

(The attached External Auditor's Report, Annual Accounts and Management Report for the fiscal year ended 31 December 2024, have been originally issued in Spanish. The English version is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.)

Acerinox, S.A.

Auditor's report
Annual accounts at December 31, 2024
Management report



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

Independent auditor's report on the annual accounts

To the shareholders of Acerinox, S.A.

Report on the annual accounts

Opinion

We have audited the annual accounts of Acerinox, S.A. (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2024, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p data-bbox="277 488 558 515">Sale of Bahru Stainless</p> <p data-bbox="277 548 837 795">As indicated in note 9.2.6 of the attached report, on October 10, 2024, the Company entered into an agreement with Worldwide Stainless Sdn. Bhd, a company registered in Malaysia, to sell 100% of the shares of the subsidiary Bahru Stainless for an amount of USD 95 million. The final closing of the transaction took place on December 3, 2024.</p> <p data-bbox="277 824 813 974">The negative impact of this sale amounted to €65,421 thousand, recognized under the heading "Impairment and profit or loss on disposals of fixed assets" in the Company's income statement.</p> <p data-bbox="277 1003 805 1131">We have considered this fact as a key audit matter as it is a significant transaction of the year and has had a significant impact on the Company's annual accounts.</p>	<p data-bbox="885 548 1460 638">Firstly, we have reviewed the contractual and legal documentation relating to the sale, as well as compliance with the agreed conditions above.</p> <p data-bbox="885 667 1444 817">We have also analyzed the accounting implications associated with the transaction, including, among others, the revision of the calculation of the accounting loss estimated by the Company's management.</p> <p data-bbox="885 846 1460 974">Finally, we have reviewed the breakdowns included in the Company's report required by the applicable financial reporting regulatory framework.</p> <p data-bbox="885 1003 1452 1153">As a result of the above procedures, we have obtained sufficient and adequate audit evidence to conclude on the proper accounting record of the transaction and its breakdown in the Company's annual accounts.</p>
<p data-bbox="277 1187 813 1243">Recovery of investments in group companies and associates</p> <p data-bbox="277 1276 821 1467">As detailed in note 2.3.b of the accompanying financial statements, management annually assesses the existence of indications of impairment and determines the recoverable value of investments in group companies and associates.</p> <p data-bbox="277 1496 837 1736">For the calculations of recoverable value through value in use, the Company's management uses cash flow projections based on financial budgets that require relevant judgments and estimates. In the case of Acerinox Europa, S.A., the Company's management has relied on an independent expert.</p> <p data-bbox="277 1765 837 1859">The most significant assumptions used in the model described above are summarised in note 9.2.6 of the attached report.</p>	<p data-bbox="885 1276 1452 1556">As a starting point for our procedures, we have understood the relevant processes and controls linked to management's assessment of impairments on investments in group companies, including those linked to the preparation of budgets and the analysis and monitoring of projections, which form the basis for management's main judgments and estimates.</p> <p data-bbox="885 1585 1452 1921">In relation to the estimated cash flows, we have analysed the methodology of the calculations made, we have compared the projected annual flows with those actually achieved in the 2024 financial year and we have contrasted the key assumptions considered, with historical results, available comparables, relevant industry factors and other external sources. To do this, we have relied on valuation experts from our firm. In addition, we have analysed the future plans approved by the Board of Directors.</p>

Key audit matters	How our audit addressed the key audit matters
<p>As mentioned in note 9.2.6 of the attached report, in the case of Acerinox Europa, S.A., a valuation adjustment for additional impairment amounting to 95,698 thousand euros has been recorded in 2024 in addition to the 67,245 thousand euros that had already been recorded and, in the case of Columbus Stainless Pty, Ltd there is a valuation adjustment for accumulated impairment amounting to €38,668 thousand recorded in previous years.</p> <p>Deviations in the variables and estimates of management can determine important variations in the conclusions reached and, therefore, in the analysis of the recovery of investments in group companies.</p> <p>This fact, together with the relevance of this heading and the impact on the profit and loss account, have led to it being a key audit matter for our audit.</p>	<p>We have also evaluated the competence, capacity, objectivity and conclusions of the independent expert hired by management, as well as the adequacy of his work as audit evidence.</p> <p>As a result of the analyses carried out, we consider that the conclusions of the Company's management on the estimates made and the impact on the profit and loss account, as well as the information disclosed in the accompanying financial statements, are adequately supported and consistent with the information currently available.</p>

Recognition of deferred tax assets

As of December 31, 2024, the accompanying financial statements reflect an amount of €17,570 thousand of deferred tax assets, the recovery of which depends on the generation of positive tax bases in future years (note 12 of the attached report). Likewise, note 12 of the attached report breaks down the unrecognized tax credits of the tax group to which the Company belongs for not complying with the recognition requirements.

The recognition of these deferred tax assets is analysed by the Company's management by estimating the tax bases for the coming years (note 12.3 of the attached report) based on the business plans of the different companies in the tax group, and on the planning possibilities allowed by the applicable tax legislation, considering the tax consolidation group to which the Company belongs (note 2.3.c of the attached report).

Consequently, the conclusion on the recognition of deferred tax assets shown in the accompanying financial statements is subject to significant judgments and estimates by the Company's management, both with respect to future tax results and applicable tax regulations.

Firstly, we have proceeded to understand and evaluate the criteria used by the Company's management to estimate the possibilities of using and recovering deferred tax assets in the following years, affected by the business plans.

Based on the business plans prepared by management, we have compared the projected annual cash flows with those actually achieved in the 2024 financial year and we have contrasted the key assumptions, estimates and calculations made for their preparation, comparing them with historical performance, available comparables, relevant industry factors and other external sources.

As part of the analyses, we have also evaluated the tax adjustments considered for the estimation of tax bases, the applicable tax regulations, as well as the decisions regarding the possibilities of using the tax benefits corresponding to the tax consolidation group.

Key audit matters	How our audit addressed the key audit matters
<p>Given the relevance of the amount outstanding to be recognised, the significant judgments required and estimates necessary for the calculation of future tax bases, the recognition of deferred tax assets has been a key audit matter in our audit.</p>	<p>The analyses carried out have made it possible to verify that the calculations and estimates made by the Company's management, as well as the conclusions reached, in relation to the recognition of deferred tax assets, are consistent with the current situation, with the expectations of future results of the tax group and with its tax planning possibilities available under current legislation.</p>

Other information: Management report

Other information comprises only the management report for the 2024 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to:

- a) Verify only that certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.
- b) Evaluate and report on the consistency between the rest of the information included in the management report and the annual accounts as a result of our knowledge of the Company obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the management report is consistent with that contained in the annual accounts for the 2024 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit commission for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit commission is responsible for overseeing the process of preparation and presentation of the annual accounts.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's audit commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit commission with a statement that we have complied with ethical requirements relating to independence and we communicate with the aforementioned those matters that may reasonably be considered to threaten our independence and, where applicable, the safeguards adopted to eliminate or reduce such threat.

From the matters communicated with the entity's audit commission, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of Acerinox, S.A. for the 2024 financial year that comprises an XHTML file of the annual accounts for the financial year, which will form part of the annual financial report.

The directors of Acerinox, S.A. are responsible for presenting the annual financial report for the 2024 financial year in accordance with the formatting requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration have been incorporated by reference in the management report.

Our responsibility is to examine the digital file prepared by the Company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the annual accounts included in the aforementioned file completely agrees with that of the annual accounts that we have audited, and whether the format of these accounts has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital file examined completely agrees with the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit commission

The opinion expressed in this report is consistent with the content of our additional report to the audit commission of the Company dated 26 February 2025.

Appointment period

The General Ordinary Shareholders' Meeting held on 22 April 2024 appointed us as auditors for a period of one year, for the year ended 31 December 2024.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of three years and we have audited the accounts continuously since the year ended 31 December 2017.

Services provided

Services provided to the audited entity for services other than the audit of the accounts are disclosed in note 16.3 to the annual accounts.

In relation to the services provided to the subsidiary companies of the Company for services other than the audit of the accounts, refer to the audit report dated 27 February 2025 on the consolidated annual accounts of Acerinox, S.A. and its subsidiary companies, where these subsidiary companies have been consolidated.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by
Ignacio Rodríguez-Guanter Asporosa (24231)

27 February 2025

ACERINOX, S.A.



**Annual Accounts
as of December 31, 2024**

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Note 2). In the event of a discrepancy, the Spanish-language version prevails.

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ANNUAL ACCOUNTS OF ACERINOX, S.A.

1. BALANCE SHEET OF ACERINOX, S.A.

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

	Note	2024	2023
ASSETS			
A) NON-CURRENT ASSETS			
I. Intangible assets	5	1,274	1,271
1. Computer software		1,274	186
2. Advances on fixed assets			1,085
II. Property, plant and equipment	6	8,391	8,499
1. Land and buildings		7,444	7,593
2. Technical facilities and other property, plant and equipment		947	906
III. Investment property	7	1,891	1,937
1. Land		1,231	1,231
2. Buildings		660	706
IV. Long term investments in Group companies and affiliates	9	2,034,335	1,698,214
1. Equity instruments		2,034,335	1,698,214
2. Corporate loans	15.2		
V. Long-term financial investments	9	7,461	9,066
1. Assets at fair value through equity			
2. Loans to third parties			
3. Derivatives		4,498	8,991
4. Other financial assets		2,963	75
VI. Deferred tax assets	12	17,570	6,238
B) CURRENT ASSETS			
I. Trade and other receivables	9	32,439	26,150
1. Customers, Group companies and affiliates	15.2	30,972	25,584
2. Sundry receivables		156	141
3. Staff		7	2
4. Current tax assets	12	591	13
5. Other credits with Public Administrations	12	713	410
II. Short-term investments in Group companies and affiliates	9	577,115	910,697
1. Corporate loans	15.2	336,476	612,054
2. Other financial assets	9.2.3	240,639	298,643
III. Short-term financial investments	9	78,536	12,373
1. Derivatives		7,449	12,367
2. Other financial assets	9.2.6	71,087	6
IV. Short-term accruals		562	1,468
V. Cash and cash equivalents	9	161,438	21,187
1. Cash		161,438	21,187
TOTAL ASSETS		2,921,012	2,697,100

The accompanying Notes 1 to 17 are an integral part of these Annual Accounts.

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

	Note	2024	2023
EQUITY AND LIABILITIES			
A) EQUITY		1,070,132	1,129,723
A-1) Shareholders' equity.	10	1,064,774	1,116,408
I. Capital		62,334	62,334
1. Registered capital		62,334	62,334
II. Issue premium		268	268
III. Reserves		972,423	1,013,623
1. Legal		13,527	13,527
2. Other reserves		958,896	1,000,096
IV. Treasury shares and equity interests		-221	-1,031
V. Profit/(loss) from previous years			
VI. Profit/(loss) for the year		101,478	114,187
VII. Interim dividend		-77,286	-77,261
VIII Other equity instruments		5,778	4,288
A-2) Adjustments for changes in value		5,358	13,315
I. Assets at fair value through equity			
II. Hedging operations		5,358	13,315
B) NON-CURRENT LIABILITIES		1,430,411	1,198,068
I. Long-term borrowings	9	1,410,793	1,176,777
1. Bonds and other marketable securities			
2. Bank borrowings		1,409,291	1,176,734
3. Derivatives		1,459	
4. Other financial liabilities		43	43
II. Long-term debt with Group companies and affiliates	15.2		
III. Deferred tax liabilities	12	19,618	21,291
C) CURRENT LIABILITIES		420,469	369,309
I. Current payables	9	375,544	325,728
1. Bonds and other marketable securities			76,584
2. Bank borrowings		297,932	170,976
3. Derivatives		308	859
4. Other financial liabilities		77,304	77,309
II. Short-term debt with Group companies and affiliates	15.2	37,554	34,797
III. Trade and other payables	9	7,371	8,784
1. Suppliers		2,444	3,044
2. Suppliers, Group companies and affiliates	15	19	8
3. Sundry payables.		1,704	748
4. Personnel (remunerations pending payment)		2,380	4,350
5. Current tax liabilities	12		
6. Other debts with Public Administrations	12	824	634
TOTAL EQUITY AND LIABILITIES		2,921,012	2,697,100

The accompanying Notes 1 to 17 are an integral part of these Annual Accounts.

2. INCOME STATEMENT OF ACERINOX, S.A.

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

	Note	2024	2023
A.1) CONTINUING OPERATIONS			
1. Revenue	13.2	360,055	377,124
a) Services rendered		61,968	39,325
b) Dividends received from Group companies	9.2.6	260,535	306,131
c) Financial income from Group companies	15.2	37,552	31,668
2. Other operating income	13.2	391	502
a) Ancillary income and other current operating expenses		391	499
b) Operating subsidies included in income for the period			3
3. Staff costs	13.1	-23,814	-20,103
a) Wages, salaries and similar		-21,042	-17,656
b) Employee benefits		-2,772	-2,447
4. Other operating expenses		-41,009	-17,739
a) Outside services	13.3	-41,045	-17,451
b) Taxes		36	-288
5. Depreciation of fixed assets	5, 6, and 7	-939	-568
6. Impairment and gain or loss on disposal of fixed assets		-161,119	-185,998
a) Gains (losses) on disposals and other	6	-65,421	
b) Impairment of equity instruments	9.2.6	-95,698	-185,998
A.2) OPERATING INCOME		133,565	153,218
1 Finance income		3,361	59
a) Of holdings in equity instruments			
a1) In third parties			
b) Marketable securities and other financial instruments		3,361	59
b1) In third parties		3,361	59
2 Finance costs		-44,292	-33,378
a) For debts with Group companies and affiliates	15.2	-1,773	-1,590
b) For debts with third parties		-42,519	-31,788
3 Changes in fair value of financial instruments	9.2.2	-958	144
a) Trading portfolio and others		-958	144
b) Recognition in the income statement of financial assets at fair value through equity			
4 Exchange differences	11	3,316	345
A.3) FINANCIAL RESULT		-38,573	-32,830
A.4) PRETAX INCOME		94,992	120,388
1 Income tax	12	6,983	-6,055
2 Other taxes	12.2	-497	-146
A.5) INCOME FOR THE YEAR FROM CONTINUING OPERATIONS		101,478	114,187
A.6) DISCONTINUED OPERATIONS			
A.7) PROFIT/(LOSS) FOR THE YEAR		101,478	114,187

The accompanying Notes 1 to 17 are an integral part of these Annual Accounts.

3. STATEMENT OF CHANGES IN EQUITY

3.1 STATEMENT OF RECOGNIZED INCOME AND EXPENSE

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

	Note	2024	2023
A) RESULTS OF THE STATEMENT OF PROFIT OR LOSS		101,478	114,187
INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY			
I. For valuation of financial instruments.			
1. Financial assets at fair value through equity.	9.2.4		
II. Arising from cash flow hedges.	9.2.3	2,621	-3,821
III. Arising from actuarial gains and losses and other adjustments.			
IV. Tax effect.	12	-655	955
B) TOTAL INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY (I+II+III+IV+V)		1,966	-2,866
TRANSFERS TO THE STATEMENT OF PROFIT OR LOSS			
I. For valuation of financial instruments			
1. Financial assets at fair value through equity			
II. Arising from cash flow hedges	9.2.3	-13,231	-12,175
III. Tax effect.	12	3,308	3,044
C) TOTAL TRANSFERRED TO THE STATEMENT OF PROFIT OR LOSS		-9,923	-9,131
TOTAL RECOGNIZED INCOME AND EXPENSE (A + B + C)		93,521	102,190

The accompanying Notes 1 to 17 are an integral part of these Annual Accounts.

