,840	7,463		95,673	-67,889
Allocation	990	555	2,159	1,957		5,661	
Liquidation through sale			-1,403			-1,403	
Disposals		-35	-434			-469	
Translation differences			209	2		211	
Balance as of December 31, 2024	11,383	27,497	51,371	9,422		99,673	-67,889
Allocation	990	2,929	2,020	4,689	1,477	12,105	
Transfers			-35	1,352		1,317	
Disposals		-34	-1,393			-1,427	
Translation differences		-102	-114	-279	-63	-558	
Balance as of December 31, 2025	12,373	30,290	51,849	15,184	1,414	111,110	-67,889
NET VALUE	Development expenses	Industrial property	Computer applications and others	Customer relationships	Trademarks	SUBTOTAL	Goodwill
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 December 31, 2024	21,150	68,021	56,131	68,665	22,139	236,106	247,235
Accumulated amortization and impairment losses	-11,383	-27,497	-51,371	-9,422		-99,673	-67,889
Carrying amount as of December 31, 2024	9,767	40,524	4,760	59,243	22,139	136,433	179,346
Cost as of December 31, 2025	22,800	63,913	57,497	65,289	19,574	229,073	232,375
Accumulated amortization and impairment losses	-12,373	-30,290	-51,849	-15,184	-1,414	-111,110	-67,889
Carrying amount as of December 31, 2025	10,427	33,623	5,648	50,105	18,160	117,963	164,486

(*) 2024 figures (business combination) restated due to the provisional closing of the goodwill valuation under IFRS-3 (See Note 6.1).

The amortization charge for the year is included under "depreciation and amortization charge" in the consolidated income statement.



At December 31, 2025, the Group has entered into agreements to acquire intangible assets amounting to EUR 1,343 thousand (2024: EUR 2,475 thousand).

Research and development expenses, patents and trademarks

Due to the nature of its activity and as stated in its mission, the Acerinox Group considers research, development and innovation to be strategic in nature. R&D&I projects are focused on three main areas: development of new products, improving processes to further improve quality, productivity and costs, and adapting processes to new technologies and sustainability through projects that contribute to the circular economy, decarbonization and waste recycling. Throughout 2025, Acerinox continued to develop new and enhanced value-added products, supported by more sustainable production pathways. Acerinox launched EcoACX® in 2024 as a direct response to industry demand for low-carbon solutions, enabling its customers to reduce their own Scope 3 emissions. During fiscal year 2025, the Company stepped up its communication efforts and commercial rollout. With the high-performance alloys division of VDM Metals and Haynes, efforts are integrated to leverage the available resources together in line with the company's overall purpose and strategy of fostering sustainable innovation and providing comprehensive solutions to its customers. The high-performance alloys division is a leader in R&D&I and patent creation, and focuses its R&D&I activities mainly on the development of tailor-made products in collaboration with its customers. This includes the development of new materials, as well as the identification of alloys with high performance potential and the optimization of key properties that can be classified for other applications. Most of the projects are carried out in collaboration with customers and research institutes which take part in the projects. The Group is working on the creation of joint work structures and more agile and flexible processes. Collaboration among the Group's R&D units—structured around expert clusters—fosters agility and cross-fertilization of ideas, enabling the rapid alignment of strategic and short-term R&D initiatives with evolving market needs, including emerging technologies such as carbon and hydrogen, and the expansion of the portfolio by leveraging the Group's capabilities.

The high-performance alloys division holds 77 patents following the merger of these two business groups (56 VDM and 19 Haynes). In the case of Haynes, the company has an approximate total of 19 published US patents and applications and approximately 237 foreign patents and counterpart applications targeted at countries with significant or potential markets for the patented products. Patents or other proprietary rights are an important element of the company's business. The company's strategy is to file patent applications in the United States and any other country that represents a significant commercial market. In addition, the company seeks to protect technology that is important to the development of its business. The company also relies on trade secret rights to protect its technologies and its development of new processes, applications and alloys. Trademarks have also been applied for or granted over the names of many of the company's alloys in the United States and some foreign countries. Haynes' purchase price allocation exercise determined a value for the technology and patents of EUR 35,615 thousand and EUR 22,139 thousand for the trademarks.

Certain research and development expenses incurred by the Group do not meet the criteria for capitalization and are therefore expensed as incurred, according to their nature. The total research, development and technological innovation (R&D&I) expenses recorded directly as expenses for the year and charged to the Group's income statement stood at EUR 25,534 thousand (2024: EUR 18,357 thousand).

The high-performance alloys division does, however, capitalize costs relating to certain R&D&I projects in which the research findings are used to produce new products and processes, or to significantly improve existing products and processes, provided that the product or process proves to be technically and commercially feasible, the Group has the resources required to complete the development program and it is considered that they will generate future cash flows that will enable their recovery. The total R&D&I expenditure capitalized in the year amounts to EUR 1,866 thousand, relating to 8 projects (2024: EUR 1,520 thousand, relating to 12 projects). The Group has 55 employees working on 182 R&D&I projects.

Customer relationships

This asset arose from the acquisition of both VDM and Haynes. The allocation of the acquisition price to the net assets and liabilities identified led to the identification of new intangible assets, arising from the valuation of the customer relationships, which had not been recognized for accounting purposes in the individual Financial Statements prior to such acquisitions. The multi-period excess earnings method was used for the valuation of this intangible asset.



In accordance with applicable regulations, the Group recognizes customer relationships as one of the most important intangible assets resulting from a business combination. Both assets were valued jointly in the acquisition price allocation process. The net book value totaled EUR 65,289 thousand at December 31, 2025 (December 31, 2024: EUR 68,665 thousand) of which EUR 39,465 thousand was recognized last year with the acquisition of Haynes, as explained in **Note 6.1**.

Goodwill

As a result of the business combination explained in **Note 6.1**, new goodwill in the amount of USD 130,418 thousand was recognized last year, which is added to the goodwill already existing to that date derived from the purchase of the VDM Group.

At December 31, 2025, the goodwill recognized in the balance sheet amounted to EUR 164,486 thousand, of which EUR 49,829 thousand relates to VDM and EUR 128,281 thousand to the acquisition of Haynes last year. As explained in **Note 6.1**, this year, the Group has definitively completed the valuation year at fair value of the net assets acquired and the determination of goodwill, with no significant variations with respect to the values obtained at the close of 2024. The only value adjusted with respect to the provisional values estimated at the end of the last fiscal year was the deferred tax liabilities recognized as a result of the increase in the value of the assets and liabilities recognized, amounting to EUR 2,136 thousand.

At the end of this fiscal year, Haynes' goodwill totaled EUR 113,422 thousand. The variation from its initial value is due to the USD exchange rate because the goodwill is denominated in that currency.

Regarding the allocation of goodwill to Cash Generating Units. In the case of the goodwill arising from the business combination of VDM in the amount of EUR 49,829 thousand, it was attributed to the cash-generating unit (CGU) of the VDM subgroup, which as a whole belongs to the high-performance alloys segment. The cash generated in 2024 from acquiring Haynes was attributed this year, following the provisional closing, to the Haynes subgroup, also belonging to the high-performance alloys segment, as it is expected to benefit from the synergies of the business combination and there is no lower cash-generating unit.

In allocating goodwill, the Group has taken into account the following aspects:

- The CGU must represent the lowest level of the entity managed by the company's Management and on which the entity makes decisions.
- It must not exceed the operating segment recognized for the acquired business.

8.1 Impairment of goodwill

The Group estimates the recoverable amount of goodwill on an annual basis, or more frequently where indications of possible impairment are identified. Accordingly, goodwill is allocated to each of the cash-generating units (CGUs) of the company to which the economic benefits of the business combination synergies are expected to flow. A CGU is defined as each of the Group's subsidiaries. As explained above, in the case of the Haynes International Group and the VDM Metals Group, each of these subgroups is defined as a CGU, as this is the lowest level of cash generation managed by the Company's Management and on which the company makes decisions.

The recoverable amount of a CGU is determined on the basis of the calculation of its value in use.

The value in use calculations use cash flow projections based on financial budgets approved by Management. Cash flows beyond the explicitly budgeted period are extrapolated using the estimated growth rates indicated below. The terminal value is calculated by taking into consideration average amounts calculated on the basis of figures achieved in the past and also in the budgeted period, especially when there are significant approved investments.

The book value of the CGU is calculated by considering intangible assets, property, plant and equipment, and operating working capital (inventories plus customers minus suppliers).

VDM

The goodwill resulting from the acquisition of the VDM Group in 2020, amounting to EUR 49,829 thousand, has been allocated to the cash-generating unit (CGU) of the VDM subgroup, which belongs as a whole to the high-performance alloys segment.



The Group prepares annual budgets considering estimated sales and production volumes based on current capacities, in accordance with existing machinery and equipment, as well as approved investment projects.

This fiscal year, nine-year budgets were proposed to consistently demonstrate, both in investments and their corresponding expected returns, the expansion plans underway and approved by the Board of Directors for VDM Metals, as detailed in Note 9.

The budgets consider the evolution of both future demand and prices by market, contrasted with estimates from independent industry experts, such as SMR (Steel Metals and Market Research). Management determines production costs by taking into account the current situation, the efficiency plans implemented and future price developments. Commodities are estimated at constant prices.

The Group has revised its nine-year estimates to adapt them to new market circumstances, price levels.

The discount rates used are pretax values and reflect specific risks relating to the relevant segments.

With a sales volume exceeding 38.6 thousand metric tons in 2025 (2024: 40.5 thousand metric tons), VDM Metals continued to be the leading global manufacturer of nickel alloys.

In 2025, the high-performance alloys market experienced a markedly weaker year compared to prior periods. The oil and gas sector was inactive due to a lack of new projects, although turnover was even higher than in 2024.

The chemical processing market registered significantly weaker demand. The automotive and electronics sectors remained stable; however, previously strong OLED and fuel cell applications recorded softer demand.

The Group is confident that the flows to perpetuity will materialize, mainly in terms of its use of production capacity and margins, using a perpetuity growth rate (g) of 2% in line with expected long-term inflation for the main markets in which VDM operates.

The key assumptions used to calculate the value in use were as follows:

	2025	2024
Planned EBIT margin (*)	10.0%	9.5%
Weighted average growth rate, g (**)	2.0%	2.0%
Pretax discount rate (***)	11.3%	11.2%
After-tax discount rate (***)	8.5%	8.0%

(*) Five-year budgeted average EBIT margin. EBIT is defined as profit or loss from operations and expressed as a margin or percentage of revenue.

(**) Rate used to extrapolate cash flows beyond the budgeted period.

(***) Discount rate: weighted average cost of capital (WACC).

The discount rate (WACC or weighted average cost of capital) was calculated on the basis of the interest rates of the German sovereign debt (twenty-year treasury bond) as well as the main geographies where VDM sells and a capital structure, market risk premiums and ratios of similar companies.

With respect to the terminal value, adjustments were performed to obtain flows to perpetuity, depreciation and amortization were matched to the investments and changes in working capital were also calculated based on average amounts, deemed consistent in the long term, increased by the growth rate (g).

Another assumption is the price of commodities, particularly nickel, which is set when drawing up the budget. This is extrapolated and remains constant during the period of analysis.

The recorded carrying value of net assets is EUR 824,948 thousand. It consists of goodwill amounting to EUR 49,829 thousand, fixed assets amounting to EUR 325,021 thousand, and the remainder corresponds to working capital (current assets and liabilities).

The impairment test performed at December 31, 2025 reflects a recoverable amount higher than the carrying amount. Consequently, it is not necessary to recognize any impairment losses on goodwill.

To achieve an impairment of the carrying amount, the pretax discount rate (WACC) would have to be increased by 23.3% to 10.5%, while maintaining the growth rate (g). If we were to equal the growth rate (g) to



0, the discount rate (WACC) would have to be reduced by 17.3%. The planned average EBIT margin would have to be reduced by 22.2% to 7.8%, with the other two assumptions remaining unchanged.

Haynes

The goodwill resulting from the acquisition of the Haynes International Group in 2024, amounting to USD 133,271 thousand (EUR 113,422 thousand), has been allocated to the cash-generating unit (CGU) of the Haynes subgroup, which belongs as a whole to the high-performance alloys segment.

The Group prepares annual budgets considering estimated sales and production volumes based on current capacities, in accordance with existing machinery and equipment, as well as approved investment projects.

This year, 5-year budgets have been proposed that take into account the investment announced at the time of the purchase, of approximately USD 200 million, to expand its production platform in the USA. The aim of this investment is to increase capacities and develop synergies with the stainless steel division.

The budgets consider the evolution of both future demand and prices by market, contrasted with estimates from independent industry experts, such as SMR (Steel Metals and Market Research). Management determines production costs by taking into account the current situation, the efficiency plans implemented and future price developments.

The Group has revised its five-year estimates to adapt them to new market circumstances, price levels.

The discount rates used are pretax values and reflect specific risks relating to the relevant segments.

In 2025, the high-performance alloys market experienced a markedly weaker year compared to prior periods. However, the aerospace industry, in which Haynes International has a major presence, showed a positive trend, leading to better results than in 2024. Expected future growth rates in this sector of around 7% allow us to be optimistic about future projections.

The Group is confident that the flows to perpetuity will materialize, mainly in terms of its use of production capacity and margins, using a perpetuity growth rate (g) of 2.4% in line with expected long-term inflation for the main markets in which Haynes operates.

The key assumptions used to calculate the value in use were as follows:

	2025
Planned EBIT margin (*)	12.9%
Weighted average growth rate, g (**)	2.4%
Pretax discount rate (***)	12.8%
After-tax discount rate (***)	9.5%

(*) Five-year budgeted average EBIT margin. EBIT is defined as profit or loss from operations and expressed as a margin or percentage of revenue.

(**) Rate used to extrapolate cash flows beyond the budgeted period.

(***) Discount rate: weighted average cost of capital (WACC).

The discount rate (WACC or weighted average cost of capital) was calculated on the basis of the interest rates of the North American sovereign debt (ten-year treasury bond), as well as the main geographies where Haynes sells, and a capital structure, market risk premiums and ratios of similar companies.

With respect to the terminal value, adjustments were performed to obtain flows to perpetuity, depreciation and amortization were matched to the investments and changes in working capital were also calculated based on average amounts, deemed consistent in the long term, increased by the growth rate (g).

Another assumption is the price of commodities, particularly nickel, which is set when drawing up the budget. This is extrapolated and remains constant during the period of analysis.



The recorded carrying value of net assets is USD 960,084 thousand. It consists of goodwill amounting to USD 133,271 thousand, fixed assets amounting to USD 445,842 thousand, and the remainder corresponds to working capital (current assets and liabilities).

The impairment test performed at December 31, 2025 reflects a recoverable amount higher than the carrying amount. Consequently, it is not necessary to recognize any impairment losses on goodwill.

To achieve an impairment of the carrying amount, the pretax discount rate (WACC) would have to be increased by 3.8% to 9.9%, while maintaining the growth rate (g). The growth rate (g) would need to be reduced by 30.6% to 1.7% to trigger impairment, with all other assumptions unchanged. The planned average EBIT margin would have to be reduced by 4.4% to 12.4%, with the other two assumptions remaining unchanged.

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

The detail of the various items of property, plant and equipment and of the changes therein in 2025 and 2024 is shown in the following table:

COST	Land and buildings	Plant and machinery	Other items of property, plant and equipment	Property, plant and equipment in the course of construction	TOTAL
Balance as of December 31, 2023	1,008,565	4,707,677	200,509	125,480	6,042,231
Business combinations	98,771	468,910	2,150	21,132	590,963
Hyperinflation adjustments	457	82	169		708
Additions	2,107	38,718	16,428	150,019	207,272
Decommissioning provision	-7,308				-7,308
Transfers	-6,024	-105,100	7,098	-83,075	-187,101
Liquidation through sale	-158,805	-492,766	-9,414	-387	-661,372
Disposals	-269	-13,011	-2,003	-179	-15,462
Translation differences	32,917	171,161	2,957	4,336	211,371
Balance as of December 31, 2024	970,411	4,775,671	217,894	217,326	6,181,302
Hyperinflation adjustments	170	30	64		264
Additions	5,860	63,813	12,008	232,485	314,166
Transfers	23,898	59,969	6,828	-90,902	-207
Disposals	-318	-54,291	-8,027	-366	-63,002
Translation differences	-51,530	-287,642	-5,049	-15,510	-359,731
Balance as of December 31, 2025	948,491	4,557,550	223,718	343,033	6,072,792
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
Balance as of December 31, 2023	595,319	3,844,499	130,150	364	4,570,332
Business combinations	35,622	220,692	631		256,945
Allocation	18,837	120,193	8,022		147,052
Reversal of impairment losses	-3,086				-3,086
Hyperinflation adjustments	294	67	158		519
Transfers		-165,962	6		-165,956
Liquidation through sale	-136,121	-490,089	-9,414	-387	-636,011
Disposals	-213	-8,969	-1,702		-10,884
Translation differences	21,904	145,356	2,476	23	169,759
Balance as of December 31, 2024	532,556	3,665,787	130,327	0	4,328,670
Business combinations					0
Allocation	20,429	137,519	17,256		175,204
Reversal of impairment losses					0
Hyperinflation adjustments	118	24	60		202
Transfers					0
Liquidation through sale					0
Disposals	-6,181	-49,386	-7,890		-63,457



Translation differences	-29,656	-216,671	-3,755		-250,082
Balance as of December 31, 2025	517,266	3,537,273	135,998	0	4,190,537
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
Cost as of December 31, 2023	1,008,565	4,707,677	200,509	125,480	6,042,231
Accumulated amortization and impairment losses	-595,319	-3,844,499	-130,150	-364	-4,570,332
Carrying amount as of December 31, 2023	413,246	863,178	70,359	125,116	1,471,899
Cost as of December 31, 2024	970,411	4,775,671	217,894	217,326	6,181,302
Accumulated amortization and impairment losses	-532,556	-3,665,787	-130,327		-4,328,670
Carrying amount as of December 31, 2024	437,855	1,109,884	87,567	217,326	1,852,632
Cost as of December 31, 2025	948,491	4,557,550	223,718	343,033	6,072,792
Accumulated amortization and impairment losses	-517,266	-3,537,273	-135,998		-4,190,537
Carrying amount as of December 31, 2025	431,225	1,020,277	87,720	343,033	1,882,255

The amortization charge for the year is included under "depreciation and amortization charge" in the consolidated income statement.

The difference between the "depreciation and amortization charge" included in the consolidated income statement and consolidated statement of cash flows and the sum of the amounts charged reflected in the tables relating to property, plant and equipment, intangible assets, investment property and right-of-use assets is mainly due to the hyperinflation adjustments made to all the profit or loss items of the Argentine entity, which, in the case of the depreciation and amortization charge, amount to EUR 16 thousand (2024: EUR 20 thousand).

Any impairment of property, plant and equipment and goodwill is included under a separate, specific heading in the consolidated income statement.

Business combinations

As explained in **Note 6.1**, as a result of acquiring the Haynes Group last year and in application of the business combination standard, the Group estimated the fair value of all the assets and liabilities of the acquired Group. With respect to property, plant and equipment, the fair value estimates made by the independent expert based on the replacement value method less accumulated depreciation, generated a revaluation of fixed assets over the book values of the acquired entity of EUR 192,084 thousand. The amount of property, plant and equipment included in the Group's Financial Statements as a result of the business combination amounted to EUR 334,019 thousand.

Investments

The investments made this year in both property, plant and equipment and intangible assets amounted to EUR 319,042 thousand. These investments include the acquisition and installation of new equipment. These investments are often aimed at improving efficiency and productivity, but they are also strategic, allowing for future growth and focusing on sustainability by reducing energy consumption. The investments in the different plants are as follows: Acerinox Europa EUR 35 million; North American Stainless EUR 160 million (mainly focused on increasing production by 20%); Columbus Stainless EUR 18 million; VDM 65 million (highlighting investments to increase production by 15%); Haynes EUR 35 million (included in the plan to grow in long products and in the aerospace sector); Roldán EUR 5 million; and Inoxfil EUR 247 thousand.

The investments made in 2024 in both property, plant and equipment and intangible assets amounted to EUR 210,912 thousand. These investments include both the acquisition and installation of new equipment and recurrent maintenance expenditure investments. In the case of Acerinox Europa, the total amount of investments (including maintenance) was EUR 27 million, related to improvements and extensions made to several production lines. The investments made by the company North American Stainless amounted to EUR 108 million, of which EUR 74 million corresponded to the investment plan approved at the beginning of this year, and EUR 34 million to recurring investments in maintenance. At Columbus Stainless, investments for the year amounted to EUR 27 million. Finally, VDM invested EUR 37 million in 2024, EUR 8 million corresponding to the approved investment plan and EUR 29 million to recurring maintenance investments.



The main investment projects within the Group are as follows:

NAS expansion project

In January 2023, the Group announced an investment of USD 244 million in NAS to increase production capacity by 20%. The new equipment will be aimed at increasing the volume of flat products.

The NAS expansion project is in its third year of implementation:

- The expansion phase of the melting shop has been completed and the facility is now fully operational.
- The AP2 annealing and pickling line underwent three major shutdowns in 2025 for the installation of the cooling chamber and shot blasting units.
- Construction of the new cold rolling mill was completed in 2025, with commissioning scheduled for the first quarter of 2026. The first coil is expected to be produced in February.
- Finally, mechanical installation of the Skin-Pass finishing line is nearly complete, with electrical works scheduled for the first quarter of 2026.

Additionally, as part of its expansion plan and integration with Haynes, NAS has the following investment approved and underway:

- **Kocks:** Long product hot rolling block that will allow the processing of special stainless steels and high-performance alloys at NAS.

VDM Metals expansion plan

Following the EUR 67 million investment in VDM Metals announced in January 2024 to increase sales by 15%, the Group continues to advance in the execution of its strategic plan.

The new powder sprayer project at the Unna facility, dedicated to increase the production of powders for additive manufacturing, has overcome prior administrative delays and received the necessary regulatory approvals. Construction is scheduled to begin in February 2026, with full commissioning expected in the second quarter of 2027.

Welding wire production in Werdohl has been operational since December 2024. At the same facility, the strip capacity expansion was completed on schedule and has been operational since August 2025.

Regarding other investments, the new bar production line in Altena remains on track to begin production in the first quarter of 2026. Finally, installation of the remelting plant in Unna is progressing as planned, with production expected to commence in the third quarter of 2026.

Haynes expansion project

In 2025, Acerinox announced an investment of approximately USD 200 million over the coming years in its new US platform to expand its long products offering and strengthen its position in the aerospace sector, while also generating synergies.