3.2. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Registered capital	Issue premium	Reserves	Profit/(loss) for the year	Interim dividend	Other equity instruments	Treasury shares	Adjustments for changes in value	TOTAL
Balance as of December 31, 2022	64,931	268	920,030	332,013	-74,799	3,798	-90,703	25,312	1,180,850
I. Total recognized income and expenses				114,187				-11,997	102,190
Results of the income statement				114,187					114,187
For valuation of financial instruments								-15,996	-15,996
Tax effect								3,999	3,999
II. Transactions with partners or owners.	-2,597		93,594	-332,013	-2,462	490	89,673		-153,315
Interim dividend					-77,261				-77,261
Dividends paid			-149,562		74,799				-74,763
Application of retained earnings			332,013	-332,013					0
Acquisition of treasury shares							-2,084		-2,084
Depreciation of treasury shares	-2,597		-88,088				90,685		0
Long-term incentive plan for senior executives			-769			490	1,072		793
III. Other changes in equity			-1				-1		-2
Balance as of December 31, 2023	62,334	268	1,013,624	114,187	-77,261	4,288	-1,030	13,315	1,129,725
I. Total recognized income and expenses				101,478				-7,957	93,521
Results of the income statement				101,478					101,478
For valuation of financial instruments								-10,610	-10,610
Tax effect								2,653	2,653
II. Transactions with partners or owners.			-41,199	-114,187	-25	1,490	809		-153,112
Interim dividend					-77,286				-77,286
Dividends paid			-154,522		77,261				-77,261
Application of retained earnings			114,187	-114,187					0
Acquisition of treasury shares							-961		-961
Long-term incentive plan for senior executives			-864			1,490	1,770		2,396
III. Other changes in equity			-2						-2
Balance as of December 31, 2024	62,334	268	972,423	101,478	-77,286	5,778	-221	5,358	1,070,132

The accompanying Notes 1 to 17 are an integral part of these Annual Accounts

3.3. STATEMENT OF CASH FLOWS OF ACERINOX, S.A.

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

	Notes	2024	2023
A) CASH FLOWS FROM OPERATING ACTIVITIES		305,496	201,427
1. Profit/(loss) for the year before tax		94,992	120,388
2. Adjustments to the result		-56,278	-84,383
a) Depreciation of fixed assets (+)	5, 6, and 7	940	568
b) Valuation corrections for impairment (+/-)	9.2.6	95,698	185,998
c) Gain (loss) on retirements and disposals of financial instruments		65,421	
d) Gain (loss) on retirements and disposals of fixed assets (+/-)			
e) Finance income (-)		-3,361	-59
f) Finance expenses (+)		44,292	33,378
g) Exchange differences (+/-)		-41	1,467
h) Changes in fair value of financial instruments (+/-)		-821	-566
i) Other income and expenses		-258,406	-305,169
3. Changes in working capital		-9,284	-12,864
a) Trade and other receivables (+/-)		-5,711	-11,904
b) Other current assets (+/-)		-3,044	-2,536
c) Trade and other payables (+/-)		-2,252	270
d) Other current liabilities (+/-)		1,723	1,306
e) Other non-current assets and liabilities (+/-)			
4. Other cash flows from operating activities		276,066	178,286
a) Interest payments (-)		-44,758	-28,881
b) Dividend collections (+)		318,538	195,000
c) Interest income (+)		3,361	59
d) Income tax payments (collections) (+/-)		-1,075	12,108
B) CASH FLOWS FROM INVESTING ACTIVITIES		-293,389	24,061
5. Payments for investments (-)		-335,857	-86,258
a) Group companies and affiliates		-334,978	-85,026
b) Intangible assets			-693
c) Property, plant and equipment		-819	-539
d) Other financial assets		-60	
e) Other assets (Group loans)			
6. Proceeds from divestitures (+)		42,468	110,319
a) Group companies and affiliates			
b) Property, plant and equipment		6	
c) Other financial assets			
d) Other assets (Group loans)		42,462	110,319
7. Dividend collection (+)			
a) Other collections/payments for investment activities			
C) CASH FLOWS FROM FINANCING ACTIVITIES		128,144	-207,621
8. Payments for investments (-)		-961	-2,084
a) Issuance of equity instruments (-)			
b) Acquisition of own equity instruments (-)			
c) Acquisition of own equity instruments (-)		-961	-2,084
d) Disposal of own equity instruments (+)			
9. Receivables and payments for financial liability instruments	9.2.5	283,642	-55,975
A) Issuance		660,420	105,893
1. Bonds and other marketable securities (+)			
2. Bank borrowings (+)		735,000	105,000
3. Payables to Group companies and affiliates (+)		420	893
B) Reimbursement and depreciation of:		-376,778	-161,868
1. Bonds and other marketable securities (+)		-75,000	
2. Bank borrowings (-)		-376,604	-161,868
3. Payables to Group companies and affiliates (-)		-174	
4. Other debts			
9. Payments for dividends and remuneration of other equity instruments		-154,537	-149,562
A) Dividends (-)	10.5	-154,537	-149,562
B) Remuneration of other equity instruments (-)			
D) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS		140,251	17,867
Cash and cash equivalents at the beginning of the year		21,187	3,320
Cash and cash equivalents at the end of the year		161,438	21,187

The accompanying Notes 1 to 17 are an integral part of these Annual Accounts.



NOTES TO THE ANNUAL ACCOUNTS OF ACERINOX, S.A.

NOTE 1 – COMPANY ACTIVITIES

Name of the Company: 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, tax domicile and location in which its business activities are performed: the Company’s registered office and tax domicile are located at calle Santiago de Compostela, no. 100, Madrid, Spain.

Corporate purpose and main business activities: the Company’s purpose, as described in its bylaws, consists of the manufacture and sale of stainless steel and high-performance alloys products through the ownership of shares or other equity interests in companies with an identical or similar corporate purpose. The Company’s main business activity is that of a holding company, in its condition as the Parent of the Acerinox Group. Acerinox, S.A. manages and supervises the strategic business areas. In addition, it provides corporate services such as legal, accounting, and advisory services, among others, and is responsible for directing and managing the Group’s financing, as well as approving both Capex and organic and inorganic growth strategies.

As indicated in **Note 9.2.6**, the Company holds ownership interests in subsidiaries and affiliates. The Company is therefore the parent of a group of companies.

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 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 terms of turnover in the high-performance alloys sector.

On November 21, it 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. The Group has acquired this interest through its Group subsidiary in the United States, North American Stainless Inc. Detailed information on this deal is included in **Note 9.2.6**. Haynes, together with VDM, is part of the Acerinox Group’s high-performance alloys segment. 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 also detailed in **Note 9.2.6**, on December 3, the Group sold the Malaysia-based subsidiary Bahru Stainless Sdn Bhd Group. This sale has been caused by production overcapacity in this market and price pressure. However, the Group continues to maintain a commercial subsidiary in that country, which will allow it to continue to supply this market with less commodity and high value-added products from other Group plants.

The presentation of consolidated annual accounts is obligatory, pursuant to generally accepted accounting principles and standards, in order to present a fair view the financial position, results of operations, changes in equity and cash flows of the Group.

At December 31, 2024, Acerinox, S.A., in accordance with Rule 13 of the Rules for the Preparation of Annual Accounts, did not form part of a decision-making unit with other companies with registered office in Spain other than those included in **Note 9.2.6**.

Fiscal year: The fiscal year of Acerinox, S.A. covers 12 months. It begins on January 1 and ends on December 31.



Authorization for issue: These annual accounts were authorized for issue by the Board of Directors of Acerinox, S.A., on February 26, 2025.

On that same date, the directors also authorized for issue the consolidated annual accounts of Acerinox, S.A. and subsidiaries for 2024, which present consolidated profit attributable to the Parent Company of EUR 224,946 thousand (2023: EUR 228,128 thousand) and consolidated equity of EUR 2,575,071 thousand (2023: EUR 2,463,126 thousand).

NOTE 2 – BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

2.1 Fair view

In accordance with current legislation, the Company's directors formally prepared these annual accounts, in order to present a fair view of its equity and financial position at December 31, 2024 and the results of its operations, the changes in its equity and the cash flows in the year then ended.

The annual accounts have been prepared from the Company's accounting records and are presented in accordance with current mercantile legislation, with the rules established in the Spanish General Chart of Accounts approved by Royal Decree 1514/2007 and the amendments incorporated, the latest being those introduced by Royal Decree 1/2021, dated January 12.

The Company's directors consider that the annual accounts for 2024 will be approved by the General Shareholders' Meeting without any changes.

2.2 Comparative information

For comparison purposes the accompanying annual accounts present, in addition to the figures for 2024, for each item in the balance sheet, income statement, statement of changes in equity, statement of cash flows and notes to the annual accounts, the figures for 2023, which formed part of the annual accounts for 2023 approved by the shareholders at the General Shareholders' Meeting on April 22, 2024.

These annual accounts are presented in euros, which is the Company's functional and presentation currency, and the figures are rounded off to the nearest thousand.

2.3 Key issues in relation to the measurement and estimation of uncertainty

In preparing the consolidated annual accounts in accordance with the Spanish General Chart of Accounts, the Company's 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 annual accounts.

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 Company makes estimates and judgments regarding the future. The resulting accounting estimates may differ from the corresponding actual results. Any changes in estimates are recognized in the financial statements prospectively, as established in Recognition and Measurement Standard 22 of the Spanish National Chart of Accounts. The accounting estimates and judgments are reviewed regularly.

The main estimates made by the Company are as follows:

a) Fair value of derivatives and other financial instruments

The Company acquires derivative financial instruments to hedge its exposure to the risk of exchange rate and interest rate fluctuations. 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 9.2** includes information on all of the Company's financial instruments.

**b) Impairment losses on investments in Group companies and affiliates**

The Company reviews at each balance sheet date whether there is any indication of impairment of investments in Group companies and affiliates. If such indications exist, the Company assesses whether the investment cost exceeds its recoverable amount, which is usually determined on the basis of value in use (present value of the cash flows expected to be generated by the affiliate) or at their fair value less costs to sell. These calculations require the use of assumptions, for example in relation to sales, margins, discount rates and perpetuity growth rates, which involve a high degree of judgment.

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.

Note 9.2.6 details the analyzes conducted by the Company in 2024 and 2023.

c) Recoverability of tax loss and tax credit carryforwards

Separately from tax legislation, which in Spain allows the recovery of tax losses without time limitation, as established in the related accounting policy (see **Note 4.7**), the Company recognizes in the balance sheet 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 Company has set at ten years. The Company regularly assesses the recoverability of available tax assets through earnings projections approved by management, to conclude as to whether they will be recoverable in the aforementioned reasonable period.

The Company files consolidated income tax returns, together with the other Spanish entities that form part of the Group (with the exception of the entities established in the regions of Álava, Vizcaya and Guipúzcoa). The Company takes this circumstance into consideration when determining earnings projections and the recoverability of the tax assets.

Despite the Company's positive results this year, the tax group has generated tax losses, so it has not been possible to offset tax loss carryforwards from previous years.

At Group level, after recording the credit derived from the losses of the tax group for 2024 (EUR 34 million), and having performed the recoverability analysis described in **Note 12.3**, an impairment of EUR 61,548 thousand has been recorded. The Company has not been affected by the aforementioned impairment as it has practically no capitalized tax credits derived from unused tax loss carryforwards from previous years; in fact, the effect in the year has been the opposite, as explained below.

The Company has partially reversed the impairment recorded. Tax credits at year-end amounted to EUR 10,671 thousand based on (i) the effect of the nullity of RD 3/2016, (ii) forecast results of future years and (iii) the effect of the limitation of integration in the Group's taxable income of the losses of the companies that compose it and the consequent integration over the following 10 years. In view of the positive results in these financial years, the Company Acerinox S.A. will not be affected by the integration of losses mentioned above (iii).

Note 12.3 details the Company's existing tax assets and the assumptions used to determine the recoverability of recognized tax assets.

d) 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.

In the consolidated statement of financial position, the Company records the amounts related to its employee benefit obligations, which are determined through actuarial valuations conducted by independent experts, and contingent upon them not being sufficiently insured.

Note 14.4 includes detailed information on the assumptions used during this financial year to perform the valuations.

e) 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 obliged to pay an additional tax for the difference between their effective GloBe tax rate per 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 that do not apply to the Group, a Supplementary Tax to guarantee an overall minimum level of taxation for multinational groups and large domestic groups.

According to the analysis based on the figures to be reported in the 2024 country-by-country report, the Group is covered by temporary safe harbors, exempting it from calculation of the minimum tax. The analyses performed confirm that in the jurisdictions where the Group’s main entities are located, effective taxes exceed the minimum payment of 15%.

NOTE 3 – DISTRIBUTION OF PROFIT AND SHAREHOLDER REMUNERATION

The proposed distribution of profit of the parent, Acerinox, S.A., for 2024 that the Board of Directors will submit for approval by the shareholders at the General Shareholders’ Meeting is as follows:

	2024
Basis for distribution:	
Profit/(loss) for the year	101,478,498
Application:	
Dividends	154,587,930
To voluntary reserves	-53,109,432

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

	2023
Basis for distribution:	
Profit/(loss) for the year	114,186,613
Application:	
Dividends	149,537,702
To voluntary reserves	-35,351,089

NOTE 4 – ACCOUNTING POLICIES

4.1 Intangible assets

a) 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 Company, 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.

Computer software is depreciated on a straight-line basis over the three-year period in which it is expected to be used.

Note 5 includes detailed information on intangible assets.

4.2 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 before December 31, 1996 are measured at acquisition cost and are revalued in accordance with the provisions of the applicable legal regulations, less any accumulated depreciation and impairment losses.

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.

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 cost less residual value. The Company 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.

Land is not depreciated.

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

- Buildings: 50 years
- Other items of property, plant and equipment: 5-10 years

The residual value, the depreciation method and the useful life of the assets are reviewed, and adjusted if necessary, at each reporting date. Any variations to the estimates initially made are accounted for as a change in estimate (see **Note 2.3**).

Note 6 includes detailed information on property, plant and equipment.

4.3 Investment property

“Investment property” consists of Company-owned buildings not occupied by the Company which are held to earn returns, either through rental or through capital appreciation and subsequent disposal of the buildings.

The Company 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, including the depreciation period.

Lease income is recognized as indicated in **Note 4.8**.



4.4 Impairment of non-financial assets

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

Valuation adjustments for 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. The provisions for losses on an asset are recognized as an expense in the income statement.

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

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

In estimating the value in use of an asset, the Company takes into account the estimated future cash flows, expectations regarding possible variations in the amount or timing of those future cash flows, the time value of money and any other factors that any other market participant would reflect in pricing the future cash flows derived from the investment. The Group also takes climate risks into account in determining future projections.

In determining value in use, the Company bases its cash flow projections on reasonable and well-founded assumptions that represent management's best estimates. These projections generally cover a maximum period of five years, unless a longer time period can be justified.

The Company 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 actual past performance, and considering that the effects of subsequent events or circumstances that did not exist when those actual cash flows were generated justify those differences.

Valuation adjustments for impairment on an asset which was recognized in prior years is reversed 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.

4.5 Financial instruments

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.

4.5.1 Classification

The Company classifies financial instruments in the different categories based on the characteristics and business model used to manage them and the contractual terms of their cash flows.

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

4.5.2 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.

Acquisitions and disposals of financial assets are recognized at the date on which the Company 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 Company has transferred substantially all the risks and rewards of their ownership. The derecognition of a financial asset involves the recognition in the income statement of the difference between its book value and the sum of the consideration received, net of transaction costs.

The detail of the accounting policies relating to the Company's financial assets is as follows:

a) Financial assets at depreciated cost

This category includes financial assets which, while not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market. Specifically, included in this category are trade receivables and non-trade receivables. 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, unless there is evidence to the contrary, is the transaction price plus any directly attributable transaction costs. 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 Company recognizes the necessary impairment losses whenever there is evidence that a receivable has become impaired. 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 income statement and are reversed when the causes of their original recognition cease to exist. The amount of the reversal is recognized as income in the income statement.

b) Financial assets at fair value through profit or loss

The Company includes derivative financial instruments in this category, unless they have been 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.

c) Financial assets at cost

This category includes investments in Group companies and affiliates.

Investments in Group companies and affiliates are initially recognized at cost, i.e. the fair value of the consideration given plus any directly attributable transaction costs. They are subsequently measured at cost net of any accumulated impairment losses.

The Company recognizes the necessary impairment losses whenever there is evidence that the book value of an investment exceeds its recoverable amount. Such evidence of impairment losses is considered to exist when the book value of the affiliate is lower than the book value of the ownership interest recognized in the annual accounts of Acerinox, S.A. less any unrealized gains, taking into account the budgets approved for the next financial years or when the affiliate reports repeated losses over various years.

The Company recognizes impairment on an ownership interest whenever its book value exceeds its recoverable amount.

The recoverable amount of an investment is the higher of fair value less costs of disposal and the present value of the future cash flows from the investment.

The present value of the future cash flows may be determined either by estimating the cash flows expected to be received as a result of the distribution of dividends and from the sale or derecognition of the investment, or by estimating the Company's share of the cash flows that are expected to be generated by the affiliate from its ordinary activities.

Valuation adjustments are recognized as operating expenses in the income statement statements, or as operating income when reversed.

4.5.3 Financial liabilities

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

a) Financial liabilities at depreciated cost

This category includes non-derivative financial liabilities with fixed or determinable payments. In the case of the Company, this includes loans, bonds issued by the Company and trade and other payables.

The financial liabilities classified in this category 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. Accrued interest 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 Company 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, recognizes the effects of the new agreement as if it were an extinguishment and, simultaneously, the recognition of a 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 Company 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 Company has contracts with several financial institutions for the management of supplier payments. Trade payables payment of which is managed by the banks are recognized under "trade and other payables" until the related obligation is settled or canceled or expires. The Company uses Reverse Factoring as a payment instrument and financial institutions can provide the Company's suppliers with the possibility of financing through Reverse Factoring without extending payment terms.

b) Financial liabilities at fair value through profit or loss

The Company 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. Any changes in fair value are recognized in the income statement.



4.5.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits at banks. This line item also includes other short-term, highly liquid investments that are readily convertible to specified amounts of cash and subject to an insignificant risk of changes in value. For these purposes, cash and cash equivalents include investments maturing in less than three months from the date of acquisition.

In the statement of cash flows, the Company 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.

4.5.5 Guarantees provided and received

As regards guarantees provided or received for operating leases or for the rendering of services, the difference between their fair value and the amount paid is treated as an advance payment or collection for the lease or service rendered. In estimating the fair value of guarantees, the residual term is taken to be the minimum contractual term agreed during which the amount of the guarantee cannot be refunded.

Short-term guarantees are measured at their par value.

4.5.6 Hedge accounting

The aim of hedge accounting is to represent in the financial statements the effect of the 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 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.

The Company only undertakes cash flow hedges.

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 Company 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.



4.6 Foreign currency transactions

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 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.

Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value are translated to the corresponding functional currency at the exchange rates prevailing at the date on which the fair value was determined. 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 statement of cash flows, cash flows arising from transactions in a foreign currency are translated to euros by applying the exchange rates prevailing at the date of the cash flow.

Differences arising on liquidation of foreign currency transactions are recognized in the income statement.

4.7 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 taxable profit or tax loss for the year, using tax rates enacted at the balance sheet date and applicable to the 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 that arise between the tax bases of the assets and liabilities and their book values in the annual accounts. 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 equity.

Deferred tax liabilities are always recognized. Deferred tax assets are recognized only 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 Company recognizes in the balance sheet the deferred tax assets arising from tax loss or tax credit carryforwards, provided that they are recoverable in a reasonable period of time, also taking into account the legally established limits for their use. Management has deemed a period of ten years to be reasonable.

In order to determine the recoverability of the tax assets, future earnings projections approved by management are performed. These take into account present macroeconomic and market circumstances. As the Company files consolidated tax returns, it takes into account the earnings projections of all the entities that form part of its tax group.

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.



In accordance with the option provided for in the Spanish National Chart of Accounts, the Company may offset current or deferred tax assets and liabilities if it has a legally enforceable right to do so and intends either to settle the liabilities on a net basis or to realize the assets and settle the liability simultaneously. However, the Company has not availed itself of this option.

Deferred tax assets and liabilities are recognized in the Company balance sheet 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.

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, 2024 and 2023, 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. Under this regime, mutual credits and debits may arise between the companies forming part of the consolidation scope. Reciprocal receivables and payables between Group companies may arise as a result of the application of this regime. In this connection, if a company in the tax group incurs a tax loss in the year and the companies in the tax group as a whole offset all or a portion thereof in the consolidated income tax return, a reciprocal receivable and payable arises between the Group companies in relation to the portion of the tax loss that was offset. Also, the tax credits and tax relief relating to the income tax charge shall affect the calculation of the tax payable at each company for the effective amount thereof applicable under the consolidated tax regime and not for the amount (whether higher or lower) that would correspond to each company if individual tax returns were filed.

The amount of the payables or receivables in this connection is recognized under "payables to Group companies" in the balance sheet.

In connection with the new Pillar 2 tax regulations approved by the OECD, the Company has decided to make use of the temporary exemption with regard to the recognition of deferred tax assets and liabilities and the expenses resulting from the calculation of the minimum tax of 15%, as the Group has done in its consolidated annual accounts. **Note 12** contains detailed information on the above tax standard and the analysis carried out by the Group during the year and its potential impact.

The implementation of the Complementary Tax, pursuant to Law 7/2024, of December 20, introduces an overall minimum level of taxation of 15% for large multinational and national groups in Spain. This regulation affects the valuation of income tax, as deferred tax assets and liabilities are required to be adjusted to reflect the new tax. In addition, a mandatory temporary exception is established for the recognition and disclosure in the notes to the annual accounts of deferred tax assets and liabilities arising from the implementation of the OECD rules to combat the erosion of taxable income.

In addition, Law 7/2024 sets out that in the event that the effective tax rate of the constituent entities of the Group in a given jurisdiction is lower than 15%, an additional tax will be levied to reach such minimum rate. This national complementary tax will be calculated and paid in Spanish territory, thus ensuring that the minimum effective taxation of the net eligible profits of the constituent entities in Spanish territory yields, at least, a result equivalent to that of applying the income inclusion rule with respect to the income obtained in Spanish territory by the entities of the large multinational or national group.

The regulations also detail how adjusted covered taxes and the effective tax rate should be calculated and attributed, including post-reporting adjustments and changes in tax rates.

4.8 Income and expenses

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 Company 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 amount recorded is determined by deducting from the amount of the consideration for the transfer of goods or services committed to customers or other income corresponding to the Company's ordinary activities, the amount of discounts, returns, price reductions, incentives, as well as value-added tax and other taxes directly related thereto that must be passed on.

The income of Acerinox, S.A. arises mainly from its ownership interests in the Group companies, as well as from the provision of services to its subsidiaries and the performance of financing activities within the Group, which constitute its ordinary activities. Consequently, and in accordance with ruling number 2 published in Official Gazette No. 79 of the Spanish Accounting and Auditing Institute (ICAC), the income earned from these activities is included under "revenue" in the income statement.

Revenue and expenses are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

a) Income from services rendered

In the case of the services provided by Acerinox, S.A., these are generic advisory and management services in various business areas, which are provided to Group companies on a monthly basis, so there are no compliance milestones. The cost is clearly identified in the contracts and based on the entity's costs. Therefore, the Group recognizes revenue on a monthly basis based on the consideration to be received.

b) Dividend income

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

In the statement of cash flows, dividends received are classified as operating cash flows.

a) Leases

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

4.9 Provisions and contingencies

The Company 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 financial statement corresponds 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.



4.10 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, such as retirement benefits or any other form of compensation to employees upon termination of their employment.
- Pension benefits.
- Share-based payment transactions.

The accounting policies followed by the Company for long-term commitments to its employees are as follows:

a) Defined contribution plans

A defined contribution plan is a pension plan under which the Company 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. The Company has such plans for certain executives.

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.

The Company has obligations to certain of its employees when they reach retirement age. Defined benefit liabilities are recognized at the present value of the obligations existing at the reporting date less the fair value of the plan assets at that date. 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.

c) Share-based payment transactions

The Company applies Recognition and Measurement Standard 17 of the Spanish National Chart of Accounts, in relation to equity-settled transactions with employees, to equity-settled transactions in which the entity receives goods or services in exchange for shares of the parent Company.

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 Company 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 goods or services received, as well as the corresponding increase in equity, are measured at fair value on the date the equity instruments are granted. 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 Company 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.

4.11 Related party transactions

The Company's financial statements include transactions performed with the following related parties:

- Group companies;
- key executives of the Group, members of the Board of Directors and persons related to them; and
- Significant shareholders of the Company.

All the transactions performed with related parties are performed under market conditions. It was not necessary to make value judgments or estimates in relation to related party transactions.

The transactions performed by the Company with related parties are detailed in **Note 15**.

4.12 Classification of assets and liabilities between current/non-current

In the balance sheet the Company 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.

NOTE 5 – INTANGIBLE ASSETS

The detail of the main classes of intangible assets and of the changes therein in 2024 and 2023 is as follows:

(Amounts in thousands of euros)

COST	Computer software	Advances for computer software	TOTAL
Balance as of December 31, 2022	14,515	453	14,968
Acquisitions	95	632	727
Balance as of December 31, 2023	14,610	1,085	15,695
Acquisitions	268	193	461
Transfers	1,278	-1,278	0
Balance as of December 31, 2024	16,156	0	16,156

ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSS	Computer software	Advances for computer software	TOTAL
Balance as of December 31, 2022	14,276	0	14,276
Allocation	148		148
Balance as of December 31, 2023	14,424	0	14,424
Allocation	458		458
Balance as of December 31, 2024	14,882	0	14,882

NET VALUE	Computer software	Advances for computer software	TOTAL
Cost as of December 31, 2022	14,515	453	14,968
Accumulated amortization and impairment losses	-14,276		-14,276
Carrying amount as of December 31, 2022	239	453	692
Cost as of December 31, 2023	14,610	1,085	15,695
Accumulated amortization and impairment losses	-14,424		-14,424
Carrying amount as of December 31, 2023	186	1,085	1,271
Cost as of December 31, 2024	16,156		16,156
Accumulated amortization and impairment losses	-14,882		-14,882
Carrying amount as of December 31, 2024	1,274	0	1,274

The depreciation charge for the year is included under “depreciation of fixed assets” in the income statement.

Fully depreciated goods

In 2024, the Company’s fully depreciated intangible assets amounted to EUR 14,359 thousand (2023: EUR 14,149 thousand).

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

The detail of the various categories of property, plant and equipment and of the changes therein in 2024 and 2023 is shown in the following table:

(Amounts in thousands of euros)

COST	Land	Buildings	Other items of property, plant and equipment	Property, plant and equipment in	TOTAL
Balance as of December 31, 2022	4,340	8,092	8,065	762	21,259
Additions			437	103	540
Transfers		534	331	-865	
Balance as of December 31, 2023	4,340	8,626	8,833	0	21,799
Additions			327		327
Balance as of December 31, 2024	4,340	8,626	9,160	0	22,126

ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSS	Land	Buildings	Other items of property, plant and equipment	Property, plant and equipment in	TOTAL
Balance as of December 31, 2022		5,226	7,701		12,927
Allocation		147	226		373
Balance as of December 31, 2023	0	5,373	7,927	0	13,300
Allocation		149	286		435
Balance as of December 31, 2024	0	5,522	8,213	0	13,735

NET VALUE	Land	Buildings	Other items of property, plant and equipment	Property, plant and equipment in	TOTAL
Cost as of December 31, 2022	4,340	8,626	8,833		21,799
Accumulated depreciation		-5,373	-7,927		-13,300
Carrying amount as of December 31, 2022	4,340	3,253	906	0	8,499
Cost as of December 31, 2023	4,340	8,626	8,833		21,799
Accumulated depreciation		-5,373	-7,927		-13,300
Carrying amount as of December 31, 2023	4,340	3,253	906	0	8,499
Cost as of December 31, 2024	4,340	8,626	9,160		22,126
Accumulated depreciation		-5,522	-8,213		-13,735
Carrying amount as of December 31, 2024	4,340	3,104	947	0	8,391

Disposals of property, plant and equipment

As of December 31, 2024 and 2023 no items of property, plant and equipment were derecognized. At December 31, 2024 and 2023 there were no results from the sale of fixed assets.

Fully depreciated goods

At December 31, 2024, the Company had fully depreciated items of property, plant and equipment amounting to EUR 7,596 thousand (2023: EUR 7,439 thousand).

Other disclosures

There were no legal proceedings, attachments or similar measures that could affect items of property, plant or equipment at December 31, 2024 or 2023.

Insurance

The Company has taken out several insurance policies to cover the risks to which its property, plant and equipment are subject. It is considered that these policies sufficiently cover such risks.

Environment

The Company does not have any items of property, plant and equipment aimed at minimizing environmental impact.

In 2024, as in 2023, the Company did not incur any environmental expenses.

NOTE 7 – INVESTMENT PROPERTY

The detail of the changes in “investment property” in 2024 and 2023 is shown in the following table:

(Amounts in thousands of euros)

COST	Land	Buildings	TOTAL
Balance as of December 31, 2022	1,231	2,320	3,551
Transfers			
Balance as of December 31, 2023	1,231	2,320	3,551
Transfers			
Balance as of December 31, 2024	1,231	2,320	3,551

ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSS	Land	Buildings	TOTAL
Balance as of December 31, 2022		1,567	1,567
Allocation		47	47
Balance as of December 31, 2023	0	1,614	1,614
Allocation		46	46
Balance as of December 31, 2024	0	1,660	1,660

NET VALUE	Land	Buildings	TOTAL
Cost as of December 31, 2022	1,231	2,320	3,551
Accumulated depreciation		-1,567	-1,567
Carrying amount as of December 31, 2022	1,231	753	1,984
Cost as of December 31, 2023	1,231	2,320	3,551
Accumulated depreciation		-1,614	-1,614
Carrying amount as of December 31, 2023	1,231	706	1,937
Cost as of December 31, 2024	1,231	2,320	3,551
Accumulated depreciation		-1,660	-1,660
Carrying amount as of December 31, 2024	1,231	660	1,891

The Company maintains certain plants leased to Group companies in this category.

The lease income obtained by the Company in 2024 amounted to EUR 365 thousand (2023: EUR 356 thousand). The associated operating expenses, including repair and maintenance expenses, amounted to EUR 123 thousand (2023: EUR 115 thousand).



There are no contractual obligations to acquire, construct or develop investment property or to perform repairs, maintenance or improvement work.

The market value of all the investment property exceeded the book value thereof and amounted to EUR 5,759 thousand at December 31, 2024. 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 Company's investment property and, therefore, the determination of fair value is classified within the LEVEL 2 hierarchy detailed in **Note 9.2.2.1**.

Insurance

The Company has taken out several insurance policies to cover the risks to which the investment property is subject. It is considered that these policies sufficiently cover such risks.

NOTE 8 – LEASES AND OTHER SIMILAR TRANSACTIONS

The Company only has operating leases.

8.1 Lease expenses (as lessee)

In 2024, the operating lease expenses amounted to EUR 275 thousand (2023: EUR 300 thousand).

The present value of the minimum lease payments is EUR 296 thousand (2023: EUR 508 thousand) and relates to lease terms ending within five years.

NOTE 9 – FINANCIAL INSTRUMENTS

9.1 General considerations

For measurement purposes, the Company classifies its financial instruments under the categories detailed in **Note 4.5**.

9.2 Information on the importance of financial instruments to the Company's financial position and its results

9.2.1 Categories of financial assets and liabilities

The Company's financial assets, excluding investments in equity instruments of Group companies and affiliates, at year-end 2024 and 2023 are as follows, according to the classification introduced by the amendment to the Spanish General Chart of Accounts in Royal Decree 1/2021 of January 12:

(Amounts in thousands of euros)

Class	Long-term financial instruments						Short-term financial instruments					
	Equity instruments		Debt securities		Loans, derivatives and other		Equity instruments		Debt securities		Loans, derivatives and other	
Category	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Assets at fair value through profit or loss												
- Trading portfolio												
- Others												
Financial assets at depreciated cost or cost					2,963	75					679,899	937,898
Hedging derivatives					4,498	8,991					7,449	12,367
TOTAL	0	0	0	0	7,461	9,066	0	0	0	0	687,348	950,265

No debts with Public Administrations are included either as of December 31, 2024 or 2023.

At 2024 and 2023 year-end the Company'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	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Liabilities at depreciated cost or cost	1,409,291	1,176,734			43	43	297,932	170,976		76,584	121,405	120,256
Liabilities at fair value through profit or loss												
- Trading portfolio											38	859
- Others												
Hedging derivatives					1,459						270	
TOTAL	1,409,291	1,176,734	0	0	1,502	43	297,932	170,976	0	76,584	121,713	121,115

No debts with Public Administrations are included either as of December 31, 2024 or 2023.

9.2.2 Derivative financial instruments

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

(Amounts in thousands of euros)

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Derivatives at fair value through profit or loss		38		859
Hedging derivatives	11,947	1,729	21,358	
TOTAL	11,947	1,767	21,358	859

All derivatives at fair value through profit or loss have a term of less than one year and are classified as current in the statement of financial position. EUR 3,039 thousand of hedging derivatives are classified in the long term (2023: EUR 8,991 thousand).

9.2.2.1 Determination of fair value

As set out in the accounting policies, the Company measures derivative financial instruments and financial assets at fair value through other comprehensive income.

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, 2024 and 2023 was as follows:

(Amounts in thousands of euros)

	2024			2023		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Financial derivatives (assets)		11,947			21,358	
TOTAL	0	11,947	0	0	21,358	0

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
	Financial derivatives (liabilities)		1,767			859
TOTAL	0	1,767	0	0	859	0

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

In the case of Level 2 financial instruments, the Company 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 Company and its counterparty, i.e. the financial institutions with which it operates.

9.2.2.2 Financial instruments at fair value through profit or loss

The Company has classified in this category the derivative financial instruments that do not qualify for hedge accounting. Specifically, the Company classifies as financial instruments at fair value through profit or loss the currency forwards arranged to hedge the flows of its financing transactions and other operations performed with Group companies in foreign currency.

Based on the Group's hedging strategy, none of the aforementioned foreign currency derivatives arranged at December 31, 2024 were considered to be a hedge, since they are all used to hedge positions of monetary assets and liabilities denominated in foreign currency. Any exchange differences that arise from such translation are recognized in the consolidated income statement. 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. Similarly, changes in the derivative are recognized in the same way 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".

All of the Company's foreign currency purchase and sale forward contracts have a term of less than one year.

At December 31, 2024, the Company had used contracts for foreign currency transactions amounting to EUR 24 million. These foreign currency transactions enable the Company to hedge its foreign currency collection rights with Group companies in Malaysian ringgits. (EUR 313 million in 2023 that enable the Company to hedge its foreign currency collection rights with Group companies in US dollars and Malaysian ringgits).

The detail of these foreign currency forward contracts, by currency and amount used, is as follows:

(Amounts in thousands)

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
USD			330,000	
MYR	110,000		80,000	

9.2.2.3 Hedging derivatives

At December 31, 2024 and 2023, the Company had only classified interest rate swaps as hedging derivatives.

In this regard, the Company enters into interest rate derivatives to hedge floating rate cash flows from debt instruments. As Acerinox's S.A. risk management strategy allows for the exchange of hedging instruments and hedged items to meet corporate financing needs, the Company 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.

In order to hedge the interest rate risk on a portion of its current and non-current loans, the Company had arranged the following interest rate swaps at December 31, 2024:

	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 average interest rate of euro-denominated financing hedged by an interest rate hedging derivative, totaling EUR 646 million at year-end, was 2.34% (2023: EUR 430 million at 1.70%). The credit spread on these loans is included in both cases.

By the end of 2024 and 2023 there is no interest rate hedge in a currency other than the euro.

During 2024, the Company contracted four new swap transactions to hedge highly probable future flows pegged to the variable interest rate, as well as any modification thereof that may occur before the maturity date.

The total of the four interest rate derivatives contracted in 2024 amounts to EUR 260 million and is 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.

In 2023, no interest rate derivative was contracted.