- **VIM:** Regarding Vacuum Induction Melting (VIM) technology, procurement has begun for the long-lead components required for its installation. This type of furnace is essential for producing ultra-high-purity materials, as the melting process takes place in a vacuum chamber that eliminates external contamination and ensures the critical properties required in alloys for highly demanding applications.
- **Rotary forging:** The plant layout design has been finalized, defining the optimal equipment positioning to maximize workflow efficiency. A major milestone in the fabrication of the primary machinery has been reached with the casting of the forging frame. This component forms the structural base of the machine and is engineered to withstand the extremely high pressures required to shape the alloys. With the casting now complete, one of the most critical stages in the manufacturing process has been successfully concluded.

- **Finishing lines:** The selection of the primary equipment for processing high value-added bar products has been completed. The addition of a new bar peeling machine and a straightening machine is essential to ensure dimensional accuracy and product straightness, meeting the stringent quality standards of the aerospace sector.

Liquidation through sale

In relation to the sale of Bahru Stainless carried out the previous year and discussed in **Note 6.2**, the cost of the property, plant, and equipment removed from the balance sheet as a result of this divestment amounted to EUR 661,371 thousand, with the net carrying value being EUR 25,361 thousand.

Property, plant and equipment in the course of construction

The detail of the investments classified under this heading is as follows:

(Amounts in thousands of euros)

	2025	2024
Buildings	47,666	29,944
Plant and machinery	277,800	180,960
Other items of property, plant and equipment	17,567	6,422
TOTAL	343,033	217,326

Of the total amount recognized under this heading, of note are EUR 20,745 thousand in Acerinox Europa (2024: EUR 27,087 thousand) and EUR 192,355 thousand in the American company North American Stainless, as a result of the investment plan approved in 2023 (2024: EUR 108,109 thousand), EUR 8,385 thousand in Roldan (2024: EUR 5,309 thousand), EUR 19,085 thousand from Columbus (2024: EUR 27,333 thousand) and EUR 59,534 thousand in VDM (2024: EUR 37,290 thousand) and EUR 42,929 thousand in the Haynes Group due to the new investment plans approved at the time of the purchase and which are in progress (2024: EUR 22,919 thousand).

The total amount of transfers carried out from fixed assets in progress this year amounted to EUR 90,901 thousand, which include EUR 21,628 of Acerinox Europa, which mainly correspond to the upgrade of the ZM-6 rolling mill, the implementation of process control on the hot rolling line, and the purchase of a Kirow truck for material handling operations. In the case of North American Stainless the transfers amounted to 40,636 of NAS mainly corresponding to the expansion of the steelworks building, the bridge crane, and the loading dock, among others. EUR 9,590 thousand in Columbus and EUR 14,590 thousand in VDM (2024: EUR 83,074 thousand, among which EUR 18,513 thousand in Acerinox Europa, which mainly correspond to, among others, a refractory building and a crane for the handling of melting shop materials, EUR 42,971 thousand in North American Stainless corresponding among others to a gantry crane, improvements in the hot rolling annealing furnace, EUR 7,681 thousand in VDM and EUR 7,356 thousand in Columbus).

Property, plant and equipment located outside Spain

The detail of the property, plant and equipment, including investment property, located outside Spain is as follows:

(Amounts in thousands of euros)

	2025		2024	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Land and buildings	661,586	-336,417	689,942	-349,190
Plant and machinery	3,089,060	-2,330,853	3,302,505	-2,458,355
Other items of property, plant and equipment	162,087	-80,523	158,644	-76,720
Property, plant and equipment in the course of construction	313,903		186,249	
TOTAL	4,226,636	-2,747,793	4,337,340	-2,884,265



Changes in estimates

As explained in **Note 3**, the Group periodically reviews estimated useful lives based on the valuations conducted by experts from the appropriate entity.

No useful lives were written down in the Group during this year or last year.

Guarantees

None of the Group's assets had been pledged to secure loans at December 31, 2025 or 2024.

Obligations and commitments

At December 31, 2025, the Group had entered into agreements to acquire new equipment and facilities for EUR 279,861 thousand, among which the following stand out: EUR 71,330 thousand relating to the investments made by North American Stainless, EUR 17,589 thousand are investments contracted by Acerinox Europa, EUR 14,260 thousand corresponding to Columbus, EUR 27,490 thousand to the VDM Group, and EUR 147,549 thousand to the Haynes Group.

At December 31, 2024, the Group had entered into agreements to acquire new equipment and facilities for EUR 194,448 thousand, among which the following stood out: EUR 101,021 thousand relating to the investments made by North American Stainless as a result of the approved investment plan, EUR 17,420 thousand by Acerinox Europa, EUR 27,658 thousand by Columbus, EUR 31,104 thousand to the contracts made by the VDM Group and EUR 16,643 thousand by the Haynes Group.

Capitalization of borrowing costs

The capitalized interest amounted to EUR 345 thousand this year, mainly relating to Columbus Stainless (EUR 208 thousand) and to the Haynes Group (EUR 136 thousand) (2024: EUR 154 thousand related to Columbus and EUR 141 thousand to Haynes). The capitalization rate in 2025 was 7.75% (2024: 7.97%).

Disposals of property, plant and equipment

Losses on the sale or retirement of property, plant and equipment recognized under "other operating income" in the consolidated income statement for 2025 amount to EUR 1,104 thousand (2024: EUR 849 thousand), which mostly correspond to the removal of fixed assets from the Group's warehouses, either because they are obsolete or because they have been used for maintenance work.

The gain on the sale or retirement of property, plant and equipment recorded in the income statement in 2025 under "Other operating income" amounts to EUR 193 thousand (2024: EUR 259 thousand).

Environment

The items of property, plant and equipment, the purpose of which is to minimize environmental impact and protect and improve the environment at December 31, 2025 and 2024 were as follows:

(Amounts in thousands of euros)

Nature and purpose	2025		2024	
	Gross value	Accumulated depreciation	Gross value	Accumulated depreciation
Water treatment	93,509	-79,826	100,099	-86,166
Acid neutralization	50,065	-41,976	53,902	-44,984
Treatment of gaseous emissions	95,283	-77,111	100,635	-93,227
Automatic addition system	3,942	-3,880	8,719	-7,728
Other elements	161,399	-125,018	159,793	-110,592
Total	404,198	-327,811	423,148	-342,697

In 2025, the Group received an environmental grant of EUR 15,611 thousand, mostly related to offsetting the costs of indirect greenhouse gas emissions. In 2024, EUR 14,083 thousand were received for the same concept. Both grants were recognized as income in the year under "other operating income".



In 2025, the Group incurred ordinary environmental expenses of EUR 145,903 thousand (2024: EUR 106,231 thousand).

Property, plant and equipment not used in operations

The Group has as property, plant and equipment the assets classified as investment property and explained in **Note 10**.

Other disclosures

There were no legal proceedings, attachments or similar measures that could affect items of property, plant or equipment at December 31, 2025 or 2024.

The Group companies have taken out several insurance policies to cover the risks to which their property, plant and equipment are subject. It is considered that these policies sufficiently cover such risks.

9.1 Impairment losses

As established in IAS 36, and as mentioned in the accounting policies (**Note 2.11**), at each reporting date the Group assesses whether there is any indication that its assets might have become impaired. The value of an asset is impaired when its book value exceeds its recoverable amount.

Property, plant and equipment represent 33% of the Group's total assets. A breakdown by company shows that entities showing signs of impairment represent 29.13% of the Group's total property, plant and equipment:

SUBSIDIARIES / CGUs	2025	2024
ACERINOX EUROPA, S.A.U.	20.19%	20.49%
ROLDAN, S.A.	1.52%	1.56%
INOXFIL, S.A.	0.16%	0.14%
NORTH AMERICAN STAINLESS INC.	34.76%	33.65%
COLUMBUS STAINLESS PTY Ltd.	7.26%	7.16%
VDM METALS GROUP	15.19%	13.75%
HAYNES GROUP	15.72%	17.79%
Other subsidiaries	5.20%	5.46%
TOTAL	100.00%	100.00%

Individual assets do not generate cash inflows on their own, since the completion of the entire production process is necessary to obtain the finished products that allow cash flows to be obtained through their sale. Therefore, impairment is not estimated on an individual basis but by allocating assets to cash-generating units. In the case of factories, the smallest cash-generating units that can be considered encompass each factory as a whole.

As mentioned in Note 4, the uncertain conditions and challenges, especially in the European stainless-steel markets, have given rise to signs of a negative impacts in the Group's plants. These include Columbus Stainless in South Africa and Acerinox Europa, Roldan and Inoxfil in Spain.

Acerinox Europa, S.A.U.

Acerinox Europa was incorporated in 2011 as a result of the spin-off of the manufacturing activity of Acerinox, S.A., and its main assets are the facilities located in Campo de Gibraltar. The Acerinox Europa factory was the first integral stainless-steel factory in the world. The knowledge and experience gained during its design and execution played a pivotal role in the establishment of other factories within the Group. It is the leading stainless-steel producer in the Spanish market.

The integrated flat product plant has melting shop, hot rolling and cold rolling facilities. Its theoretical installed capacity is one million metric tons in melting shop and 660,000 metric tons in cold rolling. It manufactures flat stainless-steel products in various types of steel, formats, thicknesses and finishes.

Acerinox Europa is strategically located on the Strait of Gibraltar and has access to the Atlantic and the Mediterranean as well as its own seaport. The company supplies flat products all over the world, with a focus



on the European continent, as well as semi-finished products to other plants within the Group's production network, primarily to the Acerinox Group's long products plant in Spain (Roldan).

In light of the market conditions and financial results of recent years, the Group put forward the idea that a new organizational and production model would need to be implemented at the Acerinox Europa factory. But in the year 2024, as part of the collective bargaining agreement negotiations, the factory was shut down for five months due to a strike called by the workers' representatives. This prevented us from carrying out the strategic plans proposed by Management to ensure the plant's viability.

Finally, on July 1, 2024, Acerinox Europa and the Works Council signed the IV Collective Bargaining Agreement for the staff. This agreement, which runs until December 31, 2027, allows for the introduction of the flexibility measures necessary to implement the new business model. The main aim is to recover productivity through greater flexibility and versatility of the workforce, in order to increase production and sales of higher value-added products.

The steel industry in Europe reached a critical turning point in 2025, and 2026 is shaping up to be the key year for either an industrial revival following years of crisis. This revival is not merely a question of market dynamics, but the result of a bet on reindustrialization and strategic autonomy by the European Commission.

In December, the Council of the European Union adopted a negotiating mandate with the European Parliament on the Regulation addressing the adverse effects of global overcapacity on the EU steel market. The new Regulation is designed to replace the existing steel safeguard measure, which is due to expire on June 30, 2026.

The EU Council's mandate retains the main protective elements of the Commission's proposal, specifically a significant reduction in import quotas (capping duty-free import volumes at 18.3 million metric tons per year), representing a 47% reduction compared to the current quotas (55% for stainless steel), and an increase in the out-of-quota tariff to 50%, up from the current 25% safeguard tariff.

This measure is complemented by the CBAM (*Carbon Border Adjustment Mechanism*). Its aim is to ensure that steel (and other products) entering Europe pays the same price for CO₂ emissions as steel manufactured on European soil.

From 2026, importers are required to purchase CBAM certificates, the price of which is linked to the price of emission allowances on the European market (ETS).

The Group expects the European Commission's recent decisions to mark a decisive turning point for the industry. For the first time in recent years, the regulatory framework is aligned with the industrial realities of companies such as Acerinox, which have prioritized operational excellence and sustainability.

The stainless steel market maintained low levels of activity throughout 2025. The expected recovery following the prolonged period of inventory adjustment that began in the second half of 2022 failed to materialize, having driven inventories to all-time lows in Europe in 2024—levels that remained relatively stable throughout the year.

Apparent consumption in Europe increased by approximately 7% in 2025 compared to 2024; however, growth was primarily driven by imports in anticipation of regulatory changes in the European Union ahead of 2026. Imports reached levels close to 25% market share, although the Group expects these levels to fall to 15% once the new trade defense measures come into force.

In this context, Management has requested a valuation by an independent expert (Kroll Advisory, S.L.), who has determined the recoverable amount of the assets based on their value in use, pursuant to IAS 36. The recoverable amount has been calculated using a value-in-use approach, based on an analysis of the Discounted Cash Flow, as detailed below.

The independent expert has performed an asset impairment analysis by reviewing the budgets and scenarios prepared by Management, as well as their future evolution, and has contrasted the model with the historical financial information provided as well as with comparable and other observable variables in the market. The independent expert has also determined the appropriate methodologies to be applied to estimate the recoverable amount as well as calculation of appropriate discount rates, based on analyzing financial data for publicly listed companies engaged in the same or similar lines of business. Finally, the independent expert concluded in his analysis with a recoverable amount of Acerinox Europa.

The Group updated the five-year earnings forecasts based on the new circumstances. These forecasts take into account the budgets approved by the Board, the Company's strategic plan, and the previously discussed tariff measures and CBAM.

Due to the aforementioned context of uncertainty, a three-scenario approach was performed. The main variation is assigned to sales prices due to the potential impact of tariff measures, and each scenario is assigned a probability of occurrence.



In the expected trend of market prices, in order to make a reasonable contrast, external sources of information are used, in particular, the independent consultant CRU (<https://www.crugroup.com/>), enabling us to evaluate the price level of the stainless steel market and its trend for certain types of the most common steel.

Demand estimates were based on SMR (Steel & Metals Market Research).

For supply prices, forward price curves for both electricity and gas are considered. Forward price curves are estimated based on forward price references set by the OMIP. In this respect, the impact of PPAs is considered neutral for the sensitivity analysis, since the price variations of this index are applied to our average energy cost price.

All other costs take into account increases in consumer price indices.

The exercise carried out by the independent expert includes the calculation of flows in perpetuity at terminal value. To this end, in the terminal year, expected revenues incorporate growth in line with the average CPI expected for Spain according to S&P Global.

As for the terminal year, since depreciation and amortization are equal to investments, the EBITDA margin is considered a key assumption. This year, the independent expert has reduced this margin from 8.8% to 8.6% compared to the previous year, in line with a more conservative long-term view. This EBITDA margin is within the range of observable margins of selected peer companies, and it is consistent with Management's strategic plan.

The main pillars of the scenario proposed by the independent expert are based on the following forecasts:

- Approval of CBAM measures and the impact on imports and prices
- High value-added products.
- Change in the customer base with a focus on the end user.
- Optimization of the stainless steel platform with high-performance alloys in Europe.
- Efficiency in production and process costs within the framework of the initiatives approved in the Beyond Excellence plan and in line with the strategic approaches.

The budgets prepared do not consider future cash flows that are expected to arise from future restructuring or improvements or increases in asset performance and therefore comply with paragraphs 44 and 48 of IAS 36. All the measures established in the strategic plan are achievable in the current state of the assets.

In addition, to determine cash flows the Group takes into account the working capital reduction plans carried out by the company.

To determine the value in use of the assets, both the estimate of future cash flows that the entity expects to obtain from the assets and the discount rate, i.e. the weighted average cost of capital (WACC), were taken in account.

Group Management, given the circumstances in Acerinox Europa in 2024 and 2025, and the current situation of uncertainty in determining future cash flows and EBITDA for the terminal year, considered in the calculation of the value in use, has contemplated a decrease in the forecast margins for both key assumptions (budgeted EBIT margin and EBITDA margin for the terminal year).

The key assumptions used to calculate the value in use were as follows:

	2025	2024
Planned EBIT margin (1)	1.7%	4.5%
EBITDA margin terminal year (2)	8.6%	8.8%
Weighted average growth rate (3)	2.0%	2.0%
Pretax discount rate (4)	11.3%	11.7%
After-tax discount rate (4)	9.0%	9.3%

(1) Five-year budgeted average EBIT margin. EBIT is defined as profit or loss from operations and expressed as a margin or percentage of revenue.

(2) EBITDA defined as operating income + asset impairment + depreciation + amortization + change in current provisions. The margin is expressed as a margin or percentage of revenue.

(3) Rate used to extrapolate cash flows beyond the budgeted period (g).

(4) Discount rate: weighted average cost of capital (WACC).



The discount rates used are pretax values and reflect specific risks relating to the relevant segments. Other significant assumptions such as exchange rates and commodity prices are tied to the most recent values recorded in the pertinent markets.

The discount rate was determined by considering a normalized 20-year German bond as the benchmark. Likewise, a market risk premium for Spain, historical betas, a leverage structure and cost of debt in line with market assumptions have been considered.

Regarding the terminal value, a perpetuity cash flow has been considered, which is expected to remain stable in the long term, increased by the growth rate (g). The growth rate (g) was estimated on the basis of expected long-term inflation.

The recorded carrying value as of December 31, 2025 of net assets is EUR 668,289 thousand. It consists of fixed assets amounting to EUR 385,833 thousand, with the remainder corresponding to working capital (current assets and liabilities).

The impairment test performed at December 31, 2025 reflects a recoverable amount higher than the carrying amount. Consequently, no impairment is recorded.

A sensitivity analysis under different scenarios shows that the discount rate (WACC) would have to be increased by 5.2% to 9.5% to start generating impairment, with the other assumptions remaining unchanged. The growth rate (g) would need to be reduced by 42.5% to 1.2% to trigger impairment, with all other assumptions unchanged.

In order to achieve impairment, the planned average EBIT margin would have to be reduced by 29.3% to an average value of 0.5% during the projected period, with the other two assumptions remaining unchanged. In absolute terms, the average annual EBIT considered in the forecast period, EUR 31,369 thousand, would need to be reduced by EUR 18,357 thousand, down 58.5%, to EUR 13,012 thousand in order to begin to record impairment.

The terminal year EBITDA margin would need to be reduced by 5.5% to 8.1% with all other assumptions remaining unchanged, to start generating impairment.

Sales are not considered as a key assumption because it would imply incorporating a very high volatility factor, given the nature of nickel, our main raw material. The value of this metal is quoted on international financial markets, such as the LME (London Metal Exchange), and historically and recurrently is subject to significant fluctuations not directly related to the actual supply and demand of this metal, with the stainless steel industry being its main source of consumption. In this sense, stainless steel manufacturers pass on the fluctuations of raw materials, especially nickel, using mechanisms such as the alloy surcharge. This mechanism is a component of the final price, calculated specifically with the nickel reference values on the LME.

In short, the EBIT/EBITDA margin have always be considered a key assumption as an indicator of the profitability obtained, beyond the level of sales, which is so heavily influenced by the fluctuations of our main raw material.

Columbus Stainless Pty. Ltd.

Columbus Stainless, Middelburg (South Africa), is the only integrated stainless-steel factory in Africa. It is the main supplier of both the domestic market and the various consumer areas of the continent, in which it is the leader. The Columbus factory, the most technologically advanced in the industry, is equipped with the most efficient machinery and has a considerable competitive advantage due to its location, not just for the distribution of finished goods but also because of its proximity to sources of commodities, particularly ferrochrome.

Columbus manufactures both flat stainless-steel and carbon steel products. In view of the complicated market situation in Europe and Asia, Columbus has also been manufacturing carbon steel for the local market since 2020. Columbus achieved a milestone with the manufacture of carbon steel using technology designed to produce stainless steel. After the closure of one of the local carbon melting shop production plants, part of this market was left unsupplied and had to be covered by imports. Columbus took advantage of this situation to win orders and serve this niche. In this way, the company was able to partially compensate the volatility of the stainless-steel market, reduce its dependence on exports and increase its melting shop production, thereby diluting fixed costs.



The South African stainless steel market recorded negative performance throughout 2025. Business contracted by 12.8% year-on-year. This is due to the increase in imports (up 4.8% in 2024 and up to 26% in 2025) as a result of the global tariff crisis and barriers imposed on certain countries. Additionally, pressure from imports resulted in a decline in Columbus's market share. Key end-use sectors underperformed compared to the prior year, reflecting weaker demand from both distributors and the automotive industry.

Columbus remains active and committed to increasing sales through new stainless steel and carbon steel applications, as well as lobbying for corrective trade measures against unfair imports.

In this context, Management has requested a valuation by an independent expert (Kroll Advisory, S.L.), who has determined the recoverable amount of the assets based on their value in use, pursuant to IAS 36. The recoverable amount has been calculated using a value-in-use approach, based on an analysis of the Discounted Cash Flow, as detailed below.

The independent expert has performed an asset impairment analysis by reviewing the budgets and scenarios prepared by Management, as well as their future evolution, and has contrasted the model with the historical financial information provided as well as with comparable and other observable variables in the market. The independent expert has also determined the appropriate methodologies to be applied to estimate the recoverable amount as well as calculation of appropriate discount rates, based on analyzing financial data for publicly listed companies engaged in the same or similar lines of business. Finally, the independent expert concluded in his analysis with a recoverable amount of Columbus Stainless.

With respect to the five-year budgets, the estimated sales and production volumes are based on current capacities using existing machines and equipment, and take into account the evolution of both future demand and prices, associated with its product mix and estimated and published by specialized magazines and independent industry experts. Management determines production costs by taking into account the current situation, the efficiency plans implemented and future price developments.

Demand estimates were based on SMR (Steel & Metals Market Research).

Other variables used in the budgeting process, such as exchange rates and commodity prices are tied to the most recent values recorded in the pertinent markets. The Group is confident that the flows to perpetuity will materialize, mainly in terms of its use of production capacity and margins. They were calculated using growth rates estimated on the basis of the expected long-term inflation rate.

The discount rates used are pretax values and reflect specific risks relating to the relevant segments.

The Group is confident that the flows to perpetuity will materialize, mainly in terms of its use of production capacity and margins. They were calculated using growth rates estimated on the basis of the expected long-term inflation rate.

The key assumptions used to calculate the value in use were as follows:

	2025	2024
Planned EBIT margin (*)	4.2%	5.9%
Weighted average growth rate (**)	2.8%	4.4%
Pretax discount rate (***)	15.7%	17.2%
After-tax discount rate (***)	12.3%	13.5%

(*) Five-year budgeted average EBIT margin. EBIT is defined as operating income and expressed as a margin or percentage of revenue.

(**) Rate used to extrapolate cash flows beyond the budgeted period (g).

(***) Discount rate: weighted average cost of capital (WACC).

The discount rate (WACC or weighted average cost of capital) was calculated on the basis of the South Africa country risk and the main markets where it is active, and a capital structure, market risk premiums and ratios of similar companies. The reference currency in this connection was the South African rand, since all the cash flows are estimated in this currency.

Regarding the terminal value, a perpetuity cash flow has been considered, which is expected to remain stable in the long term, increased by the growth rate (g). The growth rate (g) was estimated on the basis of expected long-term inflation.