The detail at December 31, 2023 was as follows:

	Notional contracted	Amount outstanding	Maturity
From variable to fixed rate	EUR 70 million	EUR 50 million	2028
From variable to fixed rate	EUR 100 million	EUR 50 million	2026
From variable to fixed rate	EUR 80 million	EUR 70 million	2028
From variable to fixed rate	EUR 260 million	EUR 260 million	2027

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 10,218 thousand (December 31, 2023: EUR 21,358 thousand).

The Company assesses whether outstanding hedging relationships meet the effectiveness requirements both at the date of designation and at year-end. At December 31, 2024 and 2023, all outstanding interest rate derivatives arranged qualified as cash flow hedging instruments and, therefore, the unrealized gains and losses in the amount of EUR 1,966 thousand, after tax, on their measurement at fair value was recognized in the statement of recognized income and expense (2023: EUR -2,866 thousand, after tax).

In 2024, EUR -9,923 thousand, after tax, were transferred from the statement of recognized income and expense to profit or loss for the year, reducing borrowing costs (2023: EUR -9,131 thousand, after tax).

The Company has documented the effectiveness of the derivatives arranged to be recognized as hedging instruments, as detailed in **Note 4.5.6**. The financial instruments considered to be hedges were not ineffective at any point in 2024 or 2023.

9.2.3 Financial assets at depreciated cost

Loans and receivables include trade and other receivables, such as loans granted to Group companies, which appear in the balance sheet under “investments in Group companies”. In 2024, short-term credits granted to Group companies amounted to EUR 336,476 thousand (2023: EUR 612,054 thousand). At year-end there were no long-term credits (2023: EUR 70,000 thousand). Equity instruments in Group companies are not included, as they are measured at cost and are included in **Note 9.2.6**.

As explained in Note 9.3.1.3 on liquidity risk, the Group’s treasury is managed centrally to achieve the best possible optimization of resources. Net debt is mainly concentrated at the Acerinox S.A. (more than 70% of total gross debt at year-end), which in turn finances the Group companies that need it.

The movements in the loans to Group companies during the year are as follows:

- On May 31 this year, the novation of the loans in force to date with Acerinox Europa for an amount of EUR 649 million (of which EUR 647 million were drawn down) took place under the same conditions applicable to the previous loans already existing at the end of last year. In November 2024, part of this loan matured early in order to carry out a capital increase in Acerinox Europa for EUR 430 million, leaving the loan drawn down by EUR 217 million. It is also proposed



to sign a credit facility and to increase the current loan to EUR 250 million from EUR 217 million (amount drawn down at the end of the year).

This loan is pegged to a variable market interest rate with monthly settlements and quarterly reviews.

- In addition this year, and on the occasion of the sale of Bahru Stainless, Sdn. Bhd., Acerinox, S.A. has had to make loans to the company in order to be able to meet its debts with suppliers and banks, since the agreement with the sale and purchase agreement signed with the entity Worldwide Stainless, Sdn. Bhd established a sale of 100% of the entity's shares, free of cash and debt. The amounts contributed to this company amounted to USD 205 million (EUR 184.7 million), of which USD 1 million was amortized, almost USD 168 million was capitalized and around USD 34.2 million was transferred to the new company created in Malaysia (Cabaran Dunia) to pay for the land transferred, all in order to comply with the terms of the sale and purchase agreement.
- Also related to the agreement reached in the Bahru Stainless sale and purchase agreement between Acerinox, S.A. and Worldwide Stainless, the sale of the shares did not include certain land owned by Bahru, which had to be transferred prior to the sale to a Group entity. For this purpose, Acerinox has acquired a special purpose vehicle (Cabaran Dunia), at almost no cost, to which the land has been transferred at a market price determined by an independent third party. In order to be able to pay for this land, Acerinox, S.A. made a loan to this entity (Cabaran Dunia) amounting to EUR 31,728 thousand (including the USD 34.2 million that has been transferred from Bahru).
- During the year, the loan granted to Acerinox SC Malaysia, Sdn. Bhd. has been extended by an additional MYR 30 million, totaling MYR 110 million. As of the closing date, this loan is fully drawn down. In addition, it has a loan of USD 6 million that is fully available to meet payments to third party suppliers. The total balance of loans used by this entity at year-end amounted to EUR 29,482 thousand.
- As regards Roldan, S.A., there is a contract in force dated September 15, 2022 and maturing on December 31 of this year for a maximum of EUR 30 million. On December 27, the parties novated this agreement, extending its drawdown limit to 40 million, with the same market conditions. At year-end, the loan was drawn down by EUR 30 million.
- There is also a loan agreement with Inoxcenter for EUR 40 million. In December 2023 and in March, April and May of this year, 4 installments of EUR 5 million each were repaid on this loan, for a total of EUR 20 million, leaving EUR 20 million available at year-end.

Note 15.2 includes the breakdown of the balances with Group companies.

The finance income earned in 2024 on these loans to the Group companies amounted to EUR 37,552 thousand (2023: EUR 31,668 thousand).

No interest was earned on impaired financial assets in 2024 or 2023.

No valuation adjustments were recognized for uncollectible receivables from related parties

The amount recognized in the "other financial assets" with Group companies in the balance sheet relates mainly to the approved dividend from the Group company North American Stainless, Inc., 100% owned by Acerinox, S.A. in the amount of USD 250 million.

9.2.4 Financial assets at depreciated cost

The liabilities classified in this category by the Company (excluding bank borrowings and bonds issued, which are detailed in **Note 9.2.5**), include the amounts classified in the balance sheet under "trade and other payables" as well as current payables to Group companies amounting to EUR 37,554 thousand (2023: EUR 34,797 thousand).

Payables to Group companies per company are detailed in **Note 15.2**.

With regard to the average payment period, as established in Law 18/2022 of September 29 on the establishment and growth of companies the Company 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.

The average payment period to suppliers, both domestic and foreign, is as follows:

	2024	2023
Average supplier payment period	44 days	54 days
Ration of operations settled	45 days	55 days
Ratio of transactions pending payment	35 days	39 days

(Amounts in thousands of euros)	Amount	Amount
Total payments made	52,958	27,389
Total outstanding payments	2,774	2,139

Details of the volume and number of invoices paid are as follows:

	2024	2023
a) Monetary volume of invoices paid within a period equal to or less than the maximum established in the regulations on late payment (in thousands of euros)	36,732	14,482
Percentage share of total monetary payments to its suppliers	69%	53%
b) Number of invoices paid within a period equal to or less than the maximum period established in the late payment regulations	4,515	5,797
Percentage share of total number of invoices of payments to its suppliers	80%	84%

The table includes, the same as above, the payments made to any supplier, whether domestic or foreign.

9.2.5 Bank borrowings and bonds issued

The detail of the financial debt line items in the statements of financial position as at December 31, 2024 and 2023, including both loans and bonds issued by the Company in the year, is as follows:

(Amounts in thousands of euros)

	Non-current		Current	
	2024	2023	2024	2023
Bonds issued				76,584
Bank borrowings	1,409,291	1,176,734	297,932	170,976
Total financial debt	1,409,291	1,176,734	297,932	247,560

The private placement issued in July 2014 and in which Deutsche Bank AG, London Branch acted as underwriter, in the amount of EUR 75 million, with a term of 10 years matured in July 2024, the date on which it was redeemed.

The detail of the maturity of the outstanding debt at December 31, 2024 was as follows:

(Amounts in thousands of euros)

	2025	2026	2027	2028 and thereafter	TOTAL
Bank borrowings	297,932	375,200	417,100	616,991	1,707,223
Total long-term debt	297,932	375,200	417,100	616,991	1,707,223

The detail of the maturity of the outstanding debt in 2023 was as follows:

(Amounts in thousands of euros)

	2024	2025	2026	2027 and thereafter	TOTAL
Bank borrowings	170,976	458,933	388,533	329,267	1,347,709
Bonds issued	76,584				76,584
Total long-term debt	247,560	458,933	388,533	329,267	1,424,293

At December 31, 2024 and 2023, all loans and bond issues had been arranged in euros.

The changes in non-current and current payables relating to loans, excluding bonds issued, are as follows:

(Amounts in thousands of euros)

	Long-term loans		Short-term loans	
	2024	2023	2024	2023
Opening balance	1,176,734	1,227,250	170,976	172,930
Additions	735,000	105,000		
Interest	826	772	291	3,626
Debt repayment	-44,486	-15,855	-332,118	-146,013
Short-term transfers	-458,783	-140,433	458,783	140,433
Balance as of December 31	1,409,291	1,176,734	297,932	170,976

The breakdown of the debt by interest rate is as follows:

(Amounts in thousands of euros)

	Non-current payables		Current liabilities	
	2024	2023	2024	2023
Fixed	473,693	459,332	90,033	178,617
Variable	935,598	717,402	207,899	68,943
TOTAL	1,409,291	1,176,734	297,932	247,560



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.

The fair value of fixed interest rate loans was EUR 563,726 thousand at December 31, 2024, and their book value was EUR 555,779 thousand. The fair value of these borrowings at December 31, 2023 amounted to EUR 622,908 thousand (book value amounted to EUR 637,949 thousand).

For the determination of fair value, the Company 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 9.2.2.1**.

The interest rates of the floating interest rate loans are reviewed at least once a year.

The average interest rate prevailing on non-current loans is 2.59% (2023: 2.22%).

The average interest rate prevailing on current loans is 2.05% (2023: 2.60%).

At December 31, 2024, accrued interest payable on loans amounted to EUR 8,829 thousand (2023: EUR 8,626 thousand). In addition, accrued interest payable on bonds issued amounted to EUR 1,634 thousand at 2023 year-end.

The total borrowing costs calculated using the effective interest rate on long-term loans at depreciated cost amounted to EUR 826 thousand (2023: EUR 772 thousand).

The interest accrued during the year, calculated using the effective interest rate method, amounted to EUR 42,519 thousand (2023: EUR 31,788 thousand).

At December 31, 2024, the Company had arranged financing facilities with banks with a maximum available limit of EUR 2,202 million (2023: EUR 1,859 million), against which EUR 1,707 million had been drawn down at December 31, 2024 (2023: EUR 1,424 million).

Main financing transactions undertaken in the year

- 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 addition, in order to maintain the Group's liquidity, credit facilities in euros and dollars have been renewed.

The Group's most significant financing transactions during 2023 were as follows:

- Signing of the Syndicated Factoring contract in Spain between several subsidiaries of the Acerinox Group, including, for the first time, VDM Metals International as the new transferor, and Unicaja as the new transferee from among the existing ones (Abanca, BBVA, Banca March, Banco Sabadell, Bankinter, Banque Marocaine du Commerce Extérieur International, Caixabank and Santander Factoring and Confirming) for a total amount of EUR 380 million until 2025. The agent and structuring agent for the transaction continues to be Santander Factoring and Confirming
- Signing of four new long-term floating rate loans totaling EUR 105 million with Kutxabank (EUR 15 million), Intesa Sanpaolo (EUR 65 million), Caja Rural del Sur (EUR 10 million) and Banca March (EUR 15 million).

- In addition, in order to maintain the Group's liquidity, credit facilities in euros and dollars were renewed.

Regarding debt renegotiations, the Group assessed the significance of the modifications made to determine whether they were substantially different, in accordance with the criteria established in the accounting policy defined in **Note 4.5.3**, and recognized 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 2023.

Non-current borrowings subject to achievement of ratios

a) Ratios linked to earnings

Currently, no loan agreement entered into by Acerinox, S.A. contains covenants linked to ratios that take into account the results. The contracts subject to covenants relate to own funds of the consolidated group and are detailed below.

b) Ratios linked to equity

The two loans signed in 2024 with Caixabank in the amount of EUR 75 million and EUR 50 million; the loan novated in the first half of 2022 with Caixabank in the amount of EUR 260 million together with the two loans signed with BBVA and ICO in the amount of EUR 80 million each in the first half of 2020 for the acquisition of VDM are conditional upon compliance with the financial ratio of Net Financial Debt to Shareholders' Equity at the Consolidated level at the end of the year.

In addition to these five loans, there are three other financing contracts conditional on compliance with covenants also referring to the maintenance of minimum levels of own funds at consolidated level as well as the net financial debt to equity ratio. The loan arranged in March, 2017 and novated in December, 2021 with Banca March for EUR 50 million and assigned to a Securitization Fund upon arrangement, the loan arranged with the European Investment Bank ("EIB") in December, 2017 for EUR 70 million and the loan arranged in March, 2018 with the Instituto de Crédito Oficial ("ICO") for EUR 100 million. This type of covenant is standard market practice in financing with these maturities, as the loan arranged with Banca March had an initial term of seven years, the EIB loan of ten years and the ICO loan of eight years.

At 2024 year-end (as in 2023) Acerinox, S.A. achieved all the ratios required under the aforementioned agreements with a considerable margin.

9.2.6 Investments in Group companies and affiliates

At December 31, 2024, the Company's investments in Group companies were as follows:

2024						
OWNERSHIP						
FULLY CONSOLIDATED COMPANIES	COUNTRY	Value of investment (thousands of euros)	% direct ownership interest	% indirect ownership interest	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%	10%	ACERINOX, S.A.	Estudio Canil
ACERINOX AUSTRALASIA PTY. LTD.	Sidney - Australia	385	100%		ACERINOX, S.A.	
ACERINOX BENELUX S.A. - N.V.	Brussels - Belgium	209	100%		ACERINOX, S.A.	PWC
ACX DO BRASIL REPRESENTAÇÕES, LTDA.	São Paulo - Brazil	373	100%	0.001%	ACERINOX, S.A.	

2024

OWNERSHIP

FULLY CONSOLIDATED COMPANIES	COUNTRY	Value of investment (thousands of euros)	% direct ownership interest	% indirect ownership interest	Holder of ownership interest	AUDITORS
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	608,645	100%		ACERINOX, S.A.	PWC
ACERINOX FRANCE S.A.S	Paris - France	18,060	99.98%	0.02%	ACERINOX, S.A.	PWC
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
ACERINOX METAL SANAYII VE TICARET L.S.	Gümüşsuyu / Beyoğlu - Turkey	150	100%		ACERINOX, S.A.	
ACERINOX MIDDLE EAST DMCC (DUBAI)	Dubai - United Arab	10	100%		ACERINOX, S.A.	HLB Hamt
ACERINOX PACIFIC LTD.	Wan Chai - Hong Kong	7,467	100%		ACERINOX, S.A.	PWC
ACERINOX POLSKA, SP. ZO.O.	Warsaw - Poland	25,178	100%		ACERINOX, S.A.	PWC
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 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	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	241,724	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) -			100.00%	INOXCENTER	PWC
INOXCENTER, S.L.U.	Barcelona - Spain	17,758	100%		ACERINOX, S.A.	PWC
INOXFIL, S.A.	Igualada (Barcelona) -			100%	ROLDAN, S.A.	PWC
INOXIDABLES DE EUSKADI S.A.U.	Vitoria - Spain			100%	ACERINOX EUROPA, S.A.U.	PWC
INOXPLATE - COMÉRCIO DE PRODUCTOS DE AÇO INOXIDÁVEL, UNIPessoal, LDA.	Trofa - Portugal			100%	ACEROL - COMÉRCIO E INDÚSTRIA DE	
METALINOX BILBAO, S.A.U.	Galdácano (Vizcaya) - Spain	3,718	100%		ACERINOX, S.A.	PWC
NORTH AMERICAN STAINLESS INC.	Kentucky - USA	546,796	100%		ACERINOX, S.A.	PWC
NORTH AMERICAN STAINLESS CANADA, INC.	Canada			100%	NORTH AMERICAN STAINLESS INC.	PWC
NORTH AMERICAN STAINLESS MEXICO S.A. DE C.V.	Apodaca - N.L.Mexico			100%	NORTH AMERICAN STAINLESS INC.	PWC



2024

OWNERSHIP

FULLY CONSOLIDATED COMPANIES	COUNTRY	Value of investment (thousands of euros)	% direct ownership interest	% indirect ownership interest	Holder of ownership interest	AUDITORS
NORTH AMERICAN STAINLESS FINANCIAL INVESTMENTS LTD.	Kentucky - USA	15	100%		ACERINOX, S.A.	
ROLDAN, S.A.	Ponferrada - Spain	17,405	99.77%		ACERINOX, S.A.	PWC
VDM METALS HOLDING GMBH	Werdohl - Germany	313,460	100.00%		ACERINOX, S.A.	PWC
VDM METALS INTERNATIONAL GMBH.	Werdohl - Germany			100%	VDM METALS HOLDING, GMBH.	PWC
VDM METALS GMBH	Werdohl - Germany			100%	VDM METALS HOLDING, GMBH.	PWC
VDM (SHANGHAI) HIGH PERFORMANCE METALS TRAD. CO. LTD.	Shanghai - China			100%	VDM METALS, GMBH.	Pan-China Certified Public Accounts
VDM HIGH PERFORMANCE METALS NANTONG CO. LTD.	Nantong - China			100%	VDM METALS INTERNATIONAL GMBH.	Pan-China Certified Public Accounts
VDM METALS AUSTRALIA PTY. LTD.	Mulgrave - Australia			100%	VDM METALS, GMBH.	
VDM METALS AUSTRIA G.M.B.H.	Brunn am Gebirge - Austria			100%	VDM METALS, GMBH.	
VDM METALS BENELUX B.V.	Zwijndrecht - Belgium			100%	VDM METALS, GMBH.	BDO
VDM METALS CANADA LTD.	Vaughan - Canada			100%	VDM METALS, GMBH.	
VDM METALS DE MEXICO S.A. DE C.V.	Naucalpan de Juarez - Mexico			100%	VDM METALS, GMBH.	
VDM METALS FRANCE S.A.S.	Saint-Priest - France			100%	VDM METALS, GMBH.	
VDM UNTERSTÜTZUNGSKASSE GMBH	Werdohl - Germany			100%	VDM METALS, GMBH.	
VDM METALS ITALIA S.R.L.	Sesto San Giovanni - Italy			100%	VDM METALS, GMBH.	
VDM METALS JAPAN K.K.	Tokyo - Japan			100%	VDM METALS, GMBH.	
VDM METALS KOREA CO. LTD.	Seoul - Korea			100%	VDM METALS, GMBH.	Samdo
VDM METALS UK LTD.	Claygate-Esher - UK			100%	VDM METALS, GMBH.	
VDM METALS USA LLC	Florham Park - USA			100%	VDM METALS, GMBH.	PWC
HAYNES INTERNATIONAL INC.	USA			100%	NORTH AMERICAN STAINLESS INC.	
HAYNES WIRE COMPANY, MOUNTAIN HOME NC	USA			100%	HAYNES INTERNATIONAL INC.	PwC
LAPORTE CUSTOM METAL PROCESSING LLC	USA			100%	HAYNES INTERNATIONAL INC.	
HAYNES INTERNATIONAL LTD.	Great Britain			100%	HAYNES INTERNATIONAL INC.	PwC

2024

OWNERSHIP

FULLY CONSOLIDATED COMPANIES	COUNTRY	Value of investment (thousands of euros)	% direct ownership interest	% indirect ownership interest	Holder of ownership interest	AUDITORS
HAYNES INTERNATIONAL SARL	France			100%	HAYNES INTERNATIONAL INC.	PwC
HAYNES INTERNATIONAL AG	Switzerland			100%	HAYNES INTERNATIONAL INC.	PwC
HAYNES INTERNATIONAL SRL	Italy			100%	HAYNES INTERNATIONAL INC.	PwC
HAYNES PACIFIC PTE LTD	Singapore			100%	HAYNES INTERNATIONAL INC.	PwC
HAYNES INTERNATIONAL TRADING CO LTD	China			100%	HAYNES PACIFIC PTE LTD	PwC
HAYNES INTERNATIONAL CHINA CO LTD	China			100%	HAYNES PACIFIC PTE LTD	
HAYNES INTERNATIONAL JAPAN KK	Japan			100%	HAYNES PACIFIC PTE LTD	
CABARAN DUNIA	Johor - Malaysia		100%		ACERINOX, S.A.	Thong & Lim
TOTAL		2,034,335				

At December 31, 2023, the Company's investments in Group companies were as follows:

2023

OWNERSHIP

FULLY CONSOLIDATED COMPANIES	COUNTRY	Value of investment (thousands of euros)	% direct ownership interest	% indirect ownership interest	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%	10%	ACERINOX, S.A.	Estudio Canil
ACERINOX AUSTRALASIA PTY. LTD.	Sidney - Australia	385	100%		ACERINOX, S.A.	
ACERINOX BENELUX S.A. - N.V.	Brussels - Belgium	209	99.98%	0.02%	ACERINOX, S.A.	PWC
ACX DO BRASIL REPRESENTAÇÕES, LTDA.	São Paulo - Brazil	373	100%	—%	ACERINOX, S.A.	
ACERINOX CHILE, S.A.	Santiago de Chile - Chile	7,545	100%		ACERINOX, S.A.	PWC
ACERINOX COLOMBIA S.A.S.	Bogotá D.C. - Colombia	68	100%		ACERINOX, S.A.	
ACERINOX DEUTSCHLAND GMBH	Langenfeld - Germany	45,496	100%		ACERINOX, S.A.	PWC
ACERINOX EUROPA, S.A.U.	Algeciras - Spain	274,234	100%		ACERINOX, S.A.	PWC
ACERINOX FRANCE S.A.S	Paris - France	18,060	99.98%	0.02%	ACERINOX, S.A.	PWC
ACERINOX INDIA PVT LTD.	Mumbai - India	155	100%		ACERINOX, S.A.	ISK & Associates

2023

OWNERSHIP

FULLY CONSOLIDATED COMPANIES	COUNTRY	Value of investment (thousands of euros)	% direct ownership interest	% indirect ownership interest	Holder of ownership interest	AUDITORS
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
ACERINOX POLSKA, SP. ZO.O.	Warsaw - Poland	25,174	99.98%	0.02%	ACERINOX, S.A.	PWC
ACERINOX RUSSIA LLC	Saint Petersburg - Russia	100	100%		ACERINOX, S.A.	
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 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, UNIPESSOAL, LDA.	Trofa - Portugal	15,828	100%		ACERINOX, S.A.	PWC
BAHRU STAINLESS, SDN. BHD	Johor - Malaysia		98.81%		ACERINOX, S.A.	PWC
COLUMBUS STAINLESS (PTY) LTD.	Middelburg - South Africa	241,469	76.00%		ACERINOX, S.A.	PWC
CORPORACIÓN ACERINOX PERU S.A.C.	Lima - Peru	314	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			100%	INOXCENTER	PWC
INOXCENTER, S.L.U.	Barcelona - Spain	17,758	100%		ACERINOX, S.A.	PWC
INOXFIL, S.A.	Igualada (Barcelona) -			100%	ROLDAN, S.A.	PWC
INOXIDABLES DE EUSKADI S.A.U.	Vitoria - Spain			100%	ACERINOX EUROPA,	PWC
INOXPLATE - COMÉRCIO DE PRODUCTOS DE AÇO INOXIDÁVEL,	Trofa - Portugal			100%	ACEROL - COMÉRCIO E	
METALINOX BILBAO, S.A.U.	Galdácano (Vizcaya) - Spain	3,718	100%		ACERINOX, S.A.	PWC
NORTH AMERICAN STAINLESS INC.	Kentucky - USA	546,270	100%		ACERINOX, S.A.	PWC
NORTH AMERICAN STAINLESS CANADA, INC.	Canada			100%	NORTH AMERICAN	PWC
NORTH AMERICAN STAINLESS MEXICO S.A. DE C.V.	Apodaca - N.L.Mexico			100%	NORTH AMERICAN	PWC
NORTH AMERICAN STAINLESS FINANCIAL INVESTMENTS LTD.	Kentucky - USA	15	100%		ACERINOX, S.A.	
ROLDAN, S.A.	Ponferrada - Spain	17,405	99.77%		ACERINOX, S.A.	PWC
VDM METALS HOLDING GMBH	Werdohl - Germany	313,315	100%		ACERINOX, S.A.	PWC
VDM METALS INTERNATIONAL GMBH.	Werdohl - Germany			100%	VDM METALS HOLDING,	PWC
VDM METALS GMBH	Werdohl - Germany			100%	VDM METALS HOLDING,	PWC

2023

OWNERSHIP

FULLY CONSOLIDATED COMPANIES	COUNTRY	Value of investment (thousands of euros)	% direct ownership interest	% indirect ownership interest	Holder of ownership interest	AUDITORS
VDM (SHANGHAI) HIGH PERFORMANCE METALS TRAD. CO. LTD.	Shanghai - China			100%	VDM METALS, GMBH.	Pan-China Certified Public Accounts
VDM HIGH PERFORMANCE METALS NANTONG CO. LTD.	Nantong - China			100%	VDM METALS INTERNATIONAL GMBH.	Pan-China Certified Public Accounts
VDM METALS AUSTRALIA PTY. LTD.	Mulgrave - Australia			100%	VDM METALS, GMBH.	
VDM METALS AUSTRIA G.M.B.H.	Brunn am Gebirge - Austria			100%	VDM METALS, GMBH.	
VDM METALS BENELUX B.V.	Zwijndrecht - Belgium			100%	VDM METALS, GMBH.	BDO
VDM METALS CANADA LTD.	Vaughan - Canada			100%	VDM METALS, GMBH.	
VDM METALS DE MEXICO S.A. DE C.V.	Naucalpan de Juarez - Mexico			100%	VDM METALS, GMBH.	Grant Thornton
VDM METALS FRANCE S.A.S.	Saint-Priest - France			100%	VDM METALS, GMBH.	
VDM UNTERSTÜTZUNGSKASSE GMBH	Werdohl - Germany			100%	VDM METALS, GMBH.	
VDM METALS ITALIA S.R.L.	Sesto San Giovanni - Italy			100%	VDM METALS, GMBH.	
VDM METALS JAPAN K.K.	Tokyo - Japan			100%	VDM METALS, GMBH.	
VDM METALS KOREA CO. LTD.	Seoul - Korea			100%	VDM METALS, GMBH.	
VDM METALS UK LTD.	Claygate-Esher - UK			100%	VDM METALS, GMBH.	BDO
VDM METALS USA LLC	Florham Park - USA			100%	VDM METALS, GMBH.	PWC
TOTAL		1,698,214				

At December 31, 2024 and 2023, the Company's investments in affiliates were as follows:

AFFILIATES	COUNTRY	Investment value	% direct ownership interest	% indirect ownership interest	Theoretical carrying value direct ownership interest
BETINOKS	Turkey		25.00%		
MOL Katalysatortechnik GmbH	Germany			20.45%	
Evidal Schmöle Verwaltungsgesellschaft mbH	Germany			50.00%	

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.

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 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 entity from 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.
- Haynes Wire Company: this entity, 100% owned by Haynes International and located in North Carolina, engages in the manufacture of high-performance alloy wire cast at the Kokomo plant (Haynes International).
- 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 vehicle acquired in Malaysia, which owns certain land formerly 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.

None of the Group companies and affiliates are officially listed.

Changes in investments in Group companies and affiliates

The changes in investments in Group companies and affiliates in 2024 and 2023 were as follows:



(Amounts in thousands of euros)

Company	2024	2023
Capital increases/Reductions		
Acerinox Europa, S.A.U.	430,000	
Bahru Stainless Sdn. Bhd.	155,692	
Acerinox Colombia S.A.S.	400	
Corporación Acerinox Peru, S.A.C.	480	
Liquidations/sales		
Bahru Stainless Sdn. Bhd.	-155,843	
Acerinox Russia LLC	-100	
Other contributions		
Bahru Stainless Sdn. Bhd.	151	72
North American Stainless	528	229
Columbus Stainless	255	112
Acerinox Europa, S.A.U.	108	40
Acerinox U.K.		10
VDM Metals Holding GmbH	145	

Changes in 2024

Acerinox Europa

On December 17, Acerinox Europa S.A.U. carried out a non-cash capital increase with an issue premium by offsetting credits amounting to EUR 430 million from the loan granted by the Company 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 million (EUR 214 per share). The capital increase 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. The capital stock after the capital increase amounted to EUR 64,206 thousand and equity amounted to EUR 237,201 thousand at the year-end.

Acerinox Europa S.A.U. has Acerinox S.A. as its sole shareholder.

The Company has recognized an increase in its investments in Group companies in the amount of EUR 430,000 thousand, equivalent to the fair value of the capitalized loan and which does not differ significantly from its carrying value at that date.

Bahru Stainless

On October 10, 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 Group's factory in Johor (Malaysia), for USD 95 million. The transaction closed on December 3.

The impact of this sale on the results of Acerinox, S.A. amounted to EUR 65,421 thousand as a result of the difference between the amount of the capital increases this year and the amount of the sale, since all the contributions made prior to this year were already impaired.

As explained in **Note 9.2.6**, 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 in Bahru Stainless at the date of sale except for the rights to use the undeveloped land and one piece of machinery.



Of the amount of the sale of the shares, EUR 17,527 thousand has been received in cash at the time of signing the contract, EUR 70,109 thousand by means of a bank guarantee with Ambank to be collected during the first half of 2025 and which appears under the heading “other financial assets” in the current assets of the balance sheet, and EUR 2,858 thousand which will be paid as the buyer makes use of the tax credits or after the two-year period has elapsed and which appears under “other long-term financial assets”.

Prior to the acquisition, Acerinox acquired from Bahru Stainless’ minority shareholder (Hanwa, Co. Ltd.) its percentage of stake of 1.1874% for EUR 47 thousand, meaning 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 has been taken to reserves, as required by the accounting standard,

Acerinox Colombia, S.A.S.

Acerinox Colombia is a commercial office of the Group in that country. The activity of this company is not material for the Group. This company receives commissions on sales made in that country. In August, a capital increase of EUR 400 thousand was carried out in the Group’s company in Colombia. 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 that country. This company receives commissions on sales made in that country. In October this year, a capital increase of EUR 480 thousand was carried out in the Group’s company in Peru. 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.

Liquidation of Acerinox Russia, LLC

As anticipated in the 2023 annual accounts, the Group’s trading company in Russia (Acerinox Russia, LLC) has been definitively closed this year. At the end of the last year, this entity was no longer in business and no longer had any employees. In this case it is a liquidation, not a sale. The result from the liquidation of the Group’s subsidiary in Russia resulted in a loss of EUR 174 thousand as a result of translation differences recorded in equity.

Other contributions

The “Other contributions” caption includes the changes related to the long-term remuneration plan for senior managers through shares of Acerinox, S.A., explained in **Note 14.3**:

Purchase of Haynes International, Inc.

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. It is therefore an indirect shareholding for Acerinox, S.A. As of the same date, Haynes was included in the consolidation scope of the Acerinox Group.

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.

This transaction is explained in the Group’s consolidated annual accounts.

Changes in 2023

The only changes that occurred in the year included as “other contributions” also corresponded to the long-term remuneration plan for directors through Acerinox, S.A. shares.

Equity position

The equity position of the Group companies at December 31, 2024, obtained from the separate annual accounts furnished by the respective companies, and converted into euro using year-end exchange rates, is as follows:

(Amounts in thousands of euros)

GROUP COMPANIES	Capital	Shares of the parent	Reserves and interim dividend	Other equity items	Operating income	Gains (losses) from continued activities	Total shareholders' equity
ACERINOX (SCHWEIZ) A.G.	744		2,213		-12	-8	2,949
ACERINOX ARGENTINA S.A.	1		2,611		1,021	-146	2,466
ACERINOX AUSTRALASIA PTY. LTD.	358		45		-115	-112	291
ACERINOX BENELUX S.A. - N.V.	211		537		57	39	787
ACX DO BRASIL REPRESENTAÇÕES, LTDA.	106		216		-8	5	327
ACERINOX CHILE, S.A.	4,114		2,291		-283	-482	5,923
ACERINOX COLOMBIA S.A.S.	43		383		-201	-224	202
ACERINOX DEUTSCHLAND GMBH	45,000		-15,038		1,850	1,317	31,279
ACERINOX EUROPA, S.A.U.	64,000		393,335	206	-198,934	-249,825	207,716
ACERINOX FRANCE S.A.S	265		5,795		481	479	6,539
ACERINOX INDIA PVT LTD.	115		284		-37	-35	364
ACERINOX ITALIA S.R.L.	40,000		5,530		2,453	1,400	46,930
ACERINOX METAL SANAYII VE TICARET LIMITED SIRKETI	11		395		200	365	771
ACERINOX MIDDLE EAST DMCC (DUBAI)	13		384		-172	-169	228
ACERINOX PACIFIC LTD.	11,891		-10,604		60	38	1,325
ACERINOX POLSKA, SP. ZO.O.	23,392		1,629		864	584	25,605
ACERINOX RUSSIA LLC.					-1		
ACERINOX SCANDINAVIA AB	24,871		1,107		1,605	1,174	27,152
ACERINOX SC MALAYSIA SDN. BHD	33,582		-35,518		1,134	-189	-2,125
ACERINOX SHANGAI CO., LTD.	2,549		948		-169	-159	3,338
ACERINOX (SEA), PTE LTD.	266		909		-178	-144	1,031
ACERINOX U.K. LTD.	24,120		515	62	920	401	25,098
ACEROL - COMÉRCIO E INDÚSTRIA DE AÇOS INOXIDÁVEIS, UNIPESSOAL, LDA.	15,000		1,159		616	442	16,601
COLUMBUS STAINLESS (PTY) LTD.	127,668		113,515	747	-46,234	-43,112	198,579
CORPORACIÓN ACERINOX PERU S.A.C.	379				-146	-167	212
INOX RE, S.A.	1,225		762		-1,570	316	2,303
INOXCENTER CANARIAS, S.A.U.	270		1,212		-218	-68	1,414
INOXCENTER, S.L.U.	492		5,552		1,620	-4,279	1,765
INOXFIL, S.A.	15,109		-638		-3,782	-4,261	10,210
INOXIDABLES DE EUSKADI S.A.U.	2,705		6,122		258	31	8,858