Other assumptions are the ZAR/EUR exchange rate (ZAR/EUR 20.31) and the price of raw materials (USD 15,000/t), which are established when drawing up the budget. Both are extrapolated and kept constant during the period of analysis.

The recorded carrying value of net assets is ZAR 4,464 million. It consists of fixed assets amounting to ZAR 2,704 million with the remainder corresponding to working capital (current assets and liabilities).

The impairment test performed at December 31, 2025 reflects a recoverable amount higher than the carrying amount. Consequently, no impairment is recorded.

However, a sensitivity analysis has been carried out, which concludes that the discount rate (WACC) would have to be increased by 10.6% to 14%, and the perpetual growth rate (g) would have to be equal to zero to start generating impairment. The budgeted average EBIT margin would have to become negative to start generating impairment, given that the terminal value is higher than the recorded carrying value of net assets.

As previously explained, we do not consider sales as a key assumption because it would imply incorporating a very high volatility factor, given the nature of nickel, our main raw material. The value of this metal is quoted on international financial markets, such as the LME (London Metal Exchange), and historically and recurrently is subject to significant fluctuations not directly related to the actual supply and demand of this metal, with the stainless steel industry being its main source of consumption. In this sense, stainless steel manufacturers pass on the fluctuations of raw materials, especially nickel, using mechanisms such as the alloy surcharge. This mechanism is a component of the final price, calculated specifically with the nickel reference values on the LME.

In short, we have always considered the EBIT margin a key assumption as an indicator of the profitability obtained, and not of the level of sales, which is so heavily influenced by the fluctuations of our main raw material.

Roldán, S.A.

Roldán is the eldest industrial facility of the Acerinox Group and one of the three manufacture plants for long product production. Roldán is located in Ponferrada (Leon, Spain) and produces angles, bars and wire rod in various types of steel and finishes. Part of its production is sent to Inoxfil, located in Igualada (Barcelona, Spain).

Roldán uses as commodity for the production of long products, the billet supplied by the Acerinox Europa plant in Campo de Gibraltar.

The long product manufactured in this plant is supplied to both the internal market and to international customers, and its stainless steels are present in some of the most iconic international projects.

The import and regulatory situation described in the case of Acerinox Europa also affects the stainless steel long product market and consequently Roldán, S.A. The expected sales volumes have not been reached, which has resulted in its results being below the estimates made at the end of last year. However, there is no reason to believe that the conditions foreseen in the business plans for the future will not be maintained.

The five-year budget and key variables used follow the same guidelines stated for Acerinox Europa, duly contextualized in the stainless-steel long products market.

The recoverable amount of the assets was determined in accordance with their value in use.

To determine the value in use of the assets, the estimate of future cash flows that the entity expects to obtain from the assets and the discount rate, i.e. the weighted average cost of capital (WACC), were taken in account.

The key assumptions used to calculate the value in use were as follows:

	2025	2024
Planned EBIT margin (*)	3.8%	4.3%
Weighted average growth rate, g (**)	2.0%	2.0%
Pretax discount rate (***)	11.4%	12.4%
After-tax discount rate (***)	9.0%	9.3%

(*) Five-year budgeted average EBIT margin. EBIT is defined as profit or loss from operations and expressed as a margin or percentage of revenue.

(**) Rate used to extrapolate cash flows beyond the budgeted period.

(***) Discount rate: weighted average cost of capital (WACC).

At terminal value, the EBIT margin considered is lower than the average of the explicit budgeting period.

The recorded carrying value of net assets is EUR 22,892 thousand. It consists of fixed assets amounting to EUR 28,920 thousand, with the remainder corresponding to working capital (current assets and liabilities).

The impairment test performed at December 31, 2025 reflects a recoverable amount higher than the carrying amount. Consequently, no impairment is recorded.

However, a sensitivity analysis has been carried out, which concludes that the discount rate (WACC) would have to be increased by 74.9% to 15.7%, and the perpetual growth rate (g) would have to be equal to zero to start generating impairment. The planned average EBIT margin would have to be reduced by 45.6% up to 1.1% to start generating impairment.

Inoxfil, S.A.

Inoxfil, S.A. is one of the Group's two long product plants in Spain and engages in the manufacture of stainless-steel wire. Located in Igualada (Barcelona, Spain), this company is 100% owned by the Group company Roldan, S.A. Inoxfil receives wire rod mainly from Roldan, but also from other third-party suppliers, which is used as commodity to complete its production process and obtain wire. This is therefore the final production link in a network starting when Roldan receives the billet from Acerinox Europa, this being the only Group plant with a melting shop in Spain.

The long product manufactured by this plant is supplied both to the domestic market and to international customers.

The import and regulatory situation described in the case of Acerinox Europa also affects the stainless steel long product market and consequently Inoxfil, S.A. The expected sales volumes have not been reached, falling below the estimates made at the end of last year. However, there is no reason to believe that the conditions foreseen in the business plans for the future will not be maintained.

The five-year budget and key variables used follow the same guidelines stated for Acerinox Europa, duly contextualized in the stainless-steel long products market.

The recoverable amount of the assets was determined in accordance with their value in use.

To determine the value in use of the assets, the estimate of future cash flows that the entity expects to obtain from the assets and the discount rate, i.e. the weighted average cost of capital (WACC), were taken in account.

The key assumptions used to calculate the value in use were as follows:

	2025	2024
Planned EBIT margin (*)	1.8%	3.7%
Weighted average growth rate, g (**)	2.0%	2.0%
Pretax discount rate (***)	10.8%	11.6%
After-tax discount rate (***)	9.0%	9.3%

(*) Five-year budgeted average EBIT margin. EBIT is defined as profit or loss from operations and expressed as a margin or percentage of revenue.

(**) Rate used to extrapolate cash flows beyond the budgeted period.

(***) Discount rate: weighted average cost of capital (WACC).

At terminal value, the EBIT margin considered is lower than the average of the explicit budgeting period.

The recorded carrying value of net assets is EUR 10,258 thousand. It consists of fixed assets amounting to EUR 3,057 thousand, with the remainder corresponding to working capital (current assets and liabilities).

The impairment test performed at December 31, 2025 reflects a recoverable amount higher than the carrying amount. Consequently, no impairment is recorded.

However, a sensitivity analysis has been carried out, which concludes that the discount rate (WACC) would have to be increased by 3.6 times to 32%, and the perpetual growth rate (g) would have to be equal to zero to start generating impairment. The budgeted average EBIT margin would have to become negative to start generating impairment, given that the terminal value is higher than the recorded carrying value of net assets.

Impairment analyses conducted in 2024

Last year there were signs of impairment in Columbus, the Group's factory in South Africa, and in Spain, both in Acerinox Europa and in Roldan and Inoxfil.

The impairment tests performed at December 31, 2024 revealed an excess of the recoverable value over the carrying amount. Consequently, no impairment was recorded.

NOTE 10 – INVESTMENT PROPERTY

"Investment property" includes Group-owned land and buildings not occupied by the Group which are held to earn returns, either through rental or through capital appreciation and subsequent disposal of them.

At the end of 2025, as in 2024, the main real estate assets in this category correspond to an industrial building in Italy currently leased to third parties, as well as the land previously owned by Bahru Stainless, which was not built on and which was sold to Cabaran Dunia prior to the transfer by Acerinox of Bahru Stainless to Worldwide Stainless (see **Note 6.1**). These lands are available for sale and at the closing date of these financial statements offers for sale have already been accepted. The Group is currently negotiating the terms of the sale and purchase agreements for a market price similar to the valuations carried out by an independent expert at the time of the sale by Bahru Stainless to the new entity.

The detail of the changes in investment property in 2025 and 2024 is as follows:

(Amounts in thousands of euros)

COST	2025	2024
Opening balance	35,346	12,700
Additions	1,794	0
Transfers	1	22,646
Translation differences	-2,623	0
Balance as of December 31	34,518	35,346
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSS	2025	2024
Opening balance	3,279	3,032
Allocation	901	247
Transfers	5,242	0
Translation differences	5	0
Balance as of December 31	9,427	3,279
NET VALUE	2025	2024
Cost at December 31	34,518	35,346
Accumulated amortization and impairment losses	-9,427	-3,279
Carrying amount as of December 31	25,091	32,067



The taxes paid for the transfer of the land owned by Bahru to the new company and which are necessary for the future sale of the land are shown as additions.

Total income from the lease of warehouses amounted to EUR 356 thousand in 2025 (2024: EUR 353 thousand). The associated operating expenses, including repair and maintenance expenses, have fallen to EUR 82 thousand (2024: EUR 59 thousand).

The market value of all the investment property exceeded the carrying amount thereof and amounted to EUR 38,699 thousand at December 31, 2025 (2024: EUR 11,695 thousand). This valuation takes into account observable market variables such as offers and prices per square meter of premises available in the geographical area of the Group's investment property and, therefore, the determination of fair value is classified within the LEVEL 2 hierarchy in accordance with the policy established in **Note 2.12.5**. For the land in Malaysia, the Group requested an independent expert valuation this year.

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

The detail of the right-of use assets, measured in accordance with the present value of future lease payments, and of the changes therein this financial year is 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 December 31, 2023	14,655	9,147	8,433	32,235
Business combinations	9,405		1,049	10,454
Additions	591		3,086	3,677
Revaluations			646	646
Transfers			-583	-583
Disposals	-1,232	-871	-1,193	-3,296
Translation differences	41	7	264	312
Balance as of December 31, 2024	23,460	8,283	11,702	43,445
Additions	2,206	1,863	3,006	7,075
Revaluations	-125		92	-33
Transfers	-20	20		0
Disposals	-343	-35	-3,532	-3,910
Translation differences	-1,210	-10	-824	-2,044
Balance as of December 31, 2025	23,968	10,121	10,444	44,533

ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSS	Land and buildings	Plant and machinery	Other items of property, plant and equipment	TOTAL
Balance as of December 31, 2023	5,930	3,432	4,022	13,384
Business combinations	3,726			3,726
Allocation	2,841	1,379	2,760	6,980
Transfers				0
Disposals	-1,228	-871	-1,292	-3,391
Translation differences	17	2	185	204
Balance as of December 31, 2024	11,286	3,942	5,675	20,903
Allocation	2,774	1,504	3,174	7,452
Disposals	-146	-35	-2,928	-3,109
Translation differences	-521	-9	-406	-936
Balance as of December 31, 2025	13,393	5,402	5,515	24,310

NET VALUE	Land and buildings	Plant and machinery	Other items of property, plant and equipment	TOTAL
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 December 31, 2024	23,460	8,283	11,702	43,445
Accumulated amortization and impairment losses	-11,286	-3,942	-5,675	-20,903
Carrying amount as of December 31, 2024	12,174	4,341	6,027	22,542
Cost as of December 31, 2025	23,968	10,121	10,444	44,533
Accumulated amortization and impairment losses	-13,393	-5,402	-5,515	-24,310
Carrying amount as of December 31, 2025	10,575	4,719	4,929	20,223

The borrowing costs on the lease liabilities recognized by the Group at December 31, 2025 amounted to EUR 510 thousand (2024: EUR 543 thousand). The interest rate used is the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the former is not practicable to determine.



The business combinations line for the previous year includes the amount of the rights of use of Haynes, which joined the Group in 2024.

Lease expenses for low value assets, short-term leases or contracts that do not qualify as leases in accordance with IFRS 16 and which are shown as "operating expenses" in the income statement amount to EUR 18,249 thousand (2024: EUR 16,703 thousand).

The term of the Group's lease agreements and the amount of the payments remaining as of December 31, 2025 are as follows:

(Amounts in thousands of euros)

	2025	2024
	Amount of future payments	Amount of future payments
Up to 1 year	5,557	4,827
1-5 years	11,881	10,182
5-10 years	3,238	1,684
More than 10 years	1,408	1,186
TOTAL	22,084	17,879

Of the total amount of future lease payments, EUR 5,557 thousand correspond to the short term and EUR 16,527 thousand to the long term (2024: EUR 4,827 thousand corresponding to the short term and EUR 13,052 thousand to the long term).

The amount of the leases exceeding ten years relates mainly to a plot of land that the Group company Inoxcenter, S.L.U. has leased to the consortium of the Barcelona free trade zone, on which the Group has constructed an industrial building owned by it.

At December 31, 2025, the balance of the lease liabilities was EUR 22,084 thousand, most of which were recognized under "other non-current financial liabilities" (2024: EUR 17,879 thousand).

NOTE 12 - INVENTORIES

The detail of "inventories" in the consolidated statement of financial position as at December 31 is as follows:

(Amounts in thousands of euros)

	2025	2024
Commodities and other supplies	402,696	471,374
Products in process	613,327	778,365
Finished products	541,757	672,023
By-products, waste and recoverable materials	120,812	139,798
TOTAL	1,678,592	2,061,560

The inventory reduction is the result of the ambitious working capital reduction plan launched by the Group as a strategic response to geopolitical uncertainty and weak demand in its main markets. The main goal is to ensure sufficient liquidity to finance the Group's ambitious strategic investment program—including the acquisition of Haynes International and the announced expansion initiatives—while maintaining shareholder returns without compromising balance sheet strength at the bottom of the economic cycle.

In operational terms, the plan involves rigorous management of working capital, particularly focused on inventory control, through a production policy adjusted to real demand, the implementation of a specific study of slow-moving materials for sale or for internal recovery as scrap.

"Commodities and other supplies" includes EUR 45,782 thousand relating to the measurement of the emission allowances held by the Group at 2025 year-end (2024: EUR 56,313 thousand).

The changes in finished goods and work in progress in the year, according to the consolidated statements of financial position as at December 31, 2025 and 2024, shown above, differ from the figures recognized in the respective consolidated statements of profit or loss as a result of translation differences.

The cost of goods sold was calculated in accordance with the policy defined in Note 2.13 and amounted to EUR 5,116 million in 2025 (2024: EUR 4,713 million).

At the close of 2025, the Group recognized an adjustment of EUR 59,614 thousand in order to measure its inventories at net realizable value where this was lower than cost. An adjustment of EUR 57,485 thousand was recognized in 2024.

Obligations and commitments

At December 31, 2025, the Consolidated Group had commitments to purchase commodities amounting to EUR 221,588 thousand (2024: EUR 316,986 thousand). At the same date, there are no firm sales commitments, but there are formalized orders, for which the Group anticipates no circumstances that would prevent their delivery within the agreed deadlines.

The Group does not have any inventories with a cycle exceeding one year and, therefore, no borrowing costs were capitalized in this connection.

The Group companies have taken out several insurance policies to cover the risks to which their inventories are subject. It is considered that these policies sufficiently cover such risks.

12.1 Emission allowances

The Group recognizes emission allowances as inventories.

Group's entities, Acerinox Europa, Roldan and VDM, are included in the EU Emissions Trading System (EU ETS).

Both Acerinox Europa and Roldan cover their consumption needs through the rights they receive via free allocation. This fiscal year, the allocation for these two entities amounted to 116,860 rights.

In the case of VDM, the allocations obtained by VDM free of charge fall short of the plants' requirements, and it is therefore necessary to acquire allowances on the market. The company values the rights acquired at the time of acquisition and recorded in the subsidy account under the "deferred income" caption on the consolidated balance sheet. The Group systematically monitor price changes and take advantage of opportunities to meet its consumption needs. This year, 59,522 allowances, and 30,557 allowances have been allocated free of charge.

The Group currently has sufficient allowances to cover its 2026 needs.

During this year, the Group sold 262,500 rights in the market, resulting in income of EUR 21,185 thousand, recorded under "other operating income" in the income statement for the year.

The changes in emission allowances in 2025 and 2024 were as follows:

	Number of allowances	Value (in thousands of euros)
Balance at 12/31/2023	1,175,142	54,736
Allocation for the year	182,970	15,034
Acquisitions	47,178	2,778
Sale	-724	-22
Disposals	-291,772	-16,214
Balance at 12/31/2024	1,112,794	56,313
Allocation for the year	147,417	10,801
Acquisitions	59,522	3,486
Sale	-262,500	-13,142
Disposals	-207,910	-11,676
Balance at 12/31/2025	849,323	45,782



As shown in the table, the Group has sufficient surplus rights to cover its long-term needs, so no provision needs to be recorded.

263,523 CO₂ emission allowances were used in 2025. These will be surrendered to the public authorities in 2026 (2024: 214,337 allowances surrendered in 2025).

The expense for the year in respect of CO₂ emissions totaled EUR 15,283 thousand in 2025 (2024: EUR 11,979 thousand) and is included under "other operating expenses". This expense is equal to the value allocated to the allowances used in the year, which is the market value of these allowances when allocated.

Disposals for the year related to CO₂ emission allowances used in the previous year audited and approved by an independent expert for its subsequent delivery.

Greenhouse gas emissions are verified each year by an ISO 14064-accredited external body.

This year the average price of CO₂ allowances has remained around EUR 75/allowance, above the EUR 65/allowance average of 2024. As described in the accounting policy of **Note 2.13.1** any increase in the prices of allowances whose allocation has been made for free will be offset by a grant income and will therefore not affect the Group's income statement.

The Group does not hold any futures contracts for the acquisition of emission allowances.

There are no significant contingencies for emission-related fines.

NOTE 13 – FINANCIAL INSTRUMENTS

13.1 General considerations

A financial instrument is a contract that gives rise to a financial asset at one company and, simultaneously, a financial liability or an equity instrument at another. The Group recognizes a financial instrument in its consolidated statement of financial position when it becomes party to the contract or legal transaction.

13.2 Categories of financial assets and liabilities

At year-end the Group's financial assets were 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	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Loans and receivables					27,460	8,574					549,220	692,592
Held-to-maturity investments												
Equity instruments:												
- Valued at fair value through other comprehensive income												
- Valued at cost	282	413										
Assets at fair value through profit or loss						13					4,140	9,811
Hedging derivatives					2,330	4,498					7,557	7,996
TOTAL	282	413	0	0	29,790	13,085	0	0	0	0	560,917	710,399

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		Derivatives and others		Bank borrowings		Bonds and other marketable securities		Derivatives and others	
Category	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Financial liabilities at depreciated cost	1,321,519	1,464,314			17,931	21,454	836,970	918,737			852,498	894,519
Liabilities at fair value through profit or loss						71					2,274	4,292
Hedging derivatives					473	2,008					1,310	12,835
TOTAL	1,321,519	1,464,314	0	0	18,404	23,533	836,970	918,737	0	0	856,082	911,646

13.2.1 Financial assets at depreciated cost and other receivables

The detail of the financial assets measured at depreciated cost and other receivables at December 31 is as follows:

(Amounts in thousands of euros)

	2025	2024
Customers	476,236	550,715
Debts with personnel	1,986	2,420
Public Administrations	22,883	24,821
Other debtors	16,069	14,081
Accruals and deferrals	33,820	31,362
Deposits and bonds	69	273
Other financial assets	2,432	73,212
Write-downs of uncollectible debts	-4,275	-4,292
TOTAL	549,220	692,592

The amount recognized as tax receivables from Public Administrations relates mainly to VAT liquidations.

The amount included in other financial assets in 2024 corresponded to a guarantee issued by a bank, covering 80% of the agreed sale price of Bahru Stainless. This was an account receivable guaranteed by a bank and enforceable on first demand. This guarantee, as explained in Note 6.2, has been collected this year.

As explained in the accounting policies, the Group measures accounts receivable at their transaction price, provided that they do not have a significant financial component, they are expected to be received in the short-term and the effect of not discounting the cash flows is not material. The Group does not have any non-current balances receivable.

Write-downs of uncollectible debts relate in full to trade receivables. The changes therein were as follows:

(Amounts in thousands of euros)

	2025	2024
Opening balance	4,292	4,107
Allocation	358	553
Application	-174	-42
Reversion	-107	-961
Translation differences	-94	27
Balance as of December 31	4,275	4,292

Changes in the balance of valuation adjustments are included under "other operating expenses" on the statement of profit and loss.

No interest was earned on impaired financial assets in 2025 or 2024.

No valuation adjustments were recognized for uncollectible receivables from related parties in 2025 or 2024.

At December 31, 2025, certain Group companies had receivables amounting to EUR 227,626 thousand factored on a non-recourse basis to financial institutions in exchange for cash (2024: EUR 240,463 thousand). The factored amounts were derecognized as they met the conditions specified in IFRS 9 regarding the transfer of risks and rewards.

Note 13.2.3 includes a detail of the Group's factoring lines.

13.2.2 Trade and other payables

The detail of "trade and other payables" in the consolidated statements of financial position as at December 31, 2025 and 2024 is as follows:

(Amounts in thousands of euros)

	2025	2024
Suppliers and creditors for services rendered	621,974	671,711
Debts with personnel	79,198	74,085
Suppliers of fixed assets	25,582	23,677
Taxes and Social Security	26,982	30,183
Other creditors	6,586	7,209
Current provisions	14,878	10,361
TOTAL	775,200	817,226

Most of the amount included under tax and social security payables relates to amounts payable for VAT liquidations and personal income tax withholdings. EUR 4,952 thousand relate to social security payables (2024: EUR 4,585 thousand).

With regard to the average payment period, as established in Law 18/2022 of September 29, 2022, on the establishment and growth of companies, the Group breaks down below the average payment period for suppliers, the volume of money and the number of invoices paid in a period lower than the maximum established in the regulations on late payments, as well as the percentage of these invoices in the total number of invoices and in the total amount of money paid to their suppliers for the Group's Spanish companies included in the scope of consolidation.

The following table includes the average payment period to domestic and foreign suppliers of the Spanish companies that form part of the Acerinox Group, after deducting payments made to Group companies:

Including only suppliers outside the Group	2025	2024
	Days	Days
Average supplier payment period	63 days	67 days
Ratio of operations settled	65 days	66 days
Ratio of transactions pending payment	44 days	72 days
	Amount	Amount
Total payments made	1,257,041	1,108,598
Total outstanding payments	133,637	140,333

The information provided includes all suppliers (both domestic and foreign) of the Group's Spanish companies. If we consider only domestic suppliers, since this is a Law applicable in Spain, the average payment period is reduced by 3 days as detailed below:

Domestic only	2025	2024
	Days	Days
Average supplier payment period	60 days	64 days
Ratio of operations settled	61 days	64 days
Ratio of transactions pending payment	49 days	63 days
	Amount	Amount
Total payments made	838,001	642,355
Total outstanding payments	89,265	83,725

Last year's figures were affected by the strike at Acerinox Europa, which led to the closure of the plant for 5 months, making it impossible to manage invoices and payments in a timely manner. With the exception of Acerinox Europa, the rest of the Group's Spanish companies all comply with the established payment periods of 60 days.

Details of the volume and number of invoices paid are as follows:

	2025	2024
a) Monetary volume of invoices paid within a period equal to or less than the maximum established in the regulations on late payment	512,492	467,243
Percentage share of total number of invoices of payments to its suppliers	41 %	42 %
b) Number of invoices paid within a period equal to or less than the maximum period established in the late payment regulations	19,064	21,395
Percentage share of total monetary payments to its suppliers	49 %	38 %

The table includes, the same as above, the payments made to any supplier, whether domestic or foreign, and excludes Group companies.

13.2.3 Bank borrowings

The detail of the financial debt captions in the consolidated balance sheet as of December 31, 2025 and 2024, consists of bank borrowings and is broken down as follows:

(Amounts in thousands of euros)

	Non-current		Current	
	2025	2024	2025	2024
Loans from credit institutions	1,321,519	1,464,314	836,970	918,737
Total non-current debt	1,321,519	1,464,314	836,970	918,737

At the end of 2025 and 2024 there were no bonds issued or private placements, only debt with credit institutions.

The detail of the maturity of the outstanding debt at December 31, 2025 was as follows:

(Amounts in thousands of euros)

	2026	2027	2028	2029	2030 and thereafter	TOTAL
Financial debts	836,970	485,573	431,223	338,056	66,667	2,158,489
Total financial debt	836,970	485,573	431,223	338,056	66,667	2,158,489

The 2024 figures were as follows:

(Amounts in thousands of euros)

	2025	2026	2027	2028	2029 and thereafter	TOTAL
Financial debts	918,737	389,419	445,587	353,737	275,571	2,383,051
Total financial debt	918,737	389,419	445,587	353,737	275,571	2,383,051

The breakdown of the debt by currency is as follows:

(Amounts in thousands of euros)

	Non-current payables		Current liabilities	
	2025	2024	2025	2024
EUR	1,321,519	1,464,314	709,333	775,349
USD			1,879	21,809
ZAR			125,758	121,579
TOTAL	1,321,519	1,464,314	836,970	918,737

The breakdown of the debt by interest rate is as follows:

(Amounts in thousands of euros)

	Non-current payables		Current liabilities	
	2025	2024	2025	2024
Fixed	314,686	493,582	234,017	94,771
Variable	1,006,833	970,732	602,953	823,966
TOTAL	1,321,519	1,464,314	836,970	918,737

Fixed-rate debt solely includes borrowings originally arranged at fixed rates and does not include borrowings for which interest rates have been fixed by arranging derivatives.

There are swap contracts to hedge the interest rate for EUR 565 million of the variable rate debt (Note 13.2.6).

The fair value of fixed interest rate loans was EUR 548,703 thousand at December 31, 2025, and their book value was EUR 545,570 thousand. The fair value of these borrowings at December 31, 2024 amounted to EUR 578,664 thousand (book value of EUR 588,353 thousand).

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 in accordance with the policy established in **Note 2.12.5**.

The interest rates of the floating interest rate loans are reviewed at least once a year.

The weighted average cost of the financing instruments in euros (including interest rate hedges) at the end of 2025 was 2.77% for a total of EUR 2,031 million, 4.98% for USD 2.2 million of financing and 9.43% for ZAR 2,445 million of financing. In 2024, the cost of the loans (including the interest rate hedges) in euros was 2.83% for an amount of EUR 2,240 million, 5.66% for USD 22.7 million and 10.35% for ZAR 2,385 million of financing.

At December 31, 2025, accrued interest payable on loans amounted to EUR 9,188 thousand (2024: EUR 11,421 thousand). In addition, there is no longer any accrued and unpaid interest on the bonds issued as they have been redeemed in 2024.

The total borrowing costs calculated using the effective interest rate on long-term loans at depreciated cost amounted to EUR 1,244 thousand (2024: EUR 1,011 thousand).

At December 31, 2025, the Acerinox Group had arranged bank financing facilities and private placements amounting to EUR 2,905 million (December 31, 2024: EUR 3,049 million), in addition to approved non-recourse factoring facilities amounting to EUR 530 million (December 31, 2024: EUR 530 million). The amount drawn down on financing facilities at December 31, 2025 amounted to EUR 2,158 million (December 31, 2024: EUR 2,383 million) and 228 million on factoring facilities (December 31, 2024: 240 million).

Some Group companies have contracts with financial institutions for the management of payments to suppliers in both euros and dollars. Trade liabilities managed through these contracts are shown under 'Trade and other payables' until they are settled, canceled or expire, since the Group uses them exclusively as a means of payment. Although entities may offer advances to suppliers, the Group does not intervene in these transactions nor does it agree to finance these payments, and pays them strictly when due. Consequently, the average payment period is unaffected by these agreements. Therefore, reverse factoring is not a financing instrument because the payment conditions do not vary and are the same as those explained in **Note 13.2.2**.

As of December 31, 2025, the payment of 25% of the total figure for "suppliers and service payables" was being managed through these contracts (2024 year-end: 30%), amounting to around EUR 160 million throughout the Group (2024 year-end: EUR 210 million). According to the financial institutions, of the total amount of "suppliers and payables for services rendered" that were managed through reverse factoring, almost 60% was advanced by the suppliers (2024 year-end: 80%), amounting to approximately EUR 90 million (2024 year-end: approximately EUR 160 million).

Main financing transactions undertaken in the year

The most significant financing transactions this year were as follows:

- Renewal of the Syndicated Factoring contract in Spain for a total maximum amount of EUR 380 million until 2027.
- Signing of a long-term fixed interest loan for EUR 50 million with Banco Sabadell and two long-term loans at a variable interest rate for a total of EUR 80 million with Cajamar (EUR 50 million) and Unicaja (EUR 30 million).
- In order to ensure continued Group liquidity, the following short-term transactions were carried out:
 - Renewal of eleven credit facilities in euros for a total amount of EUR 525 million.
 - Renewal of six credit facilities in US dollars for a total amount of USD 135 million.
- Renewal of the one-year floating rate loan signed by Acerinox Europa with BBVA for a total amount of EUR 50 million.
- Entering of two new floating rate loans signed by Acerinox Europa for a total amount of EUR 55 million with Abanca (EUR 35 million) and Caixabank (EUR 20 million).
- Signing of a one-year loan for Energy Savings Certificates by Acerinox Europa with Bankinter in the amount of EUR 1.5 million.
- Following the maturity of various VDM financing facilities during 2025 for a maximum amount of EUR 290 million, VDM has entered into new bilateral financing facilities for a total amount of EUR 300 million, as follows:
 - Execution of two floating rate loans for a total amount of EUR 40 million with: BBVA (EUR 30 million) and CaixaBank (EUR 10 million).
 - Signing of seven credit facilities and Revolving Credit Facility (RCF) for an aggregate maximum of EUR 260 million with: HSBC (EUR 50 million); Santander (EUR 50 million); Caixabank (EUR 40 million); Unicredit (EUR 40 million); Deutsche Bank (EUR 30 million); Helaba (EUR 30 million); and BBVA (EUR 20 million).

In the event of debt renegotiations, the Group assesses the significance of the variations made to determine whether they are substantially different, in accordance with the criteria established in the accounting policy defined in Note 2.12.3, and, where appropriate, determine whether to recognize the effects of certain of the new agreements as an extinguishment and the simultaneous recognition of a new loan. No debt refinancing took place during this year or 2024.

The most noteworthy financing transactions in 2024 were as follows:

- Signing of two long-term fixed interest rate loans for a total amount of EUR 195 million with: EUR 150 million with Banco Sabadell and EUR 45 million with Ibercaja.
- Signing of seven long-term floating rate loans for a total amount of EUR 365 million with: Kutxabank (one of EUR 105 million, of which there are EUR 20 million undrawn at year-end and another of EUR 20 million); Cajamar (EUR 70 million); Caixabank (EUR 50 million, total amount undrawn at year-end); Intesa Sanpaolo (EUR 50 million); Bankinter (EUR 45 million) and Abanca (EUR 25 million).
- Signing of three long-term floating rate loans hedged with interest rate derivatives for a total amount of EUR 245 million: two loans with BBVA for a total amount of EUR 170 million and one loan with Caixabank for a total amount of EUR 75 million.
- In order to ensure Group liquidity, the following short-term transactions were carried out:
 - Renewal of eleven credit facilities in euros for a total amount of EUR 480 million.
 - Renewal of six credit facilities in US dollars for a total amount of USD 135 million.
 - Signing of a USD 20 million credit facility for Bahru Stainless with Caixabank (at the end of December, this policy had expired).

- Renewal of the one-year floating rate loan signed by Acerinox Europa with BBVA for a total amount of EUR 50 million.
- Signing of a variable interest rate loan by VDM for a total amount of EUR 40 million with Intesa Sanpaolo. At year-end, the loan was undrawn
- In addition, VDM extended the maturity of two bilateral financing facilities for an additional year until 2025 with Deutsche Bank and Helaba for a total maximum amount of EUR 80 million.

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

The detail of the changes in non-current loans, not including bond issues, is as follows:

(Amounts in thousands of euros)

	Non-current payables		Current liabilities	
	2025	2024	2025	2024
Opening balance	1,464,314	1,291,156	918,737	767,147
Business combination		110,764		2
Additions	258,875	775,080	194,212	234,624
Debt repayment	-1,477	-202,609	-676,973	-607,039
Interest at depreciated cost	1,244	1,011	-1,537	1,351
Short-term transfers	-401,437	-511,514	401,438	511,514
Transfers of other financial liabilities		426		
Translation differences and others			1,093	11,138
Balance as of December 31	1,321,519	1,464,314	836,970	918,737

The reconciliation of the changes in non-current and current borrowings to the consolidated statement of cash flows is as follows:

- The detail of income from borrowings recognized in the consolidated statement of cash flows is as follows:

(Amounts in thousands of euros)

	2025	2024
Capital grants	114	102
Long-term bank borrowings	258,875	775,080
Short-term bank borrowings	194,212	234,624
Other debts (capital leases)		848
Total income from borrowed funds	453,201	1,010,654

- The breakdown of the debt repayments recognized in the consolidated statement of cash flows is as follows:

(Amounts in thousands of euros)

	2025	2024
Obligations		-75,000
Long-term bank borrowings	-1,477	-202,609
Short-term bank borrowings	-676,973	-607,039
Other debts (capital leases)	-7,652	-6,488
Total repayment of interest-bearing liabilities	-686,102	-891,136

Non-current borrowings subject to achievement of ratios

Currently, no loan agreement entered into by the Acerinox Group contains covenants linked to ratios that take into account the Group's results.

Below is a detailed breakdown of loans tied to financial covenants by Group company:

a) Acerinox, S.A.:

As of December 31, 2025, the Company has six financing contracts in force for an outstanding amount of EUR 380 million subject to compliance with a Net Financial Debt to Equity ratio, as well as an additional EUR 50 million contract linked to minimum consolidated equity levels. These operations, which meet market standards, have long-term maturities.

b) Columbus Stainless (PTY) LTD:

Additionally, the Group company Columbus Stainless has structured financing (a Borrowing Base Facility) which is also subject to the achievement of a covenant relating to the maintenance of minimum equity levels at that Company and a maximum level of additional indebtedness. This financing facility is recognized under "bank borrowings" in the consolidated statement of financial position at the amount drawn down. At December 31, 2025, the amount drawn down from this financing amounts to ZAR 2,202 million (around EUR 113 million at the exchange rate of December 31, 2025). At 2024 year-end, the amount drawn down from this financing amounted to ZAR 2,235 million (around EUR 115 million at the exchange rate of December 31, 2024).

c) VDM Group:

Finally, it should be noted that the eleven bilateral financing facilities signed by VDM (both the four long-term loan signed with IKB, Intesa Sanpaolo, BBVA and Caixabank, and the seven financing lines signed with HSBC, Banco Santander, Caixabank, Unicredit, Deutsche Bank, Helaba and BBVA) are subject to the maintenance of minimum equity ratios and a ratio of net financial debt to working capital.

At 2025 year-end (as in 2024), Acerinox, S.A., Columbus Stainless (PTY) Ltd. and the VDM Group had achieved all the covenants required under the aforementioned agreements.

13.2.4 Fair value measurement

As set out in the accounting policies, the Group measures derivative financial instruments at fair value.

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 at December 31, 2025 and 2024 was as follows:

(Amounts in thousands of euros)

	2025			2024		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Financial derivatives (assets)		14,027			22,318	
TOTAL	0	14,027	0	0	22,318	0
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Financial derivatives (liabilities)		4,057			19,206	
TOTAL	0	4,057	0	0	19,206	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.

13.2.5 Financial assets at fair value through other comprehensive income

This section includes the shares that the Group does not intend to sell and that it had designated in this category on initial recognition.

The value of financial assets at fair value through other comprehensive income at year-end amounted to EUR 282 thousand (December 31, 2024: EUR 413 thousand).

The Group has classified in this category its 8.48% minority shareholding in the company Fortia Energía, S.L., whose corporate purpose is the acquisition of electricity on behalf of its shareholders. This investment enables the Group's Spanish factories to obtain more competitive electricity prices. The investment is measured at acquisition cost, as there are insufficient data to measure it at fair value. The Group has no control over this entity. The acquisition cost of the investment was EUR 276 thousand. The Group does not consider that there are any indications of impairment in this connection.

During this year, the amount of the investment in Nimawize Pty Ltd. made at the time in compliance with the requirements established by the "Broad-Based Black Economic Empowerment" (B-BBEE Act 53 of 2023) was derecognized. The amount recognized in the income statement amounts to a loss of EUR 100 thousand.

13.2.6 Derivative financial instruments

As detailed in Note 5, in relation to market risk, the Group is essentially exposed to the following three types of risk in the course of its business activities: foreign 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 in the category of assets and liabilities measured at fair value through profit or loss. Those that qualify as hedging instruments are classified as hedging derivatives and are accounted for by applying the accounting policy defined in Note 2.12.4.

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

(Amounts in thousands of euros)

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Hedging derivatives	9,887	1,783	12,494	14,843
Derivatives at fair value through profit or loss	4,140	2,274	9,824	4,363
TOTAL	14,027	4,057	22,318	19,206

The following table provides a breakdown of the Group's derivative financial instruments at December 31, 2025 and 2024 by type of hedged risk:

(Amounts in thousands of euros)

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Currency forwards	4,140	2,274	9,824	4,363
Interest rate swaps	5,407	1,283	11,947	1,729
Commodity futures contracts	4,480	500	547	13,114
TOTAL	14,027	4,057	22,318	19,206

Foreign currency risk

The Group operates in a large number of countries and bills customers in various currencies, depending on the country where it is billing. It therefore arranges certain financial instruments to hedge cash flow risks arising from the settlement of balances in foreign currencies. The transactions arranged consist mainly of foreign currency purchase and sale forward contracts.

The Group uses derivative financial instruments to hedge most of its commercial and financial transactions performed in currencies other than the functional currency of each country.

The Company's business model is to hedge foreign currency risk through the use of derivative financial instruments and there is an economic relationship between the hedged item and the hedging instrument. The Group classifies most of its foreign exchange insurance contracts in the category of financial instruments at fair value through profit or loss.

Using these instruments ensures that any fluctuation in exchange rates that could affect assets or liabilities denominated in foreign currency would be offset by a change of the same amount in the derivative arranged. Changes in the derivative are recognized in the income statement, offsetting any changes that occur in foreign currency monetary items. As these derivatives do not qualify as cash flow hedging instruments for accounting purposes, the revaluation of these derivatives is recorded in the consolidated income statement "revaluation of financial instruments at fair value".

At December 31, 2025, the effect on the income statement of measuring these derivatives at market value was negative, amounting to EUR -2,081 thousand (2024: EUR 8,825 thousand). The negative exchange differences of the Group in the year amounted to EUR -9,681 thousand as a result of the depreciation of the USD (2024: loss of EUR 1,183 thousand). The differences between the two amounts are mainly due to the interest rate differences between the currencies involved in the exchange rate insurance taken out and the differences between the insurance taken out and the monetary items in foreign currency.

The difference between the amount in the income statement in 2024 under "Revaluation of financial instruments at fair value" and the amount in that note relating to exchange rate derivatives is due to the derivatives contracted during the previous year to hedge the price of gas.

At December 31, 2025, all the currency forwards covered mainly receivables (assets) and payables (liabilities) and related to both commercial and financing transactions between Group companies. At December 31, 2025, the fair value of the Group's currency forwards totaled EUR 1,865 thousand (2024: EUR 5,461 thousand), of which EUR 4,140 thousand were recognized under assets (2024: EUR 9,824 thousand) and EUR 2,275 thousand under liabilities (2024: EUR 4,363 thousand). None of those currency forwards were accounted for as hedges at the end of 2025 or 2024. In 2025, EUR -8 thousand were transferred from the consolidated statement of comprehensive income to profit or loss for the year (2024: EUR -98 thousand).

The vast majority of the Group's foreign currency purchase and sale forward contracts have a term of less than one year.

At December 31, 2025, the Group had used contracts for foreign currency transactions amounting to EUR 884 million for foreign currency sales and EUR 85 million for foreign currency purchases. At December 31, 2024, EUR 210 million were used for foreign currency sales and EUR 215 million for foreign currency purchases.

The detail of these foreign currency forward contracts, by currency, is as follows:

(Amounts in thousands)

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
USD	943,001	94,104	91,704	228,107
EUR	2,613	0	22,156	2,126
GBP	21,511	1,820	33,737	2,081
SEK	0			
CAD	0	0	0	
AUD	3,397	5	1,842	173
CNY	4,414	162	6,209	69
NZD	0	0	0	
JPY	4,673,272	175,008	6,781,998	38,984
MYR	110,000	0	110,000	
KRW		0		0

At December 31, 2025 and 2024, there were no loans in currencies other than the functional currency and, therefore, the Group no longer has any derivative financial instruments to hedge exposure to foreign currency risk or interest rate risk.

Interest rate risk

The Group enters into interest rate derivatives to hedge floating rate cash flows from debt instruments. As Acerinox's risk management strategy allows for the exchange of hedging instruments and hedged items to meet corporate financing needs, the Group has documented the effectiveness of hedging through the contracted financial instruments so that they can be qualified for accounting purposes as cash flow hedging instruments through the designation of generic hedging relationships.

The swaps entered into by the Group as at December 31, 2025 were as follows:

	Notional contracted	Amount outstanding	Maturity
From variable to fixed rate	EUR 70 million	EUR 30 million	2028
From variable to fixed rate	EUR 100 million	EUR 10 million	2026
From variable to fixed rate	EUR 80 million	EUR 42 million	2028
From variable to fixed rate	EUR 260 million	EUR 173 million	2027
From variable to fixed rate	EUR 15 million	EUR 15 million	2027
From variable to fixed rate	EUR 50 million	EUR 50 million	2029
From variable to fixed rate	EUR 75 million	EUR 75 million	2029
From variable to fixed rate	EUR 120 million	EUR 120 million	2029
From variable to fixed rate	EUR 50 million	EUR 50 million	2029

The average interest rate of euro-denominated financing hedged by an interest rate hedging derivative, totaling EUR 565 million at year-end, was 2.57% (2024: EUR 646 million at 2.34%). The credit spread on these loans is included in both cases.

By the end of 2025 and 2024 there is no interest rate hedge in a currency other than the euro.

As explained in **Note 5.1.2**, during 2025 the Group contracted a new swap transaction to hedge highly probable future flows pegged to the floating interest rate, as well as any modification thereof that may occur before the maturity date.

The total amount of the interest rate derivative contracted in 2025 with Caixabank amounts to EUR 50 million.

In 2024, as explained in **Note 5.1.2**, the four interest rate derivatives contracted by the Group amounted to EUR 260 million and were divided as follows: two interest rate derivatives signed with BBVA for an initial

amount of EUR 50 million and EUR 120 million; one with Caixabank for an initial amount of EUR 75 million; and one with Banca March for an initial amount of EUR 15 million.

The detail at December 31, 2024 was as follows:

	Notional contracted	Amount outstanding	Maturity
From variable to fixed rate	EUR 70 million	EUR 40 million	2028
From variable to fixed rate	EUR 100 million	EUR 30 million	2026
From variable to fixed rate	EUR 80 million	EUR 56 million	2028
From variable to fixed rate	EUR 260 million	EUR 260 million	2027
From variable to fixed rate	EUR 15 million	EUR 15 million	2027
From variable to fixed rate	EUR 50 million	EUR 50 million	2029
From variable to fixed rate	EUR 75 million	EUR 75 million	2029
From variable to fixed rate	EUR 120 million	EUR 120 million	2029

The fair value of the interest rate swaps was based on the market value of equivalent derivative financial instruments at the reporting date and amounted to EUR 4,124 thousand (December 31, 2024: EUR 10,218 thousand). These amounts are recognized in the Group's consolidated statement of financial position under the following line items:

	2025		2024	
	Current	Non-current	Current	Non-current
Other financial assets	3,090	2,317	7,449	4,498
Other financial liabilities	810	473	270	1,459

The Group assesses whether outstanding hedging relationships meet the effectiveness requirements both at the date of designation and at year-end. At December 31, 2025 and 2024, all outstanding interest rate derivatives arranged qualified as cash flow hedging instruments and, therefore, the unrealized gains and losses of EUR 1,335 thousand on their measurement at fair value were recognized in the consolidated statement of comprehensive income (2024: EUR -3,821 thousand). The Group has documented the effectiveness of the derivatives arranged to be recognized as hedging instruments, as detailed in **Note 2.12.4**. The financial instruments considered to be hedges were not ineffective at any point in 2025 or 2024.

In 2025, EUR -5,462 thousand were transferred from the consolidated statement of comprehensive income to profit or loss for the year, reducing borrowing costs (2024: EUR -13,231 thousand). Combined with the EUR -8 thousand arising from the foreign currency hedges referred to in the previous section and the EUR 12,019 thousand from the commodity derivatives, the amount totaled EUR 6,549 thousand and was included in the consolidated statement of comprehensive income. In 2024, the transfer amount from comprehensive income related to interest rate hedges would need to include EUR -98 thousand from currency hedges and EUR 6,244 thousand from commodity derivatives. This totals EUR -7,085 thousand in the consolidated statement of comprehensive income for 2024.

Risk of changes in commodity prices

As detailed in **Note 5.1.3**, high-performance alloys have a high metal content and are mainly composed of nickel, but they also contain other metals that are listed on the London Metal Exchange (LME). The Group, and mainly this division within it, is exposed to the risk of commodity 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.

As explained in the note on commodity risks, Haynes negotiates a price component based on commodity prices with most of its customers, which allows it to transfer part of the risk, meaning it does not have to insure this risk by contracting derivatives.