GROUP COMPANIES	Capital	Shares of the parent	Reserves and interim dividend	Other equity items	Operating income	Gains (losses) from continued activities	Total shareholders' equity
INOXPLATE - COMÉRCIO DE PRODUTOS DE AÇO INOXIDÁVEL, UNIPESSOAL, LDA.	9,193		2,305		148	117	11,615
METALINOX BILBAO, S.A.U.	72		21,125		413	316	21,513
NORTH AMERICAN STAINLESS INC.	559,629	-26	1,304,310	1,839	391,413	358,694	2,224,294
NORTH AMERICAN STAINLESS CANADA, INC.	5,775		55,899		5,281	4,733	66,407
NORTH AMERICAN STAINLESS FINANCIAL INVESTMENTS LTD.	19		-10,396		10,396	10,396	19
NORTH AMERICAN STAINLESS MEXICO S.A. DE C.V.	24,064		31,784		4,864	-1,041	54,807
ROLDAN, S.A.	11,936		40,630		-27,019	-21,480	31,086
VDM METALS GROUP	25		349,157		89,282	51,174	400,356
HAYNES GROUP	12		425,710		1,102	429	426,151
CABARAN DUNIA					-181	426	426

The equity position of the Group companies at December 31, 2023, obtained from the separate annual accounts furnished by the respective companies, and converted into euro using year-end exchange rates, is as follows:

(Amounts in thousands of euros)

GROUP COMPANIES	Capital	Reserves and interim dividend	Other equity items	Operating income	Gains (losses) from continued activities	Total shareholders' equity
ACERINOX (SCHWEIZ) A.G.	756	2,283		115	-33	3,006
ACERINOX ARGENTINA S.A.	1	1,521		1,360	-65	1,457
ACERINOX AUSTRALASIA PTY. LTD.	369	68		-22	-22	415
ACERINOX BENELUX S.A. - N.V.	211	1,306		318	231	1,748
ACX DO BRASIL REPRESENTAÇÕES, LTDA.	128	263			-4	387
ACERINOX CHILE, S.A.	4,411	3,558		-505	-1,102	6,867
ACERINOX COLOMBIA S.A.S.	42	223		-217	-219	46
ACERINOX DEUTSCHLAND GMBH	45,000	-16,558		2,018	1,520	29,962
ACERINOX EUROPA, S.A.U.	62,098	161,148	98	-224,976	-195,812	27,434
ACERINOX FRANCE S.A.S	265	4,154		442	431	4,850
ACERINOX INDIA PVT LTD.	111	92		200	188	391
ACERINOX ITALIA S.R.L.	40,000	5,400		1,797	131	45,531
ACERINOX METAL SANAYII VE TICARET LIMITED SIRKETI	12	608		357	564	1,184
ACERINOX MIDDLE EAST DMCC (DUBAI)	12	956		-81	-83	885
ACERINOX PACIFIC LTD.	11,115	-10,468		657	555	1,202
ACERINOX POLSKA, SP. ZO.O.	23,044	5,987		920	536	29,567
ACERINOX RUSSIA LLC.	42	83		-104	-24	101
ACERINOX SCANDINAVIA AB	25,685	-217		1,549	1,360	26,828
ACERINOX SC MALAYSIA SDN. BHD	30,724	-31,790		364	-705	-1,771



GROUP COMPANIES	Capital	Reserves and interim dividend	Other equity items	Operating income	Gains (losses) from continued activities	Total shareholders' equity
ACERINOX SHANGAI CO., LTD.	2,462	866		52	50	3,378
ACERINOX (SEA), PTE LTD.	258	965		-26	-82	1,141
ACERINOX U.K, LTD.	23,072	5,010	59	944	326	28,408
ACEROL - COMÉRCIO E INDÚSTRIA DE AÇOS INOXIDÁVEIS, UNIPESSOAL, LDA.	15,000	1,058		331	101	16,159
BAHRU STAINLESS, SDN. BHD	963,204	-868,391	339	-195,661	-202,942	-108,129
COLUMBUS STAINLESS (PTY) LTD.	122,864	144,600	477	-41,940	-35,252	232,212
CORPORACIÓN ACERINOX PERU S.A.C.	237	-209		-134	-154	-126
INOX RE, S.A.	1,225	762		-1,670		1,987
INOXCENTER CANARIAS, S.A.U.	270	1,071		185	141	1,482
INOXCENTER, S.L.U.	492	5,429		3,524	123	6,044
INOXFIL, S.A.	4,812	2,076		-2,996	-2,714	4,174
INOXIDABLES DE EUSKADI S.A.U.	2,705	5,754		797	369	8,828
INOXPLATE - COMÉRCIO DE PRODUCTOS DE AÇO INOXIDÁVEL, UNIPESSOAL, LDA.	9,693	2,190		147	115	11,998
METALINOX BILBAO, S.A.U.	72	20,187		1,230	938	21,197
NORTH AMERICAN STAINLESS INC.	525,986	885,485	1,233	667,765	567,117	1,978,588
NORTH AMERICAN STAINLESS CANADA, INC.	5,430	48,823		4,337	3,733	57,986
NORTH AMERICAN STAINLESS FINANCIAL INVESTMENTS LTD.	18	-9,774		9,774	9,774	18
NORTH AMERICAN STAINLESS MEXICO S.A. DE C.V.	22,624	23,652		4,229	6,230	52,506
ROLDAN, S.A.	11,936	50,504		-13,336	-9,874	52,566
VDM METALS GROUP	25	268,230		151,013	79,428	347,683

Impairment losses

At least at year-end, the Company assesses whether there are indications of impairment of its investments and, where appropriate, determines whether to make value adjustments when there is objective evidence that the book value of an investment will not be recoverable.

Since Acerinox, S.A. is a holding company, its assets comprise mainly ownership interests in, and balances with, Group companies. The Company assesses whether there is objective evidence of impairment on a yearly basis. Such evidence is considered to exist when the book value of the affiliate is lower than the value of the interest in Acerinox, S.A.'s accounts, taking into account the latest budget approved, or if the affiliate shows continuous losses for several years, in addition to deviating significantly from the budgets prepared by management or in the case of having impairment in previous years. In such cases, the Company calculates the recoverable amount of the investment, understood to be the higher of fair value less costs of disposal and the present value of the future cash flows from the investment.

This year signs of impairment have been present at the companies Acerinox Europa S.A.U., Columbus Stainless Ltd, Roldan, S.A., Inoxfil, S.A., Acerinox SC Malaysia, Sdn. Bhd. and Acerinox Pacific, Ltd.



The key assumptions used are detailed below:

Euros million	2024				2023			
	WACC before tax	WACC after tax	EBIT (1)	g	WACC before tax	WACC after tax	EBIT (1)	g
Bahru Stainless Sdn.Bhd.	'---	'---	'---	'---	9.0%	9.0%	-4.1%	'---
Acerinox Europa, S.A.U.	11.7%	9.3%	4.5%	2.0%	11.9%	9.3%	4.9%	2.0%
Columbus Stainless, Pty. Ltd.	17.2%	13.5%	5.9%	4.4%	17.8%	13.1%	5.7%	4.5%
Roldan, S.A.	12.4%	9.3%	4.3%	2.0%	12.7%	9.3%	4.9%	2.0%
Inoxfil, S.A.	11.6%	9.3%	3.7%	2.0%	12.6%	9.3%	5.3%	2.0%
Acerinox SC Malasia, Sdn. Bhd.	10.5%	9.0%	5.2%	2.3%	11.5%	9.8%	6.8%	2.3%
Acerinox Pacific, Ltd. (3)	10.9%	9.3%	'---	1.9%	10.3%	8.9%	'---	2.2%

(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) For Acerinox Pacific, Ltd., being a commissioning entity, the EBIT/Sales ratio is not an appropriate measure of performance.

To determine the present value of the cash flows, the estimate of future cash flows that the entity expects to obtain from the investment, calculated using a discount rate, i.e. the weighted average cost of capital (WACC), was taken in account.

The estimation of future cash flows was based on reasonable and well-founded assumptions. These assumptions consisted mainly of:

- a) Five-year cash flow projections approved by management.

These projections reflect the financial and macroeconomic circumstances and those of the stainless-steel market itself, adapted to the specific operating environment of each entity analyzed. Consequently, the various parameters used (expected growth, use of installed production capacity, prices, working capital items, etc.) are projected on the basis of historical figures, particularly those from the previous year, and the targets set by management.

The projections reflect these circumstances each year, in addition to the best estimates performed by management. In this connection, other significant assumptions such as exchange rates and commodity prices are extrapolated using highly conservative criteria, always tied to the most recent values recorded in the pertinent markets.

The factories prepare the budget taking the 2025 budget approved by the Board as a starting point and maintaining the bases for calculation established therein. Each factory estimates the performance of its domestic and export production and sales, individual product margins and prices, based at all times on the cost structure established in the 2025 budget and on the guidelines set out in the approved Strategic Plan.

The budgets for the other commercial subsidiaries are also prepared on the basis of the 2025 budget. The projection for the remaining years is performed by maintaining the estimated margins, variable costs per metric ton and fixed costs, and by increasing the metric tons sold according to each supplier's budget (Group factories or third parties in the case of Acerinox SC Malasia, Sdn. Bhd). In any event, the estimates of the subsidiaries are reviewed in accordance with management's expected sales targets for each market.

- a) Projected cash flows are extrapolated into the future using a growth rate that is consistent with the country and the main markets in which the entities mainly operate.

The Company is confident that the flows to perpetuity will materialize, mainly in terms of its use of production capacity and margins.



- a) The cash flows are discounted to present value at a discount rate that represents a risk-free rate of return, adjusted by the risks specific to the asset which any market participant would consider when investing in an asset that generates cash flows involving similar amounts and timing and a similar risk profile. In this regard, the discount rate was estimated as the weighted average cost of capital (WACC) for each investment.

The interest rates of the sovereign debt of each country in which the subsidiary operates, and a capital structure, market risk premiums and ratios of similar companies are considered in order to determine this discount rate.

The aforementioned process was generally used for all the companies, except for Acerinox Europa, S.A.U. The Company decided to request the assistance of an independent valuation firm and, together with this firm, adapted the main assumptions of the budgeted cash flows and the impairment test calculations, as detailed below.

As a result of the analyzes conducted, only in the case of Acerinox Europa, S.A.U. the recoverable amount was lower than the carrying amount and, accordingly, it was necessary to recognize an impairment in the value of the investment, amounting to EUR 95,698 thousand.

In the case of Roldán, S.A. and Inoxfil, S.A., following the corresponding impairment tests carried out, the recoverable amount of the investments was higher than the book value and, accordingly, it was not necessary to recognize any impairment losses.

In the case of Columbus Stainless, Ltd., Acerinox SC Malasia, Sdn. Bhd. and Acerinox Pacific, Ltd., it has also not been necessary to make any impairment or reversal of impairments made in previous years.

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, inaugurated in 1970, 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 melting shop 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 Company put forward the idea that a new organizational and production model would need to be implemented at the Acerinox Europa factory.

As part of the collective bargaining agreement negotiations, the factory has been shut down for five months due to the strike called by the workers' representatives. This has prevented us from carrying out the strategic plans proposed by management to ensure the plant's viability.

Finally, on October 16, 2024, Acerinox Europa and the Works Council signed the IV Collective Bargaining Agreement for the staff. An agreement, valid until December 31, 2027, which will allow the introduction of the flexibility measures necessary to implement the new business model, the objective of which is to recover productivity through greater flexibility and versatility of the workforce to increase production and sales of higher value-added products. The agreements reached represent a necessary first step in the implementation of the strategy. This new production model will allow 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.

Even though this year the expectations were not met, the Company believes that the necessary steps are being taken to achieve the targets set out in its strategic plan. In terms of volumes, the impact of the strike is not expected to be significant in the future, as the Group has been able to partially serve its customers through the stocks of the commercial network and supply through other plants, which allows the future relationship with its customers to be guaranteed.



Apparent consumption in Europe rose slightly in 2024 compared to 2023, growing 3% in contrast to the 21% decline seen in the previous year. Imports once again increased their market share relative to European producers, largely due to the drop in activity at Acerinox Europa due to the strike at the Campo de Gibraltar plant.

Even so, the share of imports remained below 20%, due to low prices and the trade protection measures in place for most Asian materials.

In this context, Management has requested a valuation by an independent expert (Kroll Advisory, S.L.), the same as the previous year, 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 an income 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 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 business value of Acerinox Europa.

The Company has updated the five-year results forecasts based on the new circumstances and taking into account the future strategic plans approved by the management team, designed with the aim of improving the results of Acerinox Europa, the main component of the Spanish fiscal Group, redirecting a greater part of its sales towards end customers and towards products with higher added value.

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 we apply the price variations of this index to our average energy cost price.

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

The Company took into account all these circumstances and the adjustments to the macroeconomic forecasts in preparing the five-year budgets.

The budgets have been prepared taking into account the following: demand estimates, commodity and selling prices, exchange rates, consumer price increases, energy costs estimates and the Company's strategy itself.

The independent expert has reviewed the budgets provided by Management and has respected the future scenarios and expectations reflected. 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.

Forecast EBIT margins are in line with the upper end of historically recorded margins (achieved in the period of the end of 2016 and first half of 2017), which is supported by the Strategic Plan approved by the Board of Directors.

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 9.1% to 8.8% 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, yet consistent with management's strategic plan. *This EBITDA margin was already achieved at the end of 2016, during the first half of 2017 and of 2022.*

Furthermore, the main pillars underpinning the scenario proposed by the independent expert continue to reflect the following main points already noted in the Strategic Plan approved by the Board of Directors of Acerinox Europa in 2023:

- High value-added products. The significant premium in pricing and implied margins associated with high value-added products, supported by the Company's historical results, ensures that a shift in product mix towards higher volume targeted at high value-added products will lead to higher sales and margins.
- Change in the customer base with a focus on the end user. Reducing part of the distribution and focusing more on direct sales to end users will imply higher prices and a better contribution margin, as Acerinox Europa will be able to capture part of the distributors' margin.
- Market research. Move more than 13% of total 2023 sales (better benchmark than 2024) from existing customers to new customers, with the aim of achieving a contribution margin 50% higher than that of existing customers.



- Industrial synergies. Contract manufacturing with VDM Metals, an Acerinox Group company. Upon completion of the development of the production techniques necessary to successfully process these materials and reach the total volume estimated by this company, it is expected to generate a significant additional contribution to EBITDA.
- Efficiency in production and process costs within the framework of the initiatives approved in the Beyond Excellence plan and in line with the strategic targets.

As shown in each of the strategic plan measures considered, none of them 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 Company has also taken into account the working capital reduction plans being carried out by the Company. In this regard, the Group's strategy involves significant reductions in inventories, both of products in stock and material in process, as well as a thorough review of customers and suppliers with a markedly financial focus to achieve the twin aim of generating more cash and reducing debt.

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

Given the circumstances in Acerinox Europa in 2024 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, the Company 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:

	2024	2023
Planned EBIT margin (1)	4.5%	4.9%
Weighted average growth rate (3)	2.0%	2.0%
Pre-tax discount rate (4)	11.7%	11.9%
After-tax discount rate (4)	9.3%	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).

The discount rates used are pre-tax 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 residual value considered in the test represents 72% of the total recoverable amount (2023: 79%).

The impairment test performed at December 31, 2024 shows that the recoverable amount, EUR 608,644 thousand (2023: EUR 274,234) is lower than the book value of the Company's shareholding, EUR 704,342 thousand (2023: 341,479). Therefore, the Company has recorded an impairment of EUR 95,698 thousand (excess of EUR 67,245 thousand in 2023).

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 in recent years, 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.

Columbus has gone from a turnover of approximately 30% in the local market, before incorporating carbon steel into its production, to 71% in 2024, rendering historical data, prior to that date, non-comparative.

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.

Production has exceeded the figures estimated in the 2024 budget at year-end. However, due to low demand, supply chain issues, difficulties in South African ports that have slowed certain deliveries, and import pressure, sales were slightly below budget. However, due to the strike at Acerinox Europa, Columbus has increased its exports to the European continent. In the local market, Columbus expects to double its carbon steel presence by 2029.

The low price levels in Europe have caused Columbus' results to remain slightly below the estimates made for 2024. Looking ahead, a market correction is expected in 2026, with prices returning to more reasonable levels in Europe, the main export market for Columbus. Market prices in Europe have been about 20% below the long-term average for the past 2 years. In the five-year budget, a full return to normal market conditions is not assumed, but a base price increase in Europe equivalent to half of the expected correction (10%) is considered, and only for 2026. Similarly, this year there has been a significant increase in imports of carbon steel into South Africa which drove prices to very low levels. Tariff measures are being discussed with the government so this situation is expected to be rectified in the short term, and the market consensus is that prices should increase at least 20%. However, the budget only considers a 10% increase in the price of carbon steel and only in 2026.

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 Company 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 Company's continuous improvement initiatives in line with the Group's excellence plans have boosted productivity and efficiency, leading to cost improvements. This has enabled Columbus to maintain a highly competitive cost structure.

The discount rates used are pre-tax 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 Company 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:

	2024	2023
Planned EBIT margin (*)	5.9%	5.7%
Weighted average growth rate (**)	4.4%	4.5%
Pre-tax discount rate (***)	17.2%	17.8%
After-tax discount rate (***)	13.5%	13.1%

(*) 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.

(***) 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 South African sovereign debt (ten-year swap of the South African rand) 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.



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). The growth rate (g), like the discount rate, is estimated on the basis of the South African rand and calculated in accordance with the expected long-term inflation in that currency.

Other assumptions are the ZAR/EUR exchange rate (ZAR/EUR 19.90) and the price of raw materials (USD 15,500/t), which are established when drawing up the budget. Both are extrapolated and kept constant during the period of analysis.