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

The detail of the par values of the purchase and sale futures contracts arranged by the Group at year-end and the fair value measurement thereof is as follows:

(Amounts in thousands of euros)

	2025			2024		
	Nominal	Derivative fair value		Nominal	Derivative fair value	
		Assets	Liabilities		Assets	Liabilities
Purchase	43,062	4,480	444	115,534	22	13,114
Sale	1,127		56	7,509	524	1
TOTAL		4,480	500		546	13,115

All assets and liabilities for derivative financial instruments in this category are current except for EUR 12 thousand recorded as non-current liabilities (EUR 549 thousand recorded as non-current liabilities in 2024).

Both at year-end and in 2024, all financial instruments contracted to hedge this risk meet the conditions to be considered as cash flow hedging instruments. As of December 31, 2025, unrealized gains and losses arising from the valuation at fair value and charged to the consolidated statement of comprehensive income amount to EUR 4,512 thousand. The amount transferred from the consolidated statement of comprehensive income to the profit for the year for these hedges is EUR 12,019 thousand (in 2024, the unrealized gains and losses from fair value measurement recognized in the consolidated statement of comprehensive income amounted to EUR -11,269 thousand and the amount transferred from the consolidated statement of comprehensive income to the profit for the year for these hedges was EUR 6,244 thousand).

NOTE 14 – CASH AND CASH EQUIVALENTS

The detail of “inventories” in the consolidated statement of financial position as at December 31 is as follows:

(Amounts in thousands of euros)

	2025	2024
Cash and banks	202,318	170,139
Deposits and remuneration in c/a	767,572	1,092,667
TOTAL	969,890	1,262,806

The Group made cash placements mainly in both US dollars, euros and pounds sterling. The effective interest rate on short-term deposits and current account remuneration at credit institutions at year-end was 3.86% for the US dollar (2024: 4.45%); 1.82% for the euro (2024: almost 3%) and 2.90% for the pound sterling (at year-end 2024 there were no deposits or balances remunerated on current account in pounds sterling). The average term of the placements is between one day and three months, and they have been deposited at financial institutions of recognized creditworthiness.

All cash and cash equivalents are held in current accounts or current deposits, and there were no restricted cash balances at year-end.

NOTE 15 – EQUITY

15.1 Subscribed capital, issue premium and treasury shares

The detail of the changes in the shares outstanding in 2025 and 2024 were as follows:

	No. of shares (thousands)	Number of treasury shares (thousands)	Treasury shares (in thousands of euros)	Capital stock (in thousands of euros)	Share premium (in thousands of euros)
As of January 1, 2024	249,335	-106	-1,055	62,334	268
Acquisition of treasury shares		-100	-961		
Long-term compensation plan (delivery of treasury shares)		181	1,770		
As of December 31, 2024	249,335	-25	-246	62,334	268
Acquisition of treasury shares		-67	-718		
Long-term compensation plan (delivery of treasury shares)		85	864		
Other changes			3		
As of December 31, 2025	249,335	-7	-97	62,334	268

a) Capital stock

The parent's capital stock solely comprises ordinary shares. All these shares carry the same rights and there are no bylaw restrictions on their transfer.

At the cut-off date the capital stock, as at 2024 year-end, consisted of 249,335,371 ordinary shares of EUR 0.25 nominal value each, yielding capital of EUR 62,334 thousand. The shares have been fully subscribed and paid.

All the Company's shares are listed on the Madrid and Barcelona stock exchanges.

At December 31, 2025, the only shareholder with a stake of 10% or more in the capital stock of Acerinox, S.A. is Corporación Financiera Alba, S.A. with 19.29% (2024: 19.29%).

b) Issue premium

The issue premium amounted to EUR 268 thousand both in 2025 and 2024 and has the same restrictions and may be used for the same purposes as the voluntary reserves of the parent, including its conversion into capital stock.

No issue premium distributions were made this year or last year.

c) Treasury shares

At year-end, treasury shares amounted to 7,000 with a value of EUR 97 thousand (December 31, 2024: 25,143 thousand treasury shares with a value of EUR 246 thousand).

In 2025, 66,697 thousand treasury shares amounting to EUR 718 thousand were acquired to cover the Multi-Year Remuneration Plans for Group executives (2024: 100 thousand treasury shares amounting to EUR 961 thousand). This year, Company directors have been awarded 84,840 of the Company's treasury shares in accordance with the conditions and achievement of targets set out in the Multi-Year Remuneration Plan. The amount of shares delivered and derecognized from treasury stock totaled EUR 864 thousand (2024: 181 thousand shares valued at EUR 1,770 thousand). The difference between the equity instruments recorded in accordance with the valuation made at the beginning of the plan and the treasury shares delivered were recorded against reserves of the parent company in the amount of EUR -648 thousand (2024: EUR -849 thousand).



15.2 Dividends paid

Acerinox has a Board-approved dividend policy which establishes the essential principles governing shareholder remuneration agreements that are submitted by the Board of Directors for approval by the General Shareholder's Meeting.

In accordance with this policy, proposals for shareholder compensation must be sustainable and compatible with the maintenance of financial soundness.

Provided that market conditions and the Group's earnings performance, and while net debt does not exceed 1.2x recurring EBITDA for the cycle permit, the Board of Directors may resolve to provide Acerinox shareholders with extraordinary shareholder remuneration through share buyback plans or the payment of extraordinary dividends pursuant to authorization at the General Shareholders' Meeting.

As a general rule, the dividend will be paid in two payments:

- A payment on account in January.
- A supplementary payment in July.

This policy may be revised when there are significant and tangible organic and/or inorganic investments in the short term or when market conditions so advise.

In 2025, Acerinox shareholders received EUR 154,576 thousand in dividends. The General Shareholders' Meeting, held on May 6, 2025, approved the Board of Directors' proposal to pay a dividend for 2024 (to be paid in 2025) totaling EUR 0.62 gross per share, maintaining the same remuneration as the previous year.

As established in Acerinox's Dividend Policy, in 2025, the following payments were made:

- Interim dividend for 2024 of EUR 0.31 per share, paid on January 24, 2025.
- Final dividend for 2024 of EUR 0.31 per share, paid on July 18, 2025.

The Acerinox, S.A. Board of Directors, at their meeting of December 17, 2025, approved the distribution of an interim dividend for the year 2025 payable in cash of EUR 0.31 gross per share for each existing and outstanding Company share entitled to receive such dividend.

The provisional accounting statement prepared by the directors in accordance with Article 277 of the Spanish Corporate Enterprises Act, which shows the liquidity status for the payment of the interim dividend, is as follows:

	2025	
Cash on hand at November 30, 2025		172,641
Plus:		
Planned cash increases between November 30, 2025 and January 23, 2026		324,211
Dividend collection	307,655	
Receivables from operating activities	15,776	
Collection of tax refunds	780	
Less:		
Planned cash decreases between November 30, 2025 and January 24, 2026		-297,525
Capital increase Acerinox Europa	200,000	
Payments for operating activities	3,325	
Payments from financial operations	6,500	
Loan repayments	87,700	
Projected liquidity as at January 23, 2026		199,327
Credit line capacity		87,600
Available liquidity at January 23, 2026		286,927

The Group has recognized the dividend payable under "other current financial liabilities" in the consolidated balance sheet amounting to EUR 77,292 thousand.

The General Shareholders' Meeting held on April 22, 2024 resolved to distribute a dividend of EUR 0.62 per share. The amount for the distribution of dividends was the aggregate result of the sum of the following amounts:

- Interim dividend for 2023 of EUR 0.31 per share, paid on January 26, 2024.
- Final dividend for 2023 of EUR 0.31 per share, paid on July 19, 2024.

The amount paid amounted to EUR 154,538 thousand in 2024.

15.3 Reserves

a) Retained earnings in reserves

"Retained earnings in reserves" includes "consolidated profit or loss for the year and reserves of fully consolidated companies and of the parent, other than those mentioned below.

The detail of the reserves by Company is included in Note 15.5.

There are no restrictions on the transfer of funds by any Group company in the form of dividends, except for the non-distributable reserves required by the applicable legislation and the existing limitation in Argentina on the payment of dividends abroad. At December 31, 2025, the Group had EUR 41,198 thousand in reserves and retained earnings subject to restrictions (December 31, 2024: EUR 40,607 thousand).

The parent's legal reserve, which is included under "retained earnings in reserves" in the consolidated statement of changes in equity, was recognized in compliance with Article 274 of the Spanish Corporate Enterprises Act, which establishes that 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of capital stock. Acerinox, S.A. has already recorded this reserve for an amount equivalent to 20% of the capital stock, amounting in both periods to EUR 13,527 thousand.

The legal reserve is not distributable to shareholders and can only be used to offset losses, in the event that sufficient other reserves are not available for this purpose, in which case the reserve must be replenished with future profits.

**b) Property, plant and equipment revaluation reserve**

In accordance with Royal Decree-Law 7/1996, of June 7, on urgent tax measures and measures to foster and deregulate the economy, the parent revalued its items of property, plant and equipment. The amount of the reserve reflects the revaluation gains, net of tax at 3%.

The tax authorities had a three-year period from December 31, 1996 in which to conduct a tax audit. Since such an audit did not take place, the aforementioned balance may be used to eliminate losses or increase the Company's capital stock.

The balance of this account may only be distributed, either directly or indirectly, once the gain has been realized.

c) Hedge reserves

Valuation adjustments relating to hedges includes cumulative net changes in the fair value of cash flow hedging instruments associated with highly probable future transactions.

d) Reserve for actuarial adjustments

This reserve includes the changes in the actuarial value of the defined benefit plan obligations. The Group, particularly in its high-performance alloys division, has significant commitments to its employees regarding pension matters. **Note 17.1** includes detailed information. As described in the accounting policy defined in Note 2.16, the Group recognizes changes in the actuarial valuation of the obligations in other comprehensive income.

15.4 Translation differences

The detail of the changes in "translation differences" is included in the consolidated statement of changes in equity.

The breakdown of the cumulative translation differences by company at the end of 2025 and 2024 and the functional currencies of their respective Financial Statements are as follows:

(Amounts in thousands of euros)

GROUP COMPANIES	Currency	2025	2024
ACERINOX (SCHWEIZ) A.G.	CHF	1,763	1,733
ACERINOX ARGENTINA S.A.	ARS	-8,276	-7,581
ACERINOX AUSTRALASIA PTY. LTD.	AUD	-3	10
ACX DO BRASIL REPRESENTAÇÕES, LTDA.	BRL	-324	-324
ACERINOX CHILE, S.A.	CLP	-1,872	-1,717
ACERINOX COLOMBIA, S.A.S.	COP	-211	-211
ACERINOX INDIA PVT LTD.	INR	-116	-68
ACERINOX METAL SANAYII VE TICARET L.S.	TRY	-2,253	-2,023
ACERINOX MIDDLE EAST DMCC (DUBAI)	AED	100	122
ACERINOX PACIFIC LTD.	HKD	-4,930	-4,777
ACERINOX POLSKA, SP. ZO.O.	PLN	-909	-1,240
ACERINOX RUSSIA LLC.	RUB		
ACERINOX SCANDINAVIA AB	SEK	-6,606	-8,244
ACERINOX S.C. MALAYSIA SDN. BHD	MYR	-2,068	-2,112
ACERINOX (SEA), PTE LTD.	SGD	167	215
ACERINOX SHANGAI CO., LTD.	CNY	775	1,031
ACERINOX U.K., LTD.	GBP	-6,033	-4,763
BAHRU STAINLESS, SDN. BHD	USD		
COLUMBUS STAINLESS INC.	ZAR	-186,512	-186,450
CORPORACIÓN ACERINOX PERU, S.A.C.	PEN	-3	1
NORTH AMERICAN STAINLESS CANADA, INC.	USD	-189	7,660
NORTH AMERICAN STAINLESS MEXICO S.A. DE C.V.	USD	2,394	8,971
NORTH AMERICAN STAINLESS FINANCIAL INVESTMENTS, LTD.	USD	2	5
NORTH AMERICAN STAINLESS INC.	USD	67,540	245,900
VDM METALS GROUP	—	-4,432	6,293
HAYNES GROUP	—	-84,098	-1,302
CABARAN DUNIA	MYR	-1,445	119
TOTAL		-237,539	51,248

The VDM and Haynes subgroups are composed of several entities, as described in **Note 6.3**. Each entity in the Group uses the local currency of its country.

The origin of the changes arising in 2025 as in 2024 is detailed below:

(Amounts in thousands of euros)

	2025	2024
Opening balance	51,248	-7,990
Difference in equity translation	-342,683	146,397
Difference in translation results	-15,555	13,072
Difference on translation of investments in Group companies	85,867	-6,761
Dividend distribution translation difference		-16
Translation differences taken to the income statement		-94,408
Purchase of non-controlling interests	-3	1
Other changes	-16,413	953
Balance as of December 31	-237,539	51,248

The translation difference derived from the valuation of shareholders' equity was negative by EUR -342,683 due to the 13% depreciation of the USD against the exchange rate at the end of 2024, since the rand has remained similar to last year. The EUR/USD exchange rate applied at the end of 2025 was 1.1750 (2024: 1.0389), while the EUR/ZAR rate was 19.4439 in 2025 (2024: 19.6188).

In 2024, the translation difference resulting from the measurement of equity was positive, i.e. EUR 146,397 thousand, due to the appreciation of 6% of the USD and 4% of the rand with respect to the exchange rate at the end of 2023. The EUR/USD exchange rate applied at the end of 2024 was 1.10389 (2023: 1.1050), while the EUR/ZAR rate was 19.6188 in 2024 (2023: 20.3477).

The translation difference by income derives from the difference between the average exchange rate applied in the translation of the income statement and the closing exchange rate applied to the balance sheet items.

Last year, as a result of the sale of Bahru Stainless and the liquidation of Acerinox Russia, the translation differences accumulated to date for both companies (Bahru Stainless, EUR 94,593 thousand, and Acerinox Russia, EUR -185 thousand) were transferred to profit and loss. As described in the valuation standard (**Note 2.6**), the translation differences are reclassified to profit or loss when the company that generates them ceases to form part of the Group.

15.5 Detail of reserves, profit or loss and non-controlling interests: Contribution by company

At December 31, 2025 and 2024, the contribution of each of the consolidated companies to reserves and consolidated profit or loss is detailed as follows:

(Amounts in thousands of euros)

	2025				2024			
	Contribution reserves	Contribution profit or loss	Results attributable to non-controlling interests	Total non-controlling interests	Contribution reserves	Contribution profit or loss	Results attributable to non-controlling interests	Total non-controlling interests
ACERINOX S.A	2,049,778	-48,790			1,203,891	148,301		
ACERINOX (SCHWEIZ) A.G.	854	-313			862	-8		
ACERINOX ARGENTINA S.A.	9,695	-913			9,365	-158		
ACERINOX AUSTRALASIA PTY. LTD.	-104	-71			10	-114		
ACERINOX BENELUX S.A. - N.V.	577	66			539	39		
ACX DO BRASIL REPRESENTAÇÕES, LTDA.	278	-16			273	5		
ACERINOX CHILE, S.A.	-116	-398			365	-481		
ACERINOX COLOMBIA, S.A.S.	-55	-208			177	-232		
ACERINOX DEUTSCHLAND GMBH	-16,427	2,251			-17,375	948		
ACERINOX EUROPA, S.A.U.	-558,259	-239,401			-307,020	-251,238		
ACERINOX FRANCE, S.A.S	-10,821	-195			-11,162	341		
ACERINOX ITALIA S.R.L.	-33,257	1,295			-34,689	1,432		
ACERINOX INDIA PVT LTD.	277	-135			317	-40		
ACERINOX METAL SANAYII VE TICARET L.S.	2,644	171			2,265	379		
ACERINOX MIDDLE EAST DMCC (DUBAI)	96	-109			259	-163		
ACERINOX PACIFIC LTD.	-20,724	-65			-20,760	36		
ACERINOX POLSKA, SP. ZO.O.	1,323	495			436	888		
ACERINOX RUSSIA LLC.						-175		
ACERINOX SCANDINAVIA AB	3,192	-553			1,029	2,164		
ACERINOX S.C. MALAYSIA SDN. BHD	-37,902	-643			-37,448	-454		
ACERINOX SHANGAI CO., LTD.	685	-241			772	-87		
ACERINOX (SEA), PTE LTD.	625	-618			765	-141		
ACERINOX U.K., LTD.	1,020	1,231			688	332		
ACEROL - COMÉRCIO E INDÚSTRIA DE AÇOS INOXIDÁVEIS, UNIPessoal, LDA. BAHRU STAINLESS, BDN. BHD	-1,890	-61			-2,267	377		
COLUMBUS STAINLESS (PTY) LTD.	58,873	-45,207	-14,034	33,659	91,370	-32,772	-10,240	47,660

	2025				2024			
	Contribution reserves	Contribution profit or loss	Results attributable to non-controlling interests	Total non-controlling interests	Contribution reserves	Contribution profit or loss	Results attributable to non-controlling interests	Total non-controlling interests
CORPORACIÓN ACERINOX PERU, S.A.C.	-582	-132			-419	-163		
INOX RE, S.A.	33,282	-1,258			31,023	2,259		
INOXCENTER CANARIAS, S.A.U.	1,144	-112			1,212	-68		
INOXCENTER, S.L.U.	-16,889	-1,532			-14,401	-2,488		
INOXFIL, S.A.	-6,284	-5,727	-13	29	-2,027	-4,238	-10	23
INOXIDABLES DE EUSKADI, S.A.U.	6,039	18			5,936	103		
INOXPLATE - COMÉRCIO DE PRODUCTOS DE AÇO INOXIDÁVEL, UNIPESSOAL, LDA.	2,422	170			2,305	117		
METALINOX BILBAO, S.A.U.	17,627				17,312	315		
NORTH AMERICAN STAINLESS CANADA, INC.	53,781	3,304			49,227	4,555		
NORTH AMERICAN STAINLESS MEXICO S.A. DE C.V.	27,238	4,360			28,242	-1,004		
NORTH AMERICAN STAINLESS FINANCIAL INVESTMENTS LTD.	-9,249	9,249			-10,005	10,005		
NORTH AMERICAN STAINLESS INC.	570,577	306,934			1,075,933	345,697		
ROLDAN, S.A.	14,258	-41,253	-96	-25	35,853	-21,595	-49	71
VDM METALS HOLDING GMBH	199,735	14,014			156,921	44,648		
HAYNES	6,084	15,214				381		
CABARAN DUNIA	401	-10,895				401		
TOTAL	2,349,945	-40,074	-14,143	33,663	2,260,462	224,946	-10,299	47,754

During the year, the Group company North American Stainless distributed dividends to the parent company amounting to EUR 848 million (2024: EUR 238 million), and also received dividends from other Group companies amounting to EUR 29 million (2024: EUR 22 million).

The sale of Bahru also had an impact on the parent company's reserves due to accumulated portfolio impairments, which did not have an impact on consolidated results.

15.6 Hyperinflation adjustments

On July 1, 2018, Argentina was declared to be a hyperinflationary economy, as it met the classification requirements established in IAS 29. The Acerinox Group has an entity in Argentina which engages exclusively in the marketing of stainless steel in that country and, accordingly, the amount of its assets and liabilities and its contribution to the Group's results are not significant. The Group did not restate the comparative figures for the previous period as the impacts are not significant for the Group.

The Financial Statements of Acerinox Argentina for both 2025 and 2024 were expressed in terms of the measuring unit current at the end of the reporting period. The restated cost of each non-monetary item in the Financial Statements was determined by applying to its historical cost and accumulated depreciation and depreciation charge the change in a general price index from the date of acquisition to the end of the reporting period. The revaluation of non-cash assets amounted to EUR 264 thousand cost and EUR 203 thousand accumulated depreciation (2024: EUR 708 thousand cost and EUR 518 thousand accumulated depreciation).

The components of owners' equity, except retained earnings and any revaluation surplus, were restated by applying a general price index to the various items from the date on which the components were contributed or otherwise arose. Restated retained earnings are the result of applying these indices to the other amounts in

the consolidated statement of financial position. The impact on reserves amounted to EUR 488 thousand, as reflected in the consolidated statement of changes in equity (2024: EUR 1,406 thousand).

All the items in the consolidated statement of comprehensive income were also restated in the monetary unit current at the end of the reporting period. For this purpose, all the amounts were restated by applying an index calculated on the basis of the change in the general price index from the date on which the income and expenses were recognized in the Financial Statements. The amount recognized in the income statement for this item was EUR -72 thousand (2024: EUR -272 thousand).

15.7 Non-controlling interests

At year-end, the only company with non-controlling shares was Columbus Stainless, Ltd. (Columbus), with an interest of 24% held by the South African group IDC (Industrial Development Corporation).

There are no rights to protect non-controlling shares that may restrict the entity's ability to access or use assets, or settle the entity's liabilities.

Columbus did not distribute dividends in 2025 or 2024.

The detail of the main items in the Financial Statements of Columbus, which was the only Group company with significant non-controlling shares at year-end, is as follows:

Columbus

(Amounts in thousands of euros)

	2025	2024
Non-current assets	177,089	151,304
Current assets	236,073	276,377
Total Assets	413,162	427,681
Non-current liabilities	10,458	9,685
Current liabilities	262,459	219,418
Total Liabilities	272,917	229,103
Income statement	2025	2024
Revenue	413,404	629,351
Profit/(loss) for the year	-58,472	-42,665
Cash flows	2025	2024
Operating cash flows	26,593	-5,108
Investment flows	-17,587	-26,153
Financing flows	3,082	21,587
Total cash flows generated	12,088	-9,674

When Columbus Stainless was incorporated, Acerinox signed a Shareholders Agreement in December 2001 with the three South African partners, Highveld Steel and Vanadium Corporation, Ltd., Samancor, Ltd. and IDC, which held ownership interests in that company at that time.

In Clause 9 of that agreement it was stipulated that, in the event of a change of control at Acerinox, S.A., by virtue of which a shareholder acquired shares of Acerinox, S.A. that afforded it a majority of votes at the General Meeting or on the Board, the shareholders would be able to exercise a put option on their ownership interests vis-à-vis Acerinox.

In the years that have passed, two of the three partners who signed the agreement, Highveld and Samancor, have renounced their shareholdings, and the third, IDC, a state entity supporting industrial development in South Africa, has increased its ownership interest from 12% to 24%, given its interest in supporting the creation of wealth, the maintenance of employment and the status of the stainless-steel industry as a strategic industry for the country. IDC recently declared that this was a strategic and long-term interest.

Columbus is the only stainless steel manufacturer in South Africa with a share of the South African market of around 80%, making it a strategic sector for the country.

Consequently, the exercise of this option, with respect to the aforementioned assumption, is highly unlikely for the only minority shareholder of Columbus Stainless, since its permanence is not determined by the presence of Acerinox, as it was in the case of the other shareholders, but by support to the national industry.

15.8 Distribution of profit

The proposed distribution of profit of the parent company, Acerinox, S.A., for 2025 that the Board of Directors will submit for approval by the shareholders at the General Shareholders' Meeting is as follows:

	2025
Basis for distribution:	
Profit/(loss) for the year	202,307,452
Application:	
Dividends	154,587,930
To voluntary reserves	47,719,522

The Board of Directors of Acerinox, S.A. resolved to propose to the next Ordinary General Shareholders' Meeting of the Company a dividend distribution of EUR 0.62 per share.

On May 6, 2025, the General Shareholders' Meeting approved the appropriation of the results of the parent company for the financial year 2024, with the following distribution:

	2024
Basis for distribution:	
Profit/(loss) for the year	101,478,498
Application:	
Dividends	154,587,930
To voluntary reserves	-53,109,432

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

- the interim dividend payment for the 2024 financial year for a total of EUR 0.31 gross per share, agreed by the Board of Directors at its meeting of December 18, 2024, which was paid on January 24, 2025; and
- a final dividend charged to the 2024 financial year for the amount of EUR 0.31 for each of the 249,335,371 existing shares (subject to the limits in article 148 of the Spanish Capital Companies Act on the shares held in treasury stock at the time of payment). This dividend was paid on July 18, 2025.

The total amount paid amounted to EUR 154,576 thousand. This figure differs from the appropriation of earnings approved by the General Shareholder's Meeting (EUR 154,588 thousand) due to the fact that at the time the dividend was paid, the Group held treasury shares, which are not entitled to dividends.

With regard to the 2024 financial year, the General Shareholders' Meeting held on April 22, 2024 agreed to distribute a dividend of EUR 0.62 per share, of which EUR 0.31 was paid as an interim dividend on January 26, 2024 and the other EUR 0.31 per share was paid on July 19, 2024. The total amount paid amounted to EUR 154,538 thousand.

15.9 Earnings per share

The basic earnings per share are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding in the year, less treasury shares.

(Amounts in thousands of euros)

	2025	2024
Profit/(loss) for the year attributable to the Group	-40,074	224,946
Weighted average number of common shares outstanding	249,310,145	249,335,371
Earnings per share (in euros)	-0.16	0.90

Although there were other equity instruments that gave access to capital at December 31, 2025, as indicated in **Note 17.1.4**, these do not have a significant effect on the calculation of earnings per share and, therefore, diluted earnings or losses per share are the same as basic earnings or losses per share.

NOTE 16 – DEFERRED INCOME

This heading includes both non-refundable grants and subsidies amounting to EUR 27,570 thousand (2024: EUR 41,363 thousand) and other deferred income, the explanation of which is detailed below, amounting to EUR 1,876 thousand (2024: EUR 4,528 thousand):

16.1 Grants

“Grants” includes non-refundable government aid, including emission allowances received free of charge (see Note 12.1) and other grants related to assets. The changes therein were as follows:

(Amounts in thousands of euros)

	2025	2024
Balance as of January 1	41,363	36,347
Grants awarded	27,279	29,693
Application to results	-41,162	-24,677
Balance as of December 31	27,480	41,363

The most significant amount recognized in this item is the offsetting entry for emission allowances allocated free of charge and not consumed in the current year, as detailed in **Note 12.1**. In addition, the report includes aid received by Acerinox Europa for the development of research and development or environmental activities.

The application to earnings includes the compensation of expenses provisioned in the income statement for the consumption of CO₂ rights. This year also includes the allocation to the income statement of the rights sold.

The following is a breakdown of the grants recognized in deferred income at the end of 2025 and 2024:

	2025	2024
Emission allowances allocated	26,720	40,383
Interest on subsidized loans	760	940
Other grants	0	40
	27,480	41,363

The detail of the grants received in 2025 is as follows:

(Amounts in thousands of euros)

	2025	2024
R&D	501	2,271
Environment	15,611	14,083
Allocation of CO2 rights	10,801	13,129
Covid-19 grants	0	0
Training	292	202
Other	74	8
Total	27,279	29,693

In 2025, the Group received an environmental grant of EUR 15,611 thousand mostly related to offsetting the costs of indirect greenhouse gas emissions and energy offsetting. In 2024, EUR 14,083 thousand were received for the same concept.

The Group considers that it has met or will meet all the conditions for receiving the grants in the period stipulated and, therefore, there are no significant contingencies in connection with the grants obtained.

16.2 Other deferred income

As explained in **Note 2.15.3** in connection with the acquisition of Haynes, the Group has increased this item due to the recognition of a deferred income and which is spread over several years.

In 2006, Haynes International received a cash payment from Titanium Metals Corporation (TIMET) under an agreement to provide transformation services exclusively and with priority for 20 years, up to a maximum tonnage specified in the contract. The services are invoiced at the contractually agreed prices. The contract therefore matures in 2026.

The cash received is recognized as income evenly over the contract's duration. The deferred income caption in the consolidated balance sheet includes the portion of the initial royalty not recognized as income to date, amounting to EUR 1,876 thousand at year-end (2024: EUR 4,528 thousand).

NOTE 17 – PROVISIONS AND CONTINGENCIES

The detail of the long-term provisions included in the balance sheet for the 2025 and 2024 tax years is as follows:

(Amounts in thousands of euros)

	2025	2024
Employee benefits	182,739	206,606
Other provisions	34,328	26,574
TOTAL	217,067	233,180

17.1 Employee benefits

17.1.1 Defined contribution plans

In accordance with their domestic legislation, certain Group companies make contributions to pension plans managed by external entities. An expense of EUR 19,802 thousand was recognized in this connection under "staff costs" in the consolidated income statement for the year (2024: EUR 20,471 thousand).

17.1.2 Defined benefit plans

The detail of the provisions for employee benefits, by type of obligation, is as follows:

(Amounts in thousands of euros)

	2025	2024
Pension plans	111,638	123,050
Compensation for early retirement	10,760	9,659
Supplements	14,084	13,984
Post-employment obligations	45,984	50,780
Other obligations	273	838
Restructuring plans		8,295
TOTAL	182,739	206,606

The defined benefit liability recognized in the consolidated statement of financial position corresponds to the present value of the defined benefit obligations existing at the reporting date less the fair value of the plan assets at that date.

The detail of the main liabilities recognized by the Group is as follows:

Pension plans

Some Group companies guarantee pension plans for their employees, mainly in the high-performance alloys division.

In the case of VDM, these are voluntary plans established prior to the acquisition. Nowadays, new hires cannot benefit from obligations of this nature. These obligations take into consideration various remuneration schemes representing various risk profiles and are based on individual and collective regulations. All these obligations are pension plans that provide benefits to plan members in the form of a pension for life. The level of this pension is based on the years of service and, depending on the case, may be based on the final salary, average salary or even fixed amounts. Since the obligations undertaken by the company in this connection are not outsourced, the company fulfills the related payment obligation when it falls due.

The weighted average term of the defined benefit obligations is 13.47 years (2024: 14.33).

As regards Haynes, the pension plans cover most of its current and former US and UK employees hired through December 31, 2005. As of today, the benefits of all employees are frozen. At year-end all of the obligations are covered by plan assets. The Group reflects liabilities at their net amount. At December 31, 2025, the amount of plan assets measured at fair value was EUR 75,539 thousand (2024: EUR 210,166 thousand). This year, 100% of the obligations have been externalized through an insurance company, which

has generated a surplus in the valuation of EUR 17,560 thousand. This amount has been transferred to other non-current assets in the balance sheet. The valuation has been made by an independent expert.

The weighted average term of the defined benefit obligations is 5.5 years (2024: 6.29).

The actuarial valuation of these obligations is conducted annually by an independent expert.

The detail of the amounts recognized in the consolidated statement of financial position and of the changes in the net defined benefit obligations in the financial year were as follows:

(Amounts in thousands of euros)

	2025	2024
Balance as of January 1	123,050	118,137
Business combination		4,507
Contributions paid	-9,147	-4,961
Expense for services rendered recognized in income	576	4,156
Interest cost	-3,892	3,733
Actuarial loss recognized against comprehensive income	-15,920	-2,521
Translation differences	-589	
Transfer to non-current assets	17,560	
Balance as of December 31	111,638	123,050

The change in the actuarial valuation is due to the increase in the retirement age by 1 year.

The analyses of the expected maturity of undiscounted pensions in the years 2025 and 2024 are as follows:

(Amounts in thousands of euros)

	2025
2026	17,237
2027	7,092
2028	7,857
2029	8,608
2030	9,318
2031-2035	58,951
Total	109,063

(Amounts in thousands of euros)

	2024
2025	20,743
2026	21,399
2027	21,900
2028	22,247
2029	22,732
2030-2034	114,872
Total	223,893

The actuarial assumptions used in this valuation for 2025 and 2024 are as follows:

In the case of VDM obligations:

	2025	2024
Discount rate	4.00	3.40
Inflation	2.10	2.10
Long-term growth rate	3.00	3.00
Pension dynamic with adjustment according to Sec. 16	2.10	2.10
Pension dynamics with adjustment according to inflation	0.00	2.10
Mortality rate	RT2018 G	RT2018G

In the case of the actuarial valuation of pension obligations at Haynes:

	2025	2024
Discount rate	5.50	5.40
Inflation	5.00	2.91
Long-term growth rate	3.50	3.50
Mortality rate	PRI-2012 Tables	PRI-2012 Tables

The sensitivity analysis performed by the company gave rise to the following adjustments to the pension obligations, based on changes in certain assumptions:

VDM sensitivity analysis:

(Amounts in thousands of euros)

		2025	2024
Discount rate	0.50 bp decrease	9,408	10,561
Salary increase	0.50 bp increase	90	112
Pension increase	0.25 bp increase	1,639	1,901
Mortality rate	Increase in life expectancy by 1 year	2,603	2,963

Haynes sensitivity analysis:

(Amounts in thousands of euros)

		2025	2024
Discount rate	0.50 bp decrease	7,228	11,225
Salary increase	0.50 bp increase		1,020

Post-employment obligations

Post-employment obligations relate, on the one hand, to medical care plans provided by Columbus Stainless to plan members following their retirement. No new members have joined the plan. The company generally performs actuarial valuations of the obligations assumed every two years. The most recent valuation was performed last financial year. The assumptions used in the valuation were a discount rate of 10.71% and a medical cost inflation rate of 7.57%.

The Haynes Group also has post-employment obligations to its employees consisting of the payment of medical insurance and life insurance once they reach retirement age. The amount payable is limited to certain sums and, since 2009, no new employees are admitted to these benefit plans. The assumptions used in the latest valuation were a discount rate of 5.375% (2024: 5.5%) and a medical cost inflation rate of 5% both years.

The beginning and closing balances of these plans for the year are reconciled as follows:

(Amounts in thousands of euros)

	2025	2024
Balance as of January 1	50,780	8,675
Business combinations		42,337
Contributions paid	-439	-594
Expense for services rendered recognized in income	972	223
Interest cost	1,100	1,326
Actuarial result recognized against comprehensive income	-1,746	-1,511
Translation differences	-4,683	322
Balance as of December 31	45,984	50,780

The discount rates applied are based on the expected growth rates of health insurance policies. Any changes in these rates may have an impact on both the obligations recognized and on comprehensive income. An increase of one percentage point in the discount rate would reduce the Group's obligation by EUR 4,916 thousand (2024: EUR 5,544 thousand). By contrast, a decrease of one percentage point in the discount rate would increase the obligation by EUR 5,136 thousand in 2025 (2024: EUR 5,994 thousand).

Acerinox Europa's Staff Rejuvenation Plan.

On July 1 last year, the pre-agreement between the company and the main trade unions, setting out the conditions of the IV Collective Bargaining Agreement of Acerinox Europa for its Campo de Gibraltar Factory, became definitive. The Agreement also establishes the undertaking to reach a social pact for employment as an important boost to maintain the Company's leadership in the market and to contribute to quality jobs in Acerinox Europa, with a special focus on attracting, developing and retaining talent. On December 20, the conditions of the aforementioned social pact were agreed upon, based on four lines of action:

1. Strategic people management plan
2. Talent attraction and onboarding
3. Training and professional development
4. Employment rejuvenation program

With regard to the Employment Rejuvenation Program, as established in the agreement, a second phase of the Plan was launched this year, which (as was approved last year) is based primarily on the principle of voluntary adherence, as long as the following conditions are met:

- Be over 61 (the first phase included all those born between 1962 and 1963).
- Have passed on their professional knowledge to whoever the Company designates as their successor in the position.
- Waive the right to apply for unemployment subsidy once the two years of unemployment benefits have been exhausted.

The amount provisioned this year corresponding to the salary indemnities of people who voluntarily joined the Plan and who are expected to terminate their contracts in 2026 amounts to EUR 4,095 thousand. This provision has been recorded as "personnel expenses" in the income statement and is shown in the balance sheet, in the short term, under "Trade and other payables" as the obligation has been externalized and settled in January 2026. In addition, a provision was made for the cost of the contribution to the Treasury established in Additional Provision Sixteen of Law 27/2011, amounting to EUR 4,631 thousand, included under "non-current provisions".

In 2024, the amount estimated by the persons participating in the first phase amounted to EUR 12,174 thousand, included under "personnel expenses" in the income statement and with a balancing entry under "non-current provisions" in the balance sheet. This amount included the cost of salary indemnities estimated at EUR 7,953 thousand and the possible cost of the contribution to the Treasury established in the Sixteenth Additional Provision of Law 27/2011, amounting to EUR 4,221 thousand.

In January 2025, the Company paid for the externalization of the persons who had adhered to the approved early retirement plan and who left in 2024 and 2025, amounting to EUR 3,348 thousand, which led to a reduction in the amount of the provision made.

In connection with the employment regulation plan carried out in 2019, the obligations arising from the approved early retirement plan are completely externalized, which means that the insurance company will compensate the employees at the time of their retirement. EUR 1,282 thousand were paid in this fiscal year in connection with a charge to the insurance policy taken out (2024: EUR 3,322 thousand).



At December 31, the existing liabilities relating to the future payments to be made by the Group were duly outsourced and covered in full. Accordingly, it was not necessary for the Group to recognize any additional liabilities. Any differences arising between the amount of the provision and the insurance taken out are charged or credited to the income statement for the year.

The Company also provisioned EUR 9,254 thousand relating to the contribution to the Treasury established in Additional Provision Sixteen of Law 27/2011, amended by Royal Decree 1484/2012, accrued as a result of the presence of certain workers of over 50 years of age. This contribution will be payable to the pertinent authority in accordance with the aforementioned legislation. This provision appears together with the provision resulting from the rejuvenation plan approved this year in the item "other provisions", broken down in **Note 17.2**.

Note 17.2 discloses the amounts provisioned at the end of this year relating to employment regularizations carried out by the entity.

17.1.3 Other obligations

On the other hand, there are obligations for retirement commitments agreed with Senior Management and arising from certain contracts amounting to EUR 13,669 thousand (2024: EUR 19,540 thousand). Since these obligations were appropriately insured in both 2025 and 2024, and their estimated amount was covered by cash flows arising from the insurance policies taken out for this purpose, no liabilities were recognized in this connection.

The assumptions used to calculate the fair value are detailed below:

	2025	2024
Mortality table	PER2020_Col_1er.orden	PER2020_Col_1er.orden
CPI	2.00 %	2.00 %
Salary growth	2.00 %	2.00 %
Growth in social security	IPC+0.115%	IPC+0.115%
Retirement age	65 years	65 years
Accrual method	Projected Unit Credit	Projected Unit Credit

17.1.4 Share-based payment transactions

The Group has multi-year long-term incentive remuneration plans (LTIP) for certain Group executives, which are instrumented through payment in shares of Acerinox, S.A. The plans consist of three cycles of three years each. The delivery of the shares and the number to be delivered are contingent upon the fulfillment of certain vesting requirements relating to the employee remaining in service and the achievement of individual corporate objectives, certain of which depend on market circumstances.

The Group presumes that the services are to be provided over the irrevocability or vesting period as consideration for the future delivery of the shares. Accordingly, the services rendered are recognized on a straight-line basis over the period in which the rights to receive those shares become irrevocable.

The Group measures the goods or services received, as well as the corresponding increase in equity, at the fair value of the equity instruments granted at the grant date.

To calculate this theoretical number of shares, the shares of Acerinox, S.A. are measured at their quoted price 30 trading days prior to commencement of the Plan, and their subsequent increase or decrease in value is assumed by the employee. The resulting number of performance shares is used as the basis for determining the actual number of Acerinox, S.A. shares to be delivered (if any) at the end of each cycle, depending on the extent to which objectives are achieved and subject to compliance with the requirements set out in the regulations governing each plan.

The Group engages an independent expert to calculate the percentage of objectives achieved, subject to market conditions. Using accepted valuation techniques (the Monte Carlo method), the expert calculates the reasonable percentage of shares attributable to each employee subject to the remuneration plan. According to this valuation, the number of shares to be delivered in the performance of each of the plan cycles would be 78,853 shares for the first plan, which ended last year, 203,830 shares for the second, and 309,427 for the approved for the period 2026-2028.

This year, 84 thousand treasury shares were delivered to Group executives as a result of the completion of the plan for the current year (2024: 184 thousand treasury shares delivered). The difference between the value of the treasury shares delivered (2025: EUR 865 thousand and 2024: EUR 1,770 thousand) and the equity instruments provisioned on the basis of the estimates made (2025: EUR 1,838 thousand and 2024: EUR 1,825 thousand), after deducting withholdings on account, was moved to reserves in the amount of EUR -648 thousand and EUR -849 thousand, respectively.

The expense incurred this year amounted to EUR 2,711 thousand (2024: EUR 3,315 thousand), the balancing entry of which was recognized under "other equity instruments". The amount recognized at year-end under "other equity instruments" in the balance sheet totaled EUR 6,425 thousand (2024: EUR 5,591 thousand).

17.2 Other provisions

The changes in 2025 and 2024 were as follows:

(Amounts in thousands of euros)

	CO2	Other provisions	Total
As of December 31, 2023	14,202	17,481	31,683
Allocation provision	12,206	4,632	16,838
Application	-14,309	-493	-14,802
Release of provisions	-143	-7,033	-7,176
Translation differences		31	31
As of December 31, 2024	11,956	14,618	26,574
Allocation provision	15,284	4,872	20,156
Application	-11,625	-313	-11,938
Release of provisions	-327	-50	-377
Translation differences		-87	-87
As of December 31, 2025	15,288	19,040	34,328

CO2

This heading includes the provisions relating to CO₂ emissions in the year, for which the emission allowances had yet to be surrendered at year-end (see **Note 12.1**).

Applications for the year include derecognition of emission allowances for 2025, totaling EUR 11,625 thousand (2024: EUR 14,309 thousand) (see **Note 12.1**).

Litigation

At the end of 2025, the Group continued to be involved in litigation with the Italian tax authorities concerning transfer pricing adjustments made for the years 2007 to 2017, which are explained in detail in **Note 20.5**.

With regard to 2007 to 2009, these have been definitively closed during the current fiscal year following the payment of EUR 702 thousand (corresponding to installments, interest, and collection fees), which have been written off from the provision allocated. These are added to the EUR 3,010 thousand paid in previous years for transactions with third countries.

As for the 2014, 2015 and 2016 periods, once the mutual agreement procedures (MAP) were signed with European Union entities that eliminated or drastically reduced the initial adjustments, the Group continues to negotiate with the Italian administration to close the adjustments related to transactions with third countries. It is likely that these will be resolved under compromise criteria similar to those applied in previous years.

Regarding 2017, in December 2025 the Mutual Agreement Procedure with Spain was resolved, formally accepted by the Company in January 2026, reducing the adjustment in taxable income from EUR 789 thousand to a final figure of EUR 465 thousand. However, the Group maintains its appeal before the Milan Tax Court against the remaining third-country adjustments.

During 2024, with respect to the latter procedure, the Company made various payments totaling EUR 542 thousand, corresponding to the regularization of tax loss carryforwards (EUR 422.6 thousand) and provisional collection payments (EUR 119.2 thousand).

The amount of the provision for tax contingencies at year-end 2025 amounts to EUR 2,801 thousand, which is included in the balance sheet under deferred tax liabilities. In accordance with the opinion of its expert advisors, the Group considers that this amount is sufficient to cover the estimated final liability (EUR 1.88 million after deducting the payments already made), allowing it to cover both the amounts pending execution and the possible resolutions of the appeals in progress.

Other provisions

Other provisions include the valuation made by Acerinox Europa, S.A.U. of the obligations related to the contribution to the Treasury established in Additional Provision Sixteen of Law 27/2011, arising from both the collective redundancy plan carried out in 2019 and the one approved these two last years in the staff rejuvenation plan agreed in the last collective bargaining agreement. Obligations amounted to EUR 18,106 thousand. When calculating the provision, the characteristics of the employees included in the collective redundancy procedure are taken into account, together with observance of the legal requirements established by law and the applicable percentages. **Note 17.1.2** sets out the details of these collective redundancy procedures.

17.3 Guarantees provided

At December 31, 2025, the Group had provided guarantees to third parties, mainly public authorities, totaling EUR 21.9 million (2024: EUR 27.2 million). This amount includes the guarantees totaling EUR 1.5 million provided to the Italian tax authorities as a result of the tax assessments arising from the tax audits described in **Note 20.5**. It also includes EUR 4.2 million deposited as a guarantee with the Ministry of Industry for credits obtained under the financial support program for industrial investment in the framework of the public policy for reindustrialization and strengthening industrial competitiveness (REINDUS). Guarantees totaling EUR 2.5 million were also deposited with the customs authorities.

Group Management does not expect any significant liabilities to arise from these guarantees.

17.4 Contingencies

There are no contingent liabilities at the end of this year or last year.

NOTE 18 – INCOME AND EXPENSES

18.1 Revenue

The detail of “revenue” in 2025 and 2024 is as follows:

(Amounts in thousands of euros)

	2025	2024
Sale of goods	5,767,634	5,398,579
Provision of services	12,879	14,550
Work performed by the company on its fixed assets	4,439	2,991
Operating lease income	423	656
Income from disposal of fixed assets	193	259
Income from grants or subsidies	12,737	13,726
Revenues from emission allowance subsidies	15,284	10,951
Valuation at fair value of derivatives	-292	-357
Other income	38,024	9,912
TOTAL	5,851,321	5,451,267

The increase in sales compared to the previous year is mainly due to the almost five-month strike that took place at Acerinox Europa, which significantly reduced sales. On the other hand, Haynes was included in the scope of consolidation in November last year, so that in 2024 only one month of activity was included in the consolidated Group's figures. Bahru ceased to be part of the scope in December 2024.