Due to the uncertain environment clouding the markets in which Columbus operates, the Group analyzed the probability of occurrence of the key assumptions, adjusting the estimated budgets, as well as those of the terminal year, to normalized values that take into account the results obtained in the past, in addition to the Company's new production mix. The residual value considered in the test represents 51% of the total recoverable amount (2023: 48%).

The impairment test performed at December 31, 2024 shows that the recoverable amount, EUR 251,620 thousand (2023: EUR 241,470) exceeds the book value of the Company's shareholding, EUR 241,725 thousand (2023: 263,670), by EUR 9,895 (2023: lower by EUR 22,200 thousand). However, the Company has decided that given the limited sensitivity to variations in the key assumptions and the overall context of uncertainty described above, not to reverse the excess resulting from the impairment test for EUR 9,895 thousand.

Roldan, S.A.

Roldan is the eldest industrial facility of the Acerinox Group and one of the three manufacture plants for long product production. Roldan 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).

Roldan uses as commodity for the production of long products, the billet supplied by the Group's plant in Palmones, Acerinox Europa, S.A.U.

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.

Roldan was affected by the strike at the Acerinox Europa factory as it is the main supplier of the raw material that Roldan uses in its production of stainless steel long products.

Efforts have been made to mitigate the effects of the lack of supply by purchasing from the Group's US plant and also from third parties. Even so, this has not allowed them to reach their normal production capacity, which has forced them to make use of the furlough system at certain times.

Nevertheless, the expected sales volumes were not achieved, meaning that during the strike period the Company was below the estimates made at the end of last year. However, this is a one-off situation caused by the Acerinox Europa strike and there is nothing to suggest that the conditions set out 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 in the value in use calculations are the same as those described for Acerinox Europa with the exception of the budgeted average EBIT margin which in the case of Roldan has been 4.3% (2023: 4.9%).

The terminal value represents 81% (2023: 58%) of the total recoverable amount. At terminal value, the EBIT margin considered is lower than the average of the explicit budgeting period.



The impairment test performed at December 31, 2024 shows that the recoverable amount, EUR 24,486 thousand (2023: EUR 75,276), is higher than the book value of the Company's shareholding, EUR 17,405 thousand. Therefore, the Company has not recorded any impairment in the value of the Company's investment.

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.

Inoxfil was affected by the strike at the Acerinox Europa factory, since it is the main supplier of the raw material that Roldan uses in its production of long stainless steel products and, in turn, supplies most of the wire rod that Inoxfil uses in its production of wire.

Efforts have been made to mitigate the effects of the lack of supply by purchasing from the Group's US plant and also from third parties. Even so, this has not allowed them to reach their normal production capacity, which has forced them to make use of the furlough system at certain times.

Nevertheless, the expected sales volumes were not achieved, meaning that during the strike period the Company was below the estimates made at the end of last year. However, this is a one-off situation caused by the Acerinox Europa strike and there is nothing to suggest that the conditions set out 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.

As in the case of Roldan, the key assumptions used in the value in use calculations are the same as those described for Acerinox Europa with the exception of the budgeted average EBIT margin which in the case of Inoxfil was 3.7% (2023: 5.3%).

The terminal value represents 57% (2023: 54%) of the total recoverable amount. At terminal value, the EBIT margin considered is lower than the average of the explicit budgeting period.

The impairment test performed at December 31, 2024 shows that the recoverable amount, EUR 19,130 thousand (2023: EUR 7,967) is higher than the book value of the Company's shareholding, EUR 16,545 thousand (2023: 6,247). Therefore, the Company has not recorded any impairment in the value of the Company's investment.

Other companies

For the other companies, Acerinox SC Malasia, Sdn. Bhd. and Acerinox Pacific, Ltd., commercial subsidiaries carrying and subsidiaries of the main factories, as indicated above, a budgetary exercise was also performed for the relevant period, in line with the budgets of the Group factories that supply the materials necessary for the Group's sales activities. As a result of the exercises carried out, it was determined that no impairment or reversal of impairment of the investment portfolio of these sales subsidiaries was necessary.

Summary of impairment losses recognized in 2024

The detail of the changes in impairment losses on investments in Group companies and affiliates in 2024 was as follows:

(Amounts in thousands of euros)

	Accumulated balance as of December 31, 2023	Period endowment	Period application	Accumulated balance as of December 31, 2024
ACERINOX EUROPA, S.A.U.	67,245	95,697		162,942
Acerinox SC Malaysia, Sdn. Bhd.	18,081			18,081
Acerinox Pacific, Ltd.	19,358			19,358
Betinoks Palanmaz Çelik, A.S.	354			354
Bahru Stainless Sdn. Bhd.	772,846		-772,846	0
Columbus Stainless Pty, Ltd.	38,668			38,668
TOTAL	916,552	95,697	-772,846	239,403

Summary of impairment losses recognized in 2023

As a result of the analyses in 2023, it was necessary to recognize additional impairments in the shareholdings of Columbus Stainless for EUR 22,200 thousand, Bahru Stainless Sdn Bhd for EUR 96,553 thousand and in Acerinox Europa for EUR 67,245 thousand.

The detail of the changes in impairment losses on investments in Group companies and affiliates in 2023 was as follows:

(Amounts in thousands of euros)

	Accumulated balance as of December 31, 2022	Period endowment	Period application	Accumulated balance as of December 31, 2023
ACERINOX EUROPA, S.A.U.		67,245		67,245
Acerinox SC Malaysia, Sdn. Bhd.	18,081			18,081
Acerinox Pacific, Ltd.	19,358			19,358
Betinoks Palanmaz Çelik, A.S.	354			354
Bahru Stainless Sdn. Bhd.	676,293	96,553		772,846
Columbus Stainless Pty, Ltd.	16,468	22,200		38,668
TOTAL	730,554	185,998	0	916,552



Dividends

In 2024, the Company received dividends from its subsidiaries amounting to EUR 260,535 thousand, as detailed below:

(Amounts in thousands of euros)

	2024	2023
Acerinox Uk Ltd.	5,038	
North American Stainless Financial Investments Ltd.	10,288	9,757
Acerinox Russia LLC		202
Acerinox Polska	4,999	
Acerinox Benelux s.a. - N.V.	1,000	
Acerinox Middle East DMCC (Dubai)	500	
Acerinox Metal Sanayii Ve Ticaret, Ltd Sirketi	570	
North American Stainless, Inc.	238,140	296,172
TOTAL	260,535	306,131

Dividends from Group companies are recognized under “revenue”.

9.2.7 Other disclosures

As of December 31, 2024 and 2023:

There were no firm commitments to purchase financial assets.

There were no financial assets pledged as security for liabilities or contingent liabilities.

No guarantees had been received on financial or non-financial assets.

When Columbus Stainless was incorporated, Acerinox, S.A. 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 therein.

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.

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.



9.3 Information on the nature and level of risk of financial instruments

The Company is exposed to various financial risks, mainly market risk (foreign exchange risk, interest rate risk), credit risk and liquidity risk. However, since the main activity of the Group to which it belongs is the manufacturing and marketing of stainless-steel, the Company is also indirectly exposed to the risks inherent to the industry. The Company 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.

The Company does not acquire financial instruments for speculative purposes.

9.3.1 Direct risks

The Company's main business activities are those of a holding company. The Company monitors and approves the strategic lines of business and provides various corporate services such as legal, accounting and advisory services to all Group companies. It also handles the management and administration and centralizes financing within the Group.

The Company is exposed to the following risks, arising mainly from its financing activities:

9.3.1.1 Foreign currency risk

The Company is primarily financed in euros, and it invests in and lends funds to Group companies in different currencies. The Company hedges exchange rate volatility risk by arranging currency forwards.

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. To avoid fluctuations in the statement of profit and loss due to changes in exchange rates, and to ensure the expected cash flows, the Company uses derivative financial instruments to hedge most of its financial transactions performed in currencies other than the euro.

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

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 Company, however, classifies 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 as "changes in fair value of financial instruments".

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 9.2.2 details the financial instruments arranged by the Company to hedge this type of risk at December 31, 2024 and 2023.

The Company does not use financial instruments to hedge foreign investments, since these are strategic long-term investments. Neither the future profits nor the expected dividends are hedged, the latter only being hedged, in any case, as soon as they are approved.

9.3.1.2 Interest rate risk

The Company finances itself mainly in euros, with different maturities and the loans are mostly at variable interest rates.



The Company'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 Company would receive or pay to terminate the swap at the reporting date, taking into account interest and exchange rates at that date and the credit risk associated with the swap counterparties.

In addition, when considered appropriate, the Company takes out fixed interest rate loans to reduce its exposure to interest rate fluctuations. During the year, the Company took out two fixed-rate loans for a total of EUR 195 million.

More than 70% of the Company's gross debt was at fixed interest rates (these figures include those loans closed at variable interest rates but hedged with an interest rate derivative).

2024 was characterized by cuts in official interest rates by both the ECB, which implemented four interest rate cuts (from 3% to 4% for the deposit interest rate), and the FED, which implemented three interest rate reductions (from 5.5%-5.25% to 4.50%-4.25%), abandoning two years of increases from more than 20-year highs.

Consequently, to reduce the interest rate risk in a current context of interest rate cuts, four derivatives (Interest Rate Swap) have been contracted for a total of EUR 260 million.

In 2023, due to the continued increase in interest rates and the high percentage of fixed interest rate loans, the Company decided not to contract new derivatives.

As in 2023, the Company has continued to actively manage its loans and credit facilities during 2024. **Note 9.2.5** explains all new financing negotiations undertaken throughout the year.

Note 9.2.2 details the financial instruments arranged by the Company to hedge this type of risk at December 31, 2024 and 2023.

In relation to the Company'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 profit after tax would have been EUR 9.4 million lower (2023: EUR 5.9 million lower) due to higher borrowing costs on floating-rate debt. The effect on the Company's equity of such an increase in interest rates across the entire interest rate curve would have been an increase of EUR 3.5 million (2023: equity would have increased in EUR 3.4 million), since the higher borrowing costs would have been comfortably offset by increases in the values of its interest rate hedging derivatives held at the reporting date.

9.3.1.3 Liquidity risk

Liquidity risk is the risk of not being able to meet present and future obligations or not having the funds required to perform the Company's business.

The Company is primarily financed through the cash flows arising from its operations, dividend collection from Group's entities, in addition to loans and financing facilities.

During this year, good access to liquidity has been maintained through long-term loans and financing facilities in force in amounts greater than those required at any given time, and some long-term loans maturing in 2025 and 2026 have been repaid in advance and new loans contracted as explained below, increasing the volume of financing facilities available.

The Group's cash resources are centrally managed in order to optimize resources. Net debt is mainly concentrated at Acerinox, S.A. (more than 70% of total gross debt at year-end), which in turn finances the Group companies that need it.

In 2024 and 2023, no defaults occurred on the principal or interest of the Group's various financing facilities.

At December 31, 2024, the Company had arranged financing facilities with banks with a maximum available limit of EUR 2,202 million (2023: EUR 1,859 million), against which EUR 1,707 million had been drawn down at December 31, 2024 (2023: EUR 1,424 million). The fair value of the current borrowings is equal to their book value.



The most noteworthy financing transactions performed in 2024 and 2023 are detailed in **Note 9.2.5**.

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

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

9.3.1.4 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.

All of the Company's accounts receivable relate to Group companies. As mentioned previously, the Group's cash is centrally managed in order to optimize resources, and loans are granted to Group companies on the basis of their financing requirements.

9.3.2 Indirect risks

As the Parent of the Acerinox Group, which engages mainly in the manufacture and marketing of stainless steel, the Company is exposed to risks inherent to the industry:

9.3.2.1 Price risk

The risks of changes in the steel industry prices, which could indirectly affect the parent company, are fully disclosed in the Group's notes to the consolidated financial statements and are as follows:

1. Risk due to energy price fluctuation

During the last two years, the high volatility in the price of supplies, mainly 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 Company has 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.

Reducing energy consumption is a key issue for Acerinox. Therefore, Acerinox has set a target of reducing the energy intensity of the stainless-steel division by 7.5% in 2030 compared to 2015 levels.

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 improving the efficiency of energy consumption and by entering into PPAs (Power Purchase Agreements). 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.

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.

Due to the impact of energy price fluctuations on the Group's costs, management has included this variable as a key assumption in valuations and forward estimates, particularly in Europe, and sensitivity analyses to energy price fluctuations are under way.

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 followed in some markets such as the United States and South Africa, it does not work in the same way in Asia, where producers offer fixed prices at the time of negotiation. This does not imply that prices are fixed, since they vary according to the commodity costs of these producers. This has an impact on markets where imports are higher, such as in Europe, which prevents this pricing system from being passed on to the end customer.

As was the case in 2023, in 2024, 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.

During this year, although stainless steel inventory levels in the supply chain have remained at historically low levels and imports in Europe have not been the main price disruptor, low demand levels have prevented the expected recovery, remaining at very low levels during the year.



In the European market, the Group distributes mainly through its factory in Campo de Gibraltar (Acerinox Europa), which this year has been affected by the strike of almost 5 months resulting from the negotiation with the workers of the IV Collective Bargaining Agreement, which has prevented it from taking advantage of the increases that occurred during the second quarter of the year.

In the United States, the Group's dominant position in this market has allowed the Group's price maintenance strategy to contain fluctuations in base prices, despite lower demand.

With respect to the price of nickel, the fluctuations this year have been between USD 15,000/metric ton and USD 21,000/metric ton, closing at a price or around USD 15,200 metric ton.

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.

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.

Currently, with the recent acquisition of the Haynes International Group in the United States, the policies used to hedge these risks are different from those used by VDM.

In the case of VDM, due to the percentage of metals in the total cost of the product and the associated price volatility, customers in this industry always demand fixed prices, which the Group guarantees when orders are received, initially assuming the full risk of commodity volatility. To mitigate this risk, the Group has a metals trading department in this division, which is responsible for entering into derivatives on the LME (London Metal Exchange) 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 the case of Haynes, it negotiates with most of its customers a variable sales price component based on commodity prices, enabling it to transfer part of the risk to them. The Group is currently carrying out the integration process and reviewing all the policies carried out by Haynes, to try to homogenize and find the best way to hedge and reduce risks.

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 reduce the risk arising from the fact that independent wholesalers control the majority of the market, the Acerinox Group has developed a sales network that enables it to supply end customers on a continuous basis, by means of warehouses and service centers through which the Group's production is channeled. This policy has enabled the Group to obtain a significant market share among end customers, enabling it to stabilize its sales and, therefore, reduce 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.

9.4 Insurance

The geographical diversification of the Company's factories (with three integrated flat product manufacturing plants, one cold rolling plant and three long product manufacturing plants) ensures that an accident would not affect more than one third of total production. This guarantees the continuity of the business, while adequate coordination between the other factories mitigates the consequences of material damage to any of the facilities.

Sufficient coverage has been arranged for the Group's factories through material damage and loss-of-profit insurance policies, which account for over 66.67% of the Acerinox Group's insurance expenditure. Also, all assets under construction are covered by the insurance policies taken out by the respective suppliers as well as the global building and assembly policy.

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.

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

9.5 Cash

The detail of the amount of cash at December 31, 2024 and 2023 was as follows:

(Amounts in thousands of euros)

	2024	2023
Cash on hand	14	15
Banks	161,424	21,172
TOTAL	161,438	21,187

Optimal management of the Group's financing and the signing of new financing facilities has enabled the Company to increase its cash position at the end of December by approximately EUR 160 million. This amount was placed in interest-bearing current accounts and term deposits of less than three months in euros at an average interest rate of almost 3% at year-end.

NOTE 10 – EQUITY

10.1 Subscribed capital, issue premium and treasury shares

Acerinox, S.A.'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 2023 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.



During last year, Acerinox, S.A.'s capital stock was reduced, as approved by the General Shareholders' Meeting held on May 23, 2023, through the redemption of 10,388,974 treasury shares with a value of EUR 2,597 thousand. The purpose of this reduction of capital stock is to increase the value of the shareholders' stake in the Company.

At December 31, 2024, 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% (2023: 19.29%).

10.2 Reserves

The detail of reserves at December 31 was as follows:

(Amounts in thousands of euros)

	Legal reserve	Voluntary reserve and prior years' losses	Reserve for redeemed shares	Reserves for revaluation of non-current assets	TOTAL RESERVES
Balance as of December 31, 2022	13,527	897,785	3,475	5,243	920,030
Depreciation of treasury shares		-88,088			-88,088
Application of retained earnings		332,013			332,013
Dividends paid		-149,562			-149,562
Other changes		-770			-770
Balance as of December 31, 2023	13,527	991,378	3,475	5,243	1,013,623
Depreciation of treasury shares					
Application of retained earnings		114,187			114,187
Dividends paid		-154,522			-154,522
Other changes		-865			-865
Balance as of December 31, 2024	13,527	950,178	3,475	5,243	972,423

“Other changes” mainly comprise the difference between the value of treasury shares delivered under the long-term remuneration plan approved and the equity instruments provisioned based on the estimates made. The details of these agreements are explained in **Note 14.3**.

10.2.1. Legal reserve

Appropriations were made to the legal reserve in accordance with Article 274 of the Spanish Corporate Enterprises Act, which requires that 10% of net profit for each year be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the capital stock. The Company 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.

10.2.2. Voluntary Reserves

Pursuant to Article 273 of the Spanish Corporate Enterprises Act, voluntary reserves are unrestricted as to their use, provided that the distribution thereof does not reduce equity to below capital stock.