In Europe, import pressures and low demand levels have pushed prices downward throughout the year.

In the United States, although apparent stainless steel consumption has remained stable, at low levels, the changes introduced by the US Administration in Section 232 (increase in tariffs from 25% to 50%) have allowed price increases in the second half of the year.

"Income from grants or subsidies" includes the extraordinary subsidies from public bodies listed in **Note 16**.

Other income includes mainly the result obtained from the sale of emission rights, which, as explained in Note 12.1, amounted to EUR 21,185 thousand.

18.2 Staff costs

The detail of "staff costs" incurred in 2025 and 2024 is as follows:

(Amounts in thousands of euros)

	2025	2024
Wages and salaries	650,385	498,907
Social security	126,752	110,166
Contributions to employee benefit plans	11,402	12,249
Contributions to defined benefit plans	8,400	8,222
Termination benefits	2,052	8,030
Variation in employee benefit provision	6,455	14,191
Other staff costs	18,652	19,192
TOTAL	824,098	670,957

All personnel expense items include Haynes' expenses since its incorporation to the scope in November 2024, so the previous year includes only one month of expenses while this year includes 12 months.

The item "variation in employee benefit provision" includes the effects recognized as a result of the collective redundancy procedures of Acerinox Europa, S.A.U., which are mentioned in **Note 17.1**.

The average number of employees for 2025 and 2024, by category, is as follows:

	2025		2024	
	Men	Women	Men	Women
Senior Vice President	6		7	
Director	33	6	22	5
Manager	319	84	225	48
Analyst / Supervisor	689	210	590	193
Specialist	355	187	259	109
Administrative staff	626	467	594	429
Operators	5,760	332	5,187	241
TOTAL	7,788	1,286	6,884	1,025

The average number of employees is affected by the inclusion of Haynes in the Group's figures in November 2024, affecting the average number of employees in the previous year.

The detail of the employees, including directors, at December 31, by gender and category, is as follows:

	2025		2024	
	Men	Women	Men	Women
Board Members	7	4	7	4
Senior Vice President	6		7	
Director	24	6	28	5
Manager	323	82	320	82
Analyst / Supervisor	708	230	721	240
Specialist	381	214	387	216
Administrative staff	618	467	605	473
Operators	5,751	335	5,885	331
TOTAL	7,818	1,338	7,960	1,351

These figures do not include 49 workers on partial retirement plan (2024: 61).

At December 31, 2025, the number of employees in Spain with a disability equal to or greater than 33% was 38 (33 men and 5 women) (2024: 42; 40 men and 2 women).

All companies comply with the provisions of the General Law on the Rights of Persons with Disabilities, either through the number of people on the staff of each company or through the authorization for alternative measures.

Acerinox Europa agreement

In 2024, after five months of strike action, Acerinox Europa and the Works Council signed the IV Collective Bargaining Agreement for the plant. 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 availability of employees.
- d) Voluntary paid polyvalence with workforce training.
- e) Factory closed for 2 weeks in August, a period of the year when there is less 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 conflict.

On June 21, 2024, the plant resumed operations under the new agreement, with a production model that is adapted to current market needs and the strategy defined 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.

18.3 Other operating expenses

The detail of "other operating expenses" is as follows:

(Amounts in thousands of euros)

	2025	2024
Rentals	18,249	16,703
Commercial expenses	162,693	164,075
Supplies	309,206	281,136
Maintenance	105,364	79,356
Outside services	230,952	224,681
Insurance	33,695	29,891
Banking services	2,480	2,906
Other operating expenses	55,144	43,944
Taxes	29,071	20,662
Changes in current provisions	4,968	-4,565
Losses on sale of fixed assets	1,104	849
Other extraordinary expenses	2,344	5,575
TOTAL	955,270	865,213

The cost increase this year is due to the Group's increased activity compared to 2024. On the one hand, a 5-month strike took place in Acerinox Europa in 2024, which significantly reduced activity. On the other hand, there have been changes in the scope that make it impossible to compare the information directly (see **Note 2.3**).

External services in 2024 includes expenses arising from the acquisition of Haynes International in the amount of EUR 20,578 thousand, as shown in **Note 6.1**.

NOTE 19 – NET FINANCING EXPENSE

The detail of "net financing expense" is as follows:

(Amounts in thousands of euros)

	2025	2024
Interest income and other financial income	41,570	91,150
Dividend income	344	455
TOTAL FINANCIAL INCOME	41,914	91,605
Interest and other financial expenses	-93,427	-108,114
Losses from the liquidation of investments in consolidated companies		-1,020
Impairment and loss on disposal of financial investments	-100	
TOTAL FINANCIAL EXPENSES	-93,527	-109,134
Income from exchange differences	-9,681	1,183
Results from revaluation of financial instruments at fair value (currency forwards)	-2,081	9,845
FINANCIAL INCOME FROM EXCHANGE DIFFERENCES	-11,762	11,028
NET FINANCIAL COSTS	-63,375	-6,501

Interest income mainly includes the Group's forward cash investments, mainly in US dollars and, to a lesser extent, in euro and pounds sterling. The decrease in interest income compared to the previous year is mainly due to the reduction in average interest-bearing balances in the Group's US subsidiary, North American Stainless, following the cash acquisition of the Haynes Group in November 2024 (amounting to USD 799 million). This is compounded by a falling official interest rate environment in 2025: the Fed, the ECB and the BoE have maintained the downward trend initiated during the second half of 2024, placing their current benchmark rates at 3.5%-3.75%, 2% and 3.75%, respectively. **Note 5.1.2** includes detailed information on the management of interest rate risk in the Group.

Borrowing costs include mainly the interest accrued on bank borrowings which are explained in **Note 13.2.3**. The current context of official interest rate cuts has led to a decrease in the Group's financial costs compared to the previous year, despite the increase in the Group's gross debt during 2025. This decrease is mainly due to the reduction in the average cost of debt, favored by the drop in reference rates for variable-rate financing.

Lastly, gains or losses from translation differences arise in the course of the Group's commercial transactions as well as its financial and investment transactions. The Group uses derivative financial instruments to hedge most of the transactions performed in a currency other than the functional currency of each country. The use of these instruments ensures that any exchange rate fluctuations are offset by changes with the opposite sign in respect of the arranged derivative. The differences between the two amounts are mainly due to the interest rate differences between the currencies involved in the exchange rate insurance taken out and the differences between the insurance taken out and the monetary items in foreign currency. The volatility of the USD and the significant depreciation this year also impacted the exchange differences item in this year and the hedges made.

NOTE 20 – TAX MATTERS

20.1 Legislative amendments

During 2025, the Group's tax management has been conditioned by the operational deployment of the complex global minimum tax framework and the continuity of the limitations on offsetting tax assets in Spain, as well as the entry into force of new industrial incentives and the tightening of tariff policy in the United States and Europe.

As detailed in the accounting policies of last year's financial statements, the Group availed itself of the temporary exception for the recognition of deferred tax assets and liabilities arising from the Pillar 2 rules, as well as the expense derived from calculation of the 15% minimum tax. However, since the Directive has been transposed in several countries and the calculation of this minimum payment and recognition of a current tax, where applicable, is mandatory, the Group reassessed the possible impact of applying this standard at the end of this period. As concluded in the following section, no additional tax was required in any of the jurisdictions in which the Group is present.

- **Spain**

During this year, several significant modifications have been approved that affect this period:

Corporate Income Tax

The regulatory framework applicable at year-end 2025 is mainly determined by Law 7/2024, of December 20, which, as well as regulating the Complementary Tax, reincorporated into the Corporate Income Tax Law (LIS) the measures declared unconstitutional by Judgment 11/2024 of the Constitutional Court.

Limitations on tax credit offsets and basis adjustments.

In accordance with the fifteenth additional provision of the Corporate Income Tax Law (LIS) (reintroduced by Law 7/2024), the following restrictions remain in force for 2025 for large companies (net turnover of more than EUR 20 million):

- Offset of tax loss carryforwards based on turnover: The limit for offsetting tax loss carryforwards is set at 25% for entities with net sales in excess of EUR 60 million.
- Specific limit in Tax Groups: The limitation initially established for 2023 was expressly extended by Law 7/2024 to tax periods beginning in 2024 and 2025; the measure limits the offsetting of individual tax losses of group entities to 50%. The non-integrated amounts will be recovered in tenths over the following ten years.

The Group has tax credits for this item amounting to EUR 58,765 thousand to be reversed over 10 years, of which only those arising in 2023 and 2024 are capitalized for accounting purposes as deferred tax assets.

- Double Taxation Deductions: The joint limit of 50% of the gross tax liability for the application of deductions for international or domestic double taxation is reestablished.

The Group has taken this change into account, although it has had no impact as the tax base is negative in any case.

- On January 18, 2024, the Constitutional Court declared Royal Decree Law 3/2016, of December 2, to be unconstitutional in the terms described in the report for 2023, agreeing, *inter alia*, the nullity of the limitation of tax loss carryforwards.

However, with the limitation on the offsetting of tax loss carryforwards approved by Law 7/2024 and discussed above, the effect of this ruling is limited to 2023 and to those tax returns that had been challenged prior to the Court's ruling.

The Group, in anticipation of a possible declaration of invalidity, challenged its corporate income tax returns for the years 2016 to 2019 in 2021. These claims are currently before the National High Court, pending a vote and ruling.

Accordingly, it is considered that over the course of 2026 its claims pending a vote and ruling by the National Court for 2016 to 2019 should be resolved, which will result in additional income for the Group of EUR 7.3 million plus interest. These refunds mainly correspond to the higher application of carry-forward tax losses from 2017 and 2018. The Group has not recognized any asset for this item during the year as it was not applicable at year-end and it has not received any notification from either the National High Court or the Tax Authority regarding the possible enforcement of the judgment.

In 2022, it also challenged the 2021 corporate income tax return. As a result of the challenge, an additional income of EUR 2,012 thousand has been received this year.

Pillar 2- GloBE

In recent years, the most significant regulatory development for the Group is the transposition and entry into force of the 15% global minimum taxation framework. In Spain, this process culminated in approval of Law 7/2024, of December 20, establishing a Complementary Tax to guarantee an overall minimum level of taxation for multinational groups and large domestic groups.

This regulation, which transposes Directive (EU) 2022/2523, introduces a taxation scheme based on the calculation of a jurisdictional effective tax rate (ETR), ensuring that the profits obtained by the Group in each country where it operates are taxed at least at this minimum rate.

On April 2, 2025, Royal Decree 252/2025 approved the Complementary Tax Regulations. This text develops the operational aspects of Law 7/2024, detailing the determination of the "GloBe Allowable Profit or Loss" and the adjustments for deferred taxes.

Prior to performing the detailed calculation required by Pillar 2, the Group analyzed the application of the Transitional Safe Harbors provided for in the Fourth Transitional Provision of Law 7/2024 and in the OECD administrative guidelines.

These safe harbors are applicable for the first three years (2024-2026), now extended to 2027.

The preliminary analysis carried out by the Group indicates that most of the jurisdictions in which the Group operates, and therefore most of its entities, including the most relevant ones (located in the USA, Germany, South Africa, and Spain), would be covered by these safe harbors. This mitigates the impact on the current tax burden in the short term, though it does not exempt the Group from its formal reporting obligations

In compliance with Law 28/2022, of 21 December, which amends the Commercial Code and other regulations to increase corporate information transparency, the Group acknowledges its obligation to prepare and publish a Corporate Income Tax report (public CbC).

The report corresponding to the 2025 fiscal year will be published in the Commercial Registry and on the company's website within the established legal deadlines.

OECD Side-by-Side Package (SbS)

In January 2026, the OECD Inclusive Framework published the administrative package "Side-by-Side", with retroactive or planning effects for the close of 2025 and which mainly includes the following:

- US Status:** The United States is recognized as the only jurisdiction with a "Qualified SbS Regime" as of the closing date. This implies that, for years beginning on or after January 1, 2026, the Group will be able to elect automatic application of the safe harbor, which will de facto eliminate any supplementary taxes set out in the Pillar 2 standards.

- **Extension of the Transitional Safe Harbor:** a one-year extension of the Transitional Safe Harbor based on the CbCR (Country-by-Country Report) is agreed upon until 2027 with a simplified tax rate of 17% for this year.

- **United States**

As regards the United States, on July 4, 2025, the so-called “One Big Beautiful Bill Act” was passed. This tax reform includes changes in the tax law affecting different taxes.

The main changes in the area of Corporate Income Tax are as follows:

- Deductions for research and development (R&D) expenses are extended.
- Limitation of interest expenses: new rules are established for calculating the limitation. In principle, it is not expected to have an impact on the Group as it has almost no financing in the United States.
- Accelerated depreciation: Restoration of accelerated depreciation for property (of any type) acquired and placed in service after January 19, 2025.
- Special Depreciation for Qualified Production Property: the Law allows taxpayers to apply 100% bonus depreciation to qualified production property.
- Modification and phase-out of a wide range of Clean Energy Credits from the Inflation Reduction Act (IRA).

International Tax Implications included in such reform:

- Increase of the BEAT-Base Erosion Anti-abuse Tax: This is a minimum tax applicable to certain taxpayers and is levied on certain payments made abroad. The BEAT rate increases from 10% to 10.5% of taxable income.
- With respect to global intangible low-taxed income (GILTI) and foreign-derived intangible income (FDII) the deductions are decreased to 40% (previously 50%) and 33.34% (formerly 36.5%) respectively for tax years beginning after December 31, 2025, which would result in an effective tax rate of 14% for both.
- Foreign Tax Credit Limitation (FTC): The deductions allocable to foreign-derived income are limited and take into account the net income of companies controlled by foreign entities.

All of these corporate income tax amendments would apply for years beginning on or after January 1, 2026, but are not expected to have a significant impact.

Section 232: Tariff Increase

In June 2025, the US administration doubled the **Section 232** tariffs from 25% to **50%** for steel imports from various jurisdictions. This measure, reinforced by the “**Melted and Poured**” criterion, has strengthened NAS’s market share as a local producer by making it more difficult for products processed in third countries with steel of uncertain origin to enter the market.

- Germany

The core of the tax reduction for future years is set out in the Wachstumsbooster-Gesetz (or Law for an Immediate Investment Tax Program for the Strengthening of the Economic Location), finally passed in July 2025. This regulation breaks with the static 15% Corporate Income Tax rate (Körperschaftsteuer) that had prevailed in Germany since 2008, establishing a staggered decrease that will begin in 2028.

The reduction of one percentage point per year through 2032 is intended to bring the federal nominal rate to 10%. When considering that German companies are also subject to the solidarity surcharge (Solidaritätszuschlag) and the municipal business tax (Gewerbesteuer), the total tax burden —currently around 30%— will drop to approximately 25% by 2032.

This reduction not only impacts future direct taxation, but also generates immediate challenges in valuing deferred taxes in the balance sheets under IFRS. In accordance with accounting regulations, deferred tax assets and liabilities must be measured using the tax rates expected to apply when the temporary difference is reversed. This obliges tax departments to perform a scheduling exercise to determine in which specific year

tax losses will be settled or valuation differences will be reversed. In the Group this has led to a reduction of deferred tax assets in the amount of EUR 367 thousand.

20.2 Income tax expense

The income tax expense is more relevant for the Group in those jurisdictions where the Group's factories are located, specifically (i) Spain, where the parent company of the Acerinox Group is located, with a general tax rate of 25%, (ii) USA, where North American Stainless is located, with a federal tax rate of 21%, (iii) Germany, a jurisdiction where the VDM Metals Group is located, with a general tax rate of 15%, which after adding different supplements (solidarity, industry) reaches 33%, and South Africa, where Columbus is located (27%).

The income tax expense recognized was as follows:

(Amounts in thousands of euros)

	2025	2024
Current tax	126,126	157,966
Deferred taxes	-31,036	-93,204
Derecognition of tax credits	48,129	61,548
Income tax	143,219	126,310

The decrease in deferred taxes this year is due mainly to the Group's prudence principle, not recognizing tax credits for losses incurred by certain Group entities nor the credits arising from the limitation on the use of 50% of the losses for the year in the Spanish tax consolidation Group, which generates a right to deduct such losses on a straight-line basis over the ten subsequent years. This results in a higher tax expense for the year, despite the lower results. Regarding impairment of tax credits, **Note 20.3.3** explains the recoverability analyses carried out by the Group in respect of tax loss carryforwards and deductions pending offset.

A reconciliation of the income tax expense recognized in the consolidated income statement to the accounting profit is presented below:

(Amounts in thousands of euros)

	2025		2024	
Net profit (loss) for the year		-40,074		224,946
Non-controlling interests		-14,143		-10,299
Income tax		143,219		126,310
Other taxes		799		645
Pretax income		89,801		341,602
Tax on profits using local tax rate	25 %	22,450	25 %	85,401
<i>Effects on tax charge:</i>				
Effect of tax rates for foreign companies		-4,822		-493
Non-deductible expenses		1,635		8,333
Tax incentives not recognized in the income statement		-230		-1,744
Non-taxable income		-2,263		-39,953
Dividends subject to taxation		10,855		3,128
Adjustment for prior years		-2,360		255
Adjustment to tax rates related to deferred taxes		1,027		1,666
Provision for tax litigation, tax assessments and settlements		-46		1,085
Unrecognized tax credits		70,594		195
Derecognition of tax credits		48,129		61,548
Unused tax credits used in the year		-407		2
Other		-1,343		6,887
Income tax		143,219		126,310

Regarding the information shown in the table, the amount recognized under "other taxes" in the consolidated income statement includes the taxes paid abroad as a result of the withholdings made on the payment of interest and dividends.

The parent company received dividends from its subsidiaries in the amount of EUR 877 million, most of which were exempt from tax withholdings (2024: EUR 261 million, and practically all of them were exempt from taxation). 95% of these dividends are generally exempt from taxation in Spain.

In addition, the parent company of the VDM Metal Group received dividends from its subsidiaries amounting to EUR 9,186 thousand, most of which were also exempt from foreign withholding tax.

Withholdings on interest payments are deductible from corporate income tax under the double taxation conventions, and they reduce the income tax expense.

The variation in non-deductible expenses is noteworthy with respect to the previous year. As indicated in fiscal year 2024, the amount of the non-deductible expenses was mainly derived from the non-deductibility of the impairment of assets recognized in the Malaysian company Bahru Stainless. As indicated throughout the notes to the financial statements, the Group sold a Malaysian company in 2024, and no impairment of assets was recorded in this period.

With respect to non-taxable income, the significant decrease with respect to the previous year is due mainly to the impact of the sale of Bahru Stainless on the results of the Consolidated Group in 2024 (EUR 146,260 thousand), that were not taxed for tax purposes.

In addition, tax credits have been derecognized this year in accordance with the analysis of tax loss performed in the Spanish consolidated group and described in **Note 20.3.3**.

20.3 Deferred taxes

The changes in deferred tax assets and liabilities were as follows:

(Amounts in thousands of euros)

	2025		2024	
	Prepaid taxes	Deferred taxes	Prepaid taxes	Deferred taxes (*)
Balance as of January 1	177,683	248,279	169,266	205,901
Expenses / (Income) for the period	-16,979	-48,015	67,094	-26,110
Impairment of tax credits	-48,129		-61,548	
Taxes taken directly to shareholders' equity	-6,332	2,689	2,876	-161
Exchange rate variations	-999	-17,427	415	4,489
Business combination	0	0	4,419	72,516
Transfers	37,141	37,141	-4,916	-4,916
Other variations	18	-183	77	-3,440
Balance as of December 31	142,403	222,484	177,683	248,279

(*) 2024 figures restated due to the provisional closing of the goodwill valuation under IFRS-3 (See Note 6.1)

The origin of the deferred tax assets and liabilities is as follows:

(Amounts in thousands of euros)

	Assets		Liabilities (*)		Net	
	2025	2024	2025	2024	2025	2024
Goodwill and other intangible assets	1,963	3,536	-69,080	-84,167	-67,117	-80,631
Property, plant and equipment	554	540	-142,153	-157,630	-141,599	-157,090
Financial assets	25	28	-132	-157	-107	-129
Inventories	8,543	9,485	-56,836	-71,819	-48,293	-62,334
Other assets	217	4,302	-4,706	-5,572	-4,489	-1,270
Provisions	19,540	18,865	-2,533	-2,964	17,007	15,901
Employee benefit plan	32,527	39,991	-2,773	-2,400	29,754	37,591
Financial liabilities	2,100	6,070	-1,861	-3,633	239	2,437
Other liabilities	2,164	2,920	-9,709	-10,719	-7,545	-7,799
Non-deductible financial expenses		33				33
Other tax deductions	9,243	21,990			9,243	21,990
Unused tax losses	76,861	99,021			76,861	99,021
Limitation on the offsetting of losses	58,765	65,688			58,765	65,688
Provision for tax litigation			-2,800	-4,004	-2,800	-4,004
Deferred tax assets/liabilities	212,502	272,469	-292,583	-343,065	-80,081	-70,596
Offsetting deferred tax assets and liabilities	-70,099	-94,786	70,099	94,786		
Deferred tax assets/liabilities	142,403	177,683	-222,484	-248,279	-80,081	-70,596

(*) 2024 figures restated due to the provisional closing of the goodwill valuation under IFRS-3 (See Note 6.1)

Most of the deferred taxes have a reversal period of more than one year.

Deferred tax assets and liabilities recognized last year arising from the business combination carried out after the acquisition of the Haynes Group, amounted to EUR 4,419 thousand of deferred tax assets in the acquisition balance sheet and EUR 1,454 thousand of deferred tax liabilities.

In addition, the recording of the assets and liabilities of the acquired company at fair value led to a difference between the tax value of these items and their carrying value, which gave rise to a deferred tax liability of EUR 71,061 thousand. This is the only value adjusted with respect to the provisional values estimated at the end of the last fiscal year following completion of the valuation exercise. The change (EUR 2,136 thousand) is due to the adjustment of state tax rates to the applicable effective rates.

The amount of deferred tax assets stands out, originating from employee benefit plans, is once again noteworthy this year. This balance is due to the non-deductibility of the provision for the obligations arising from the Acerinox Europa collective redundancy procedure. This expense is not tax deductible until these obligations are settled, which will take place as the employees allocated to the plan reach the retirement age established in it.



As a consequence of the extension to 2024 and 2025 of the limitation on the offsetting of tax loss carryforwards within the tax consolidation group, the Group has opted not to record additional assets in 2025. As a result, the balance has only been reduced by one-tenth, as required by regulations.

As laid down in the Corporate Income Tax accounting policy (**Note 2.19**), the Group only offsets deferred tax assets and liabilities when there is a legally enforceable right to do so, the assets and liabilities correspond to the same tax authority and the Group plans to realize current tax assets or settle current tax liabilities on a net basis.

20.3.1 Deferred tax liabilities

As indicated in **Note 20.1**, the amount of deferred tax liabilities arises primarily in those jurisdictions where the Group has its manufacturing facilities.

Spain

Total deferred tax liabilities in Spain amount to EUR 20,452 thousand. The main origin of these liabilities corresponds to the recognition of goodwill for foreign investments (EUR 19,584 thousand); subsidies recognized for the allocation of free emission allowances and the valuation of derivatives at fair value through profit or loss.

United States

About 50% of the deferred taxes recorded in the USA is due to the different tax and accounting treatment of depreciation and amortization. Almost 42% corresponds to goodwill derived from the Haynes Group acquisition.

Germany

In the case of Germany, the deferred taxes recorded (EUR 112,574 thousand) mainly relate to inventories, due to the different accounting and tax treatment of their valuation (EUR 58 million) and EUR 38 million come from the different tax and accounting treatment of depreciation.

South Africa

In Columbus Stainless, the deferred liabilities of EUR 17,296 thousand corresponds almost entirely to the different tax and accounting treatment of depreciation and amortization.

The Group has no recognized deferred tax liabilities arising from investments in subsidiaries, as explained in **Note 3**.

20.3.2 Deferred tax assets

At December 31, 2025 and 2024, the Group had tax assets arising from carry-forward tax losses, to be used within the following periods:

(Amounts in thousands of euros)

	2025	2024
From 1 to 5 years	7,654	8,072
From 6 to 10 years	219	628
From 11 to 20 years	3,230	2,564
From 21 to 30 years	1,297	4
No expiration date	288,267	256,878
TOTAL	300,667	268,146

Not all the tax assets included in the table have been recognized by the Group. The recognized tax assets amounted to EUR 76,861 thousand in 2025 (2024: EUR 99,021 thousand).

The distribution by country of the recognized tax assets derived from tax loss carryforwards is as follows:

(Amounts in thousands of euros)

	2025	2024
Spain	21,100	62,470
South Africa	46,584	29,018
USA	1,065	902
France	1,851	2,038
Poland	69	5
Italy	1,270	1,969
Sweden	2,443	2,271
Chile	215	221
Colombia	110	127
Portugal	47	
Mexico	1,833	
Argentina	249	
Dubai	25	0
TOTAL	76,861	99,021

This year, tax credits recognized have decreased due mainly to the derecognition of tax credits recorded in Spain.

The Group has unrecognized tax assets amounting to EUR 226,806 thousand, equal to tax losses of EUR 895 million, which were not recognized for accounting purposes as they did not meet the recognition criteria (2024: EUR 169,125 thousand of unrecognized tax assets, equal to losses of EUR 687 million).

In Spain, the temporary limitation on the offsetting of losses within the consolidated Group introduced for 2023 by Law 38/2022, of December 27 and extended to 2024 and 2025, has led to tax credits amounting to EUR 58,765 thousand.

The Group also has assets for unrecognized temporary differences of EUR 216.4 million (EUR 59.8 million in the previous year) arising from the accounting impairment of Acerinox, S.A.'s investments in some of its affiliates, which have not been recognized as the timing of their reversal is not known. These assets are not deductible until the assets giving rise to the related temporary difference are realized. The difference between 2025 and 2024 is due to the impairment of Acerinox, S.A.'s shareholdings in Acerinox Europa S.A. recorded during the year.

The Group Company North American Stainless is also entitled to tax relief for investments in assets that contribute to recycling. This relief is deducted from the calculation of the Kentucky State tax and amounted to EUR 496 million at year-end (year-end 2024: EUR 561 million). Of the total tax relief, EUR 14.9 million expire in 2028 and EUR 5 million expire in 2031. The rest are unlimited. Application of this relief is limited to 50% of the tax payable in the State of Kentucky, or USD 2.5 million/year. The Group only recognizes a deferred tax asset for assets arising from investments which mature and relate to a specific tax relief program approved in

2005 by the State of Kentucky (Major Credits Program). At year-end, EUR 5.7 million (2024: EUR 6.9 million) were recognized as deferred tax assets. The Group has used an additional EUR 451 thousand this year.

Deferred tax assets arising from deductions pending utilization, amounting to EUR 9,243 thousand (2024: EUR 21,990 thousand), relate mainly, except for the EUR 5.7 million mentioned in the preceding paragraph in relation to North American Stainless. The difference in the balance with regard to the previous year is due to the derecognition recorded as a result of the recoverability analysis performed.

20.3.3 Analysis of the recoverability of deferred tax assets

As indicated in Note 2.19, the Group recognizes in the consolidated statement of financial position the deferred tax assets arising from tax loss or tax credit carryforwards, provided that they are likely to be recoverable in a reasonable period of time, also taking into account the legally established limits for their use.

As stated in Note 4, the uncertainties caused by the geopolitical situation and the tariff wars provoked by the United States have negatively affected the European market, paralyzing investments and hindering demand recovery. The increase in imports has also exerted downward pressure on prices, which has made it difficult to meet the forecasts made at the end of last year and which justified capitalizing these credits.

That said, and in accordance with the provisions of the International Accounting Standard IAS 12 and following the ESMA guidelines (Public Statement ESMA32-63-743), the Group has valued the Deferred Tax Assets (DTA) from tax loss carryforwards (TLC) pending offset and deductions pending application.

At year-end, the Group entities that recorded capitalized tax credits in their financial statements are mainly the Spanish entities and Columbus Stainless, the Group's company in South Africa, which also recorded tax credits this year.

The assessment was based on the consideration of only objectively verifiable positive evidence that exceeded the 50% probability threshold ('more likely than not'). In this context, the Group has identified the following as positive and verifiable evidence: the parent company's receipt of dividends and the claims filed due to the declaration of the unconstitutionality of Royal Decree 3/2016, as explained in the 2024 financial statements. The dividends obtained by the parent company mainly come from entities based in the United States that have a proven track record of profitability. In addition, the protectionist measures implemented in the United States are also expected to produce good results in future years.

No tax planning actions are taken into account beyond the reversals of deferred taxes as determined by law.

In the case of the Spanish entities, the tax assets arise mainly from the consolidated tax group in Spain, which comprises all the Spanish Group companies with the exception of those established in the regions of Álava, Vizcaya and Guipúzcoa. Tax assets arising from tax loss carryforwards from the consolidated tax group in Spain amounted to EUR 245 million at year-end, of which EUR 226 million were not recognized as deferred tax assets. These losses have no time limit for offsetting.

This year, geopolitical instability and tariff disputes driven by the US have slowed investment in Europe, hampering market recovery. This is compounded by increased pressure from imports, which has pushed prices down.

Following a prudent criterion, and based on the recoverability analysis described above, it has been decided to partially derecognize the losses capitalized in previous years and not to record the credits associated with the losses for 2025.

With respect to Columbus, increase imports as a result of the global tariff crisis and the barriers imposed in certain countries has decreased Columbus's market share. Key end-use sectors underperformed compared to the prior year, reflecting weaker demand from both distributors and the automotive industry.

Columbus remains active and committed to increasing sales through new stainless steel and carbon steel applications, as well as lobbying for corrective trade measures against unfair imports.

The successful strategy followed by the company, which consists of balancing stainless-melting shop production with carbon steel for the domestic market, allows Columbus to be less exposed to the situation of the international markets. **Note 9.1** includes a detailed analysis of the assumptions considered in the five-year budgets prepared by management. These same budgets are the basis for the analysis of the recoverability of

the tax credits capitalized this year. With the approved budgets, the Group expects to recover the carry-forward tax losses within seven years and has therefore capitalized the corresponding tax credits.

With respect to the other European (retail) entities, the recognized tax assets primarily arose from the crisis years, and the amount thereof has been reduced since 2013 through the generation of profits, enabling their partial recovery. The transfer pricing policies adopted by the Group to remunerate and define transactions with distributors render it unlikely that those entities will suffer significant losses. The existence of a transfer pricing bilateral advance pricing agreement, extended until 2029, with similar entities and the various mutual agreements reached in various countries make it unlikely that the results of those entities will differ significantly from the projected results. Therefore, the conclusions reached are not expected to change. The Group analyzed the recoverability of the tax assets and concluded that, based on the estimated results, they are expected to be recoverable within a reasonable period of less than ten years.

20.4 Current tax

At December 31, 2025, there is a current income tax asset balance of EUR 28,246 thousand (2024: EUR 17,827 thousand) and a current income tax liability of EUR 21,014 thousand (2024: EUR 46,532 thousand).

20.5 Tax audits and years open for review

20.5.1 Tax audits

The detail of the status of each of the tax audits under way in 2025, or that were concluded but signed on a contested basis and are currently under appeal, is as follows:

Italy

Over the years, the subsidiary Acerinox Italia S.r.l. has been subject to various tax audits, which have focused mainly on the transfer pricing adjustments of its intragroup transactions. In relation to the 2007 to 2013, in October 2019 an agreement was reached to eliminate double taxation between the Spanish and Italian Authorities under the EEC/90/436 Convention of July 23, 1990. This agreement significantly reduced the initial adjustments and eliminated double taxation, resulting in refunds of quotas in Spain that were collected in 2020. However, the Group is currently pursuing claims in Spain relating to the recognition of late payment interest derived from such refunds. With respect to transactions with third countries (South Africa) for the same period, the Company closed negotiations by applying the criteria of the friendly agreements, which entailed a disbursement of EUR 3,010 thousand between installments and interest, which were already duly provisioned.

During 2025 the following payments were made: EUR 606 thousand related to 2007; EUR 84 thousand corresponding to 2008, and EUR 12 thousand related to 2009. These amounts include the tax liability, interest and collection fees, thus concluding these years.

For their part, the proceedings corresponding to 2014 and 2015 were resolved through Mutual Agreement Procedures notified in November 2021. These agreements involved the total elimination of adjustments for 2014 and a drastic reduction for 2015. As a result, in April 2022, the refund of installments and interest by the Spanish tax authorities materialized, as well as the increase of the tax loss carryforwards pending offset.

As for the 2016 financial year, and consistent with previous years' results, Acerinox Italia reported to the Milan Tax Commission on the agreements reached, the hearings having been postponed in order to formalize a closure on terms similar to the preceding ones.

For 2014, 2015 and 2016, although the adjustments with European Union entities are now final following acceptance of the mutual agreement procedures, the Group continues to negotiate with the Italian tax administration to close the adjustments relating to transactions with third countries. It is likely that these will be resolved under compromise criteria similar to those applied in previous years.

Regarding the most recent actions, following the 2017 inspection, the Company received an assessment with an adjustment of EUR 1.1 million in the taxable income. In view of this situation, the Group expressed its disagreement by filing pleadings with the Court of Milan and made a provisional payment of EUR 541 thousand, recorded pending the court's decision.



In May 2025, the refund of double taxation was requested through the activation of the Mutual Agreement Procedure (MAP) with Spain, which was accepted for processing and resolved by the competent authorities in December of the same year. The result of this negotiation, formally accepted by the Company in January 2026, reduced the initial adjustment from EUR 789 thousand to a final figure of EUR 465 thousand. In addition, during 2025, Acerinox Italia paid EUR 423 thousand in the 2024 financial year to regularize the use of tax loss carryforwards from previous years absorbed by the MAP adjustments, as well as EUR 119 thousand as a provisional collection pending the resolution of the appeal filed with the Milan Tax Court against the transfer pricing adjustments for that year. No additional payments were made in relation to this procedure in 2025. As of the date of issuance of these financial statements, the agreements are still pending execution.

In order to cover possible liabilities arising from these proceedings that are still open, the Company has recognized a provision for tax risks of EUR 3,301 thousand in its 2025 financial statements. This amount is considered sufficient to cover the estimated final liability, which amounts to EUR 1.88 million after deducting the payments already made during the year.

Germany

The tax audits of the VDM Group companies in Germany for the energy tax years 2020 and 2021 were completed in 2025 without significant adjustments.

In December 2024, the Company was notified of the initiation of an inspection procedure related to Corporate Income Tax and VAT for 2019-2021. At the end of the year, the inspection procedure is still in progress, having provided all the information requested and without having detected any item to be regularized.

The renewal of the previous bilateral valuation agreement between the Group's factories in Spain and the Group's distributor in Germany (Acerinox Deutschland GmbH) was received on December 23, 2025. This agreement sets the Group's transfer pricing policy between Acerinox Europa, Roldán and Inoxfil (in Spain) and Acerinox Deutschland (in Germany) from January 1, 2022 to December 31, 2029 and maintains the criteria that the Group applies in its sale and purchase transactions with its trading subsidiaries.

Spain

On June 30, 2025, Acerinox, S.A. and some of the companies that form part of the Spanish consolidated tax group were notified of the commencement of general tax inspections for Corporate Income Tax for 2020 to 2022, VAT, personal income tax and withholdings on account from June 2021 to December 2022.

At the end of the year, the inspection process was still underway and all the information requested was being provided.

Chile

On August 29, 2025, the Chilean Internal Revenue Service (SII) notified the Company of various assessments arising from an inspection process for the 2021 tax year amounting to EUR 1,692 thousand for First Category Tax (Corporate Income Tax) and Additional Tax.

Following the filing of a Voluntary Administrative Appeal (RAV), resolved on February 2, 2026, the definitive situation is as follows:

- First Category Tax (Corporate Income Tax): Almost all of the arguments relating to the cost of inventories were accepted after validation of the customs documentation provided. This resulted in a reduction of the initial charge by EUR 907 thousand, leaving an outstanding installment of EUR 480 thousand.
- Additional tax: The settlements for this concept were confirmed in full for a total of EUR 304 thousand.

The total amount derived from the different settlements amounts to EUR 785 thousand.

According to the analysis performed by our tax advisors in that country and based on the solid legal and factual arguments of the case, it is considered that the probability of success should be higher than the probability of loss, and therefore no provision has been recorded for this item.

20.5.2. Years open for review

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the deadline for registration has expired.

Spain

Pursuant to the Spanish Corporate Income Tax Law, carry-forward tax losses declared in the tax returns for years open for review become statute-barred ten years from the day following the final day of the period established for filing the tax return or self-assessment for the tax period in which the right to offset arose. Once this period has elapsed, taxpayers must demonstrate that the carry-forward tax losses that they wish to offset, and the amount thereof, are appropriate by submitting the assessment or self-assessment and the accounting records, together with evidence that they were filed at the Commercial Registry within the aforementioned period.

At December 31, 2025 and 2024, Acerinox, S.A. and the companies in the consolidated tax group had all the taxes applicable to them open for review in relation to the following years:

Type of tax

	2025	2024
Corporate Income Tax	2017-2024	2017-2023
Value added tax	2021-2025	2021-2024
Customs duties	2022-2025	2021-2024
Personal income tax	2021-2025	2021-2024

Other countries

The other Group entities have the taxes for the years established by their respective local jurisdictions open for review. The Directors of the parent and of its subsidiaries do not expect that any significant additional liabilities will arise in the event of a tax audit.

NOTE 21 – RELATED PARTY BALANCES AND TRANSACTIONS

21.1 Related parties

The Consolidated Financial Statements include transactions performed with the following related parties:

- Key executives of the Group and members of the Boards of Directors of the various Group companies; and
- 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.

21.2 Related party transactions and balances

The only transactions carried out with related parties relate to the Directors and key Management personnel in payment for the functions performed, all of which are carried out on an arm's length basis.

a) Directors and key Management personnel

The remuneration received during the year by the twenty-five members of the Management Committee and who do not hold a position on the Board of Directors of Acerinox, S.A. amounts to EUR 8,854 thousand. Of this amount, EUR 5,998 thousand are salaries, EUR 1,882 thousand are variable remuneration corresponding to the previous year's results and EUR 974 thousand are benefits in kind, partly derived from the shares they received for completing the third cycle of the Multi-Year Remuneration Plan, as explained below.



The remuneration received in 2024 by the twenty-two members of the Management Committee and who do not hold a position on the Board of Directors of Acerinox, S.A. amounted to EUR 9,526 thousand. Of this amount, EUR 4,979 thousand related to salaries, EUR 3,172 thousand to variable remuneration based on the previous year's results and EUR 1,375 thousand to remuneration in kind.

The members of the Management Committee are those who report directly to the Chief Executive Officer and those who perform a corporate function in the company's Central Services without this direct reporting line, and their remuneration includes a clear system of management by objectives and a specific retention system.

The current Directors' Remuneration Policy was approved at the General Shareholder's Meeting of Acerinox held on April 22, 2024. Since this date, the Directors in their status as such ceased to receive allowances for attendance to the Boards and Board Committees, and began to receive a fixed annual remuneration for being Board members, in addition to another fixed annual remuneration for each Committee to which they belong, which will be higher in the case of the Chairmen of the Committees.

In 2025, the members of the Board of Directors of Acerinox, S.A., including those who also hold senior executive positions and sit on the Boards of Directors of other Group companies, earned EUR 2,978 thousand in fixed allowances, attendance fees, and fixed and variable salaries (based on the previous year's results), of which EUR 2,484 thousand related to salaries and fixed allowances for Directors, EUR 299 thousand to variable remuneration based on the previous year's results and EUR 195 thousand to remuneration in kind. In 2024, the remuneration received amounted to EUR 3,889 thousand, of which EUR 2,235 thousand related to salaries and fixed allowances of Directors, EUR 263 thousand to attendance fees, EUR 937 thousand to variable remuneration based on the previous year's results and EUR 454 thousand to remuneration in kind.

As regards the Chief Executive Officer's variable compensation, the metrics used for its calculation combined financial, environmental and other business aspects specified in the Annual Report on Directors' Compensation for the year.

In relation to the Multi-Year Remuneration or Long-Term Incentive (LTI) Plan, the terms and conditions of which are detailed in **Note 17.1.4**, the expense incurred in the year in relation to the Chief Executive Officer and Management Committee, the balancing entry of which is recognized under "other equity instruments", amounts to EUR 2,711 thousand, of which EUR 678 thousand relate to the Chief Executive Officer (2024: EUR 3,315 thousand, accrued by senior executives, of which EUR 745 thousand relate to the Chief Executive Officer). This year, a total of 84,840 shares were delivered (2024: 183,504 shares), after deducting applicable withholdings, of which 9,184 corresponded to the Chief Executive Officer (2024: 24,254). The difference between the amount recorded as other equity instruments corresponding to that cycle and the amount of shares finally delivered, amounting to EUR -648 thousand, has been recorded against equity under the "reserves" caption (2024: EUR -849 thousand).

There are obligations arising from certain senior managers retirement benefit arrangements amounting to EUR 13,669 thousand (2024: EUR 19,540 thousand), of which EUR 5,817 thousand correspond to the Chief Executive Officer (2024: EUR 5,648 thousand). The reason for the decrease in commitments is that two of the beneficiaries have left the company. Since these obligations were duly insured in both 2025 and 2024, and their estimated amount was covered by cash flows arising from the insurance policies taken out for this purpose, no liabilities were recognized in this connection. In 2025, the amount of EUR 454 thousand has been contributed to the insurance company (2024: EUR 681 thousand). There are no obligations contracted with proprietary or independent directors of Acerinox, S.A. At December 31, 2025 there are no advances or loans granted to or balances with members of the Board of Directors or senior management.

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 Corporate Enterprises Act.

The Group has taken out a third-party liability insurance policy which covers the directors and senior management, as well as Group employees. The premium paid this year amounted to EUR 510 thousand (2024: EUR 590 thousand).

In 2025 and 2024, the members of the Board of Directors did not perform any transactions with the Company or with Group companies that were outside the normal course of business or were not on an arm's length basis.

b) Significant shareholders

The Acerinox Group has not entered into any related party transactions with any significant shareholders in 2025 or 2024.

NOTE 22 – AUDIT FEES

The General Shareholders' Meeting held on May 6, 2025 resolved to reappoint the auditors "PricewaterhouseCoopers Auditores, S.L." to perform the review and statutory audit of the Financial Statements of ACERINOX, S.A. and its Consolidated Group for 2025.

The detail of the fees and expenses incurred for services rendered by the audit firms that audited the Acerinox Group's financial statements in 2025 and 2024, respectively, and their associate firms, is as follows:

(Amounts in thousands of euros)

	2025			2024		
	PWC Auditores, S.L.	PWC International	TOTAL	PWC Auditores, S.L.	PWC International	TOTAL
For audit services	432	1,554	1,986	496	1,262	1,758
For tax advisory services		10	10		9	9
For other verification services	252	66	318	271	20	291
For other services		2	2			0
TOTAL	684	1,632	2,316	767	1,291	2,058

The increase in PWC International's audit services is partly due to the addition of Haynes to the Group.

"Other audit-related services" includes the limited review of the interim condensed Consolidated Financial Statements as at June 30, 2025 and 2024, the report on agreed-upon procedures regarding the system of Internal Control over Financial Reporting (ICFR) and the report on agreed-upon procedures relating to the achievement of the financial ratios required by the Borrowing Base Facility of Columbus Stainless and the ICO in Spain. The independent review of the non-financial information contained in the Consolidated Statement of Non-Financial Information in the Consolidated Group's Directors' Report is also included in other audit-related services.

The amounts detailed in the foregoing table include the total fees for services rendered in 2025 and 2024, irrespective of when they were billed.

Other audit firms billed the Group in 2025 for fees and expenses for audit services amounting to EUR 377 thousand (2024: EUR 371 thousand).

NOTE 23 – EVENTS AFTER THE REPORTING PERIOD

Interim dividend

The Acerinox Board of Directors, at their meeting of December 17, 2025, approved the distribution of an interim dividend for the year 2025 payable in cash of EUR 0.31 gross per share for each existing and outstanding share entitled to receive such dividend.

The interim dividend for 2025 was paid on January 23, 2026 through the depositary entities participating in the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (IBERCLEAR). This dividend will be submitted for approval at the General Shareholders' Meeting to be held in 2026.



New trade measures

As of January 1, 2026, the CBAM entered its operational phase. Importers must purchase CBAM certificates to cover the carbon emissions of their products. The price of these certificates is linked to the price of emission allowances on the European market (ETS).

Faced with the trade war with the United States and the diversion of Asian steel to Europe, in October 2025 the European Commission proposed a historic tightening of trade defense measures, which are expected to come into force on July 1, 2026. Progress is being made on these measures and, as of the date of publication of this report, they are pending final approval.

The repeal of reciprocal tariffs in the United States adds uncertainty to the market.