10.2.3. Redeemed shares reserve and 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 Company revalued its items of property, plant and equipment. The amount of the property, plant and equipment revaluation 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 could 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.

10.3 Treasury shares

At year-end, treasury shares amounted to 25,143 with a value of EUR 221 thousand (2023: 106 thousand treasury shares with a value of EUR 1,031 thousand).

In 2024, 100 thousand treasury shares amounting to EUR 961 thousand were acquired to cover the Multi-Year Remuneration Plans for Group executives. This year, Company directors have been awarded 181,000 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 retired from treasury stock amounted to 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 -849 thousand.

As detailed in **Note 14.3**, during last year, 213 thousand treasury shares were acquired to cover the Multi-Year Remuneration Plans for Group's senior managers for an amount of EUR 2,084 thousand. In 2023, 110,563 treasury shares were delivered to Company's executives as a result of the completion of the Third Cycle of the First Multi-Year Remuneration Plan. In this way, treasury shares totaling EUR 1,072 thousand were derecognized. The difference between the equity instruments recorded in accordance with the valuation made at the beginning of the plan and the treasury shares delivered has been recorded against reserves of the parent company in the amount of EUR -769 thousand.

The Board of Directors meeting on July 27, 2022, in view of the Company's financial strength, cash generation prospects and the low level of the share price, agreed to initiate a new 4% share buy-back program. This program fulfilled the Company's commitment to redeem the shares that were issued in the years when scrip dividends were made.

The General Shareholders' Meeting held on May 23, 2023 approved the reduction of Acerinox, S.A.'s capital stock by EUR 2,597 thousand, through the redemption of 10,388,974 treasury shares. The purpose of this reduction of capital stock through the redemption of treasury shares was to increase the value of the shareholders' stake in the Company. This capital reduction was carried out in August 2023.

10.4 Earnings per share

The basic earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding in the year, less treasury shares.

(Amounts in thousands of euros)

	2024	2023
Net Profit	101,478	114,187
Weighted average number of common shares outstanding	249,335,371	249,260,083
Earnings/(loss) per share (in Euros)	0.41	0.46



Although there were other equity instruments that gave access to capital at December 31, 2024, as indicated in **Note 14.3**, 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.

10.5 Distribution of dividends

In 2023, the new Acerinox Dividend Policy, approved by the Board of Directors in December 2022, came into effect. Its purpose is to establish the essential principles that will govern the shareholder compensation agreements submitted by the Board of Directors to the General Shareholders' Meeting for approval, connecting shareholder compensation to the Group's financial results.

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 2024, Acerinox shareholders received EUR 154,538 thousand in dividends. The General Shareholders' Meeting, held on April 22, 2024, approved the Board of Directors' proposal to pay a dividend for 2023 (to be paid in 2024) totaling EUR 0.62 per share, an increase of 3.3% over the previous year.

As established in Acerinox's Dividend Policy, that we have just explained, the following payments were made in 2024:

- Interim dividend for 2023 of EUR 0.31 per share, paid in January 26, 2024.
- Final dividend for 2023 of EUR 0.31 per share, paid on July 19, 2024.

The Board of Directors of Acerinox S.A., held on December 18, 2024, agreed to propose to the General Shareholders' Meeting the payment of a dividend of EUR 0.62 per share, of which EUR 0.31 gross per share was payed in cash, as an interim dividend, to each of the existing and outstanding shares of the Company entitled to receive such dividend on January 24, 2025.

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:

(Amounts in thousands of euros)

	2024
Cash on hand at November 30, 2024	152,537
<u>Plus:</u>	
Planned cash increases between November 30, 2024 and January 24, 2025	19,995
Dividend collection	11,000
Receivables from operating activities	8,251
Collection of tax refunds	744
<u>Less:</u>	
Planned cash decreases between November 30, 2024 and January 24, 2025	-52,933
Payments for operating activities	8,433
Payments from financial operations	6,500
Loan repayments	38,000
<u>Projected liquidity as at January 24, 2025</u>	119,599
<u>Credit line capacity</u>	138,000
Available liquidity at January 24, 2025	257,599

The Group has recognized the dividend payable under “other current financial liabilities” in the consolidated balance sheet amounting to EUR 77,293 thousand.

The General Shareholders’ Meeting held on May 23, 2023 resolved to distribute a dividend of EUR 0.60 per share. The amount for the distribution of dividends was the aggregate result of the sum of the following amounts:

The interim dividend payment of EUR 0.30 gross per share agreed by the Board of Directors at its meeting held on December 20, 2022, which was paid on January 27, 2023 and amounted to EUR 74,799; and a supplementary dividend charged to 2022 at an amount of EUR 0.30 gross per share for each of the 259,724,345 existing shares (without prejudice to the provisions of article 148 of the Corporate Enterprises Act with respect to the shares held as treasury stock at the time of vesting). This complementary dividend was paid on July 17, 2023 in the amount of EUR 74,765 thousand.

The amount paid amounted to EUR 149,555 thousand.

NOTE 11 – FOREIGN CURRENCY

The detail of the main items in the balance sheet and income statement denominated in a foreign currency is as follows:

(Amounts in thousands of euros)

	2024		2023	
	USD	MYR	USD	MYR
Trade and other receivables	73,740		140	
Dividend receivable	240,639		298,643	
Payable to suppliers and other payables	272		140	
Loans to Group companies	5,799	23,683		15,761

The detail, by class of financial instrument, of the exchange differences recognized in the income statement is as follows:

(Amounts in thousands of euros)

	2024		2023	
	Realized exchange differences	Unrealized exchange differences	Realized exchange differences	Unrealized exchange differences
Trade and other receivables	-4,499	-2,606	861	-1,223
Cash	58		14	
Payable to suppliers and other payables	3,731		3	
TOTAL	-710	-2,606	878	-1,223

Trade and other receivables include dividends receivable and loans granted to Group companies.

Losses are shown as positive figures and gains as negative.

These exchange differences were partly offset by the gain arising from the revaluation of financial instruments at fair value (currency forwards), amounting to EUR -958 thousand (2023: EUR 144 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.

NOTE 12 – TAX MATTERS

Acerinox, S.A. files consolidated tax returns. At December 31, 2024 and 2023, 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.

12.1 Legislative amendments

The most significant regulatory amendments approved during this period are as follows:

- **Pillar 2- GloBE**

In March 2022, the Organization for Economic Co-operation and Development (OECD) approved the new international taxation model known as Pillar 2, within the scope of what are known as GloBE standards. These rules aim to ensure that multinational groups pay a minimum level of tax on their profits in each jurisdiction in which they operate. The Pillar 2 standard apply to all multinational groups with a turnover of more than EUR 750 million. The basic principle of this standard, with some exceptions, is to ensure that the minimum payment in each jurisdiction is at least 15%, requiring the establishment of a supplementary tax system.

A Directive was adopted at European Union level that defines the content of the GloBE standards in order to ensure their consistent and harmonized application in all EU Member States. This Directive should have been transposed by EU member states by December 31, 2023 at the latest, with effect from 2024.

As detailed in the accounting policies of last year's annual accounts, 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 the recognition of a current tax when applicable is mandatory, at the end of this period the Group revaluated the possible impact of the application of this rule, which, as explained below, is not expected to be significant.

On December 20, 2024, Spain transposed the aforementioned Directive through Law 7/2024 of December 20, with effect from 2024.

The GloBE standards, and therefore Law 7/2024, provide for the possibility of applying safe harbors, based on a number of established parameters, which are calculated per jurisdiction on the basis of data published in the country-by-country report. Compliance with these parameters allows companies to limit the number of jurisdictions affected by the calculation of the minimum payment. The implementation of safe harbors is a temporary measure applicable for the first three years of implementation of the law, i.e. from 2024 to 2026.

In order to analyze whether it is possible to implement the so-called safe harbors, the Group has analyzed the data to be reported in the country-by-country report for 2024. From the analysis carried out by the Group, it follows that all jurisdictions significant to the Group would be eliminated from the application of the minimum tax, so the Group does not expect the application of this standard to have a significant impact.

- **Corporate income tax**

Law 7/2024 also introduces significant changes affecting corporate income tax, in particular the following.

- Law 38/2022 of December 27 introduced, among other things, a temporary measure concerning the calculation of corporate income tax for companies taxed under the tax consolidation regime. Commencing with tax periods beginning in 2023, the taxable income of the tax group was determined by integrating the taxable income of the entities forming part of the tax group and 50 per cent of the individual tax losses. **This measure has been extended by Law 7/2024 for fiscal years beginning in 2024 and 2025.**

Any remaining individual tax losses not accounted for in the tax group's taxable income, as a result of the aforementioned limitation, shall be integrated evenly over the initial ten tax periods beginning in the fiscal year following the year in which this limitation was applied.

The Group has tax credits for this item amounting to EUR 65,688 thousand to be reversed over 10 years.



- With respect to offsetting tax loss carryforwards, effective for tax periods beginning on or after January 1, 2024, it is established that for taxpayers whose net turnover is at least EUR 60 million during the 12 months prior to the date on which the tax period begins, the limitation will be 25% of the taxable income. This has led to the recording of an impairment of tax loss carryforwards, as described in **Note 12.3.3** on the analysis of the recoverability of deferred tax assets.
- The amount of the deductions to avoid international double taxation may not exceed, jointly, 50 percent of the taxpayer's gross tax liability.

The Group has applied all the amendments described above, although it has had no economic impact as the tax base is negative in any case.

With respect to the regulatory changes relating to 2023 and included in the previous year's annual accounts, the most significant change is in the calculation of the operating profit applicable to the limitation on the deductibility of financial expenses.

The Spanish tax group has accumulated excess operating profits that have not been utilized in previous years and that can be utilized over a period of 5 years, meaning that the application of this standard should have no impact in the medium term.

- On January 18, 2024, the Constitutional Court declared Royal Decree Law 3/2016, of December 2, 2016, 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 2025 the claims pending a vote and ruling by the National Court for 2016 to 2019 should be resolved. This will result in additional income for the Group of EUR 7.3 million plus interest. These refunds mainly correspond to the higher application of tax loss carryforwards 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. The status of this procedure is detailed in **Note 12.5**.

12.2 Income tax expense on earnings

The income tax expense recognized was as follows:

(Amounts in thousands of euros)

	2024	2023
Capitalization of tax credits	10,657	
Current tax for the year	-3,371	-5,317
Deferred taxes	-303	-738
Income tax	6,983	-6,055

The Company has not generated any tax loss carryforwards in this year.

Following impairments from past years, the Company hardly had any recognized tax assets. Although it achieved both a positive result and a positive taxable income this year, it was unable to use the outstanding tax credits from previous years due to the poor results of the tax group.



In the current year the Company has partially reversed the impairment recorded, leaving the balance of tax credits at year-end at EUR 10,671 thousand based on (i) the effect of the nullity of RD 3/2016, (ii) forecast results of future years and (iii) the effect of the limitation of integration in the Group's taxable income of the losses of the companies that compose it and the consequent integration over the following 10 years. In view of the positive results in these financial years, the Company Acerinox S.A. will not be affected by the integration of losses mentioned above (iii).

Note 12.3.1 explains in detail the recoverability analyzes conducted this year with respect to tax loss carryforwards.

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 Company received dividends from its subsidiaries in the amount of EUR 261 million, most of which were exempt from tax withholdings (2023: EUR 306 million, and practically all of them were exempt from taxation).

Withholdings on interest payments are deductible from corporate income tax under the double taxation conventions, and they reduce the income tax expense.

Due to the different treatment permitted under tax legislation for certain transactions, the accounting profit or loss for the year differs from the tax base. Below is a reconciliation of the accounting profit for the year to the tax loss that the Company expects to contribute to the consolidated tax return following the requisite approval of the annual accounts:

(Amounts in thousands of euros)

2024	Income Statement			Income and expenses recognized directly in equity		
Balance of income and expenses for the year	101,478			-7,957		
	Increases	Decreases	Net	Increases	Decreases	Net
Corporate income tax		6,486	-6,486		2,653	-2,653
Permanent differences	160,564	237,783	-77,219			
Temporary differences						
- arising in the year	2,810	3,917	-1,107	13,231	2,621	10,610
- arising in prior years		2,418	-2,418			
Taxable income	14,248			0		
Allocation of positive taxable income to tax group companies:			-14,248			
Taxable income (Tax result)	0			0		
2023	Income Statement			Income and expenses recognized directly in equity		
Balance of income and expenses for the year	114,187			-11,997		
	Increases	Decreases	Net	Increases	Decreases	Net
Corporate income tax	6,201		6,201		3,999	-3,999
Permanent differences	222	281,555	-281,333			
Temporary differences						
- arising in the year	188,277	6,029	182,248	15,996		15,996
- arising in prior years		32	-32			
Taxable income	21,271			0		
Allocation of positive taxable income to tax group companies:			-21,271			
Taxable income (Tax result)	0			0		

The permanent differences include:

- Increases mainly include non-deductible expenses arising from the loss on the sale of the Bahru Stainless company detailed in **Note 9.2.6**.
- During the year, an impairment of shareholdings amounting to EUR 95,698 thousand (EUR 185,997 thousand in 2023) was recorded. However, in the event of a possible liquidation of the companies whose shareholdings have been impaired, these impairment-associated losses would be tax deductible.
- Decreases include dividends from Group companies to which the exemption from double taxation applies, with a limit of 95%. The past financial year also includes the reversal of the impairment of the investment made, which is detailed in **Note 9.2.6** and which was not taxed for tax purposes as the impairments previously made were non-deductible.

The most significant temporary differences are as follows:

- Arising in the year:

Increases:

- An adjustment of EUR 681 thousand was included this year in relation to the expense incurred arising from defined benefit plans to cover the obligations assumed with respect to certain employees, which were non-deductible (2023: EUR 1,315 thousand).
- EUR 2,129 thousand, arising from the long-term incentive plan approved by the Group by means of payments in company shares, which are non-deductible until the time of payment, were also included (2023: EUR 964 thousand).

Decreases:

- Goodwill: a negative adjustment of EUR 3,917 thousand was made to the tax base under Transitional Provision Fourteen of the Spanish Corporate Income Tax Act.
- EUR 1,608 thousand derived from the delivery of treasury shares to certain employees as a result of the settlement of the second cycle of the Incentive Plan (2023: EUR 1,315 thousand).
- EUR 777 thousand for payments made to employees as a result of obligations assumed from defined benefit plans (2023: EUR 798 thousand).

Below is a reconciliation of the tax expense and the accounting profit or loss for 2024 and 2023:

(Amounts in thousands of euros)

	2024		
	Recognized in the Income Statement	Recognized directly in equity	Total recognized income and expenses
Balance of income and expenses for the year	101,478	-7,957	93,521
Income tax	-6,983	-2,653	-6,636
Other taxes	497		497
Pretax Income	94,992	-7,957	87,035
Tax on profits using local tax rate (25%)	-23,748	2,653	-21,096
<u>Effects on tax charge:</u>			
Capitalization of tax credits	10,657		10,657
Tax incentives not recognized in the income statement	578		578
Tax effect of permanent differences in the taxable income	19,496	-2,653	16,844
Total income tax for the year	6,983	0	6,983

The tax incentives not recognized in the income statement relate mainly to the removal of double taxation tax credits and donations.

(Amounts in thousands of euros)

	2023		
	Recognized in the Income Statement	Recognized directly in equity	Total recognized income and expenses
Balance of income and expenses for the year	114,187	-11,997	102,190
Income tax	6,055	-3,999	2,056
Other taxes	146		146
Pretax Income	120,388	-15,996	104,392
Tax on profits using local tax rate (25%)	-30,097	3,999	-26,098
<u>Effects on tax charge:</u>			
Tax incentives not recognized in the income statement	208		208
Tax effect of permanent differences in the taxable income	23,834	-3,999	19,835
Total income tax for the year	-6,055	0	-6,055

12.3 Deferred taxes

The changes in deferred tax assets and liabilities were as follows:

(Amounts in thousands of euros)

	Deferred tax assets	Deferred tax liabilities
Balance as of December 31, 2022	5,991	24,311
Temporary differences for the year recorded in the income statement	32	979
Temporary differences from prior years' adjustments	6	
- Changes in value of financial instruments		-3,999
Credits for tax loss carryforwards and deductions	209	
Balance as of December 31, 2023	6,238	21,291
Temporary differences for the year recorded in the income statement	96	979
Temporary differences from prior years' adjustments	-1	
Temporary differences taken directly to equity		
- Changes in value of financial instruments		-2,652
Credits for tax loss carryforwards and deductions	580	
Capitalization of tax credits	10,657	
Balance as of December 31, 2024	17,570	19,618

The origin of the deferred tax assets and liabilities is as follows:

(Amounts in thousands of euros)

	2024			2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Goodwill		18,605	-18,605		17,626	-17,626
Non-deductible depreciation				10		10
Other liabilities for pensions and other incentives	5,809	-773	6,582	5,702	-773	6,475
Financial instruments		1,786	-1,786		4,438	-4,438
Tax credit for tax loss carryforwards to be offset	10,671		10,671	14		14
Deductions pending application	1,090		1,090	512		512
Prepaid / deferred taxes	17,570	19,618	-2,048	6,238	21,291	-15,053

The Company has tax assets not recognized for accounting purposes arising from temporary differences amounting to EUR 60 million (2023: EUR 229 million) as a result of impairment losses recognized for accounting purposes that had not been deducted for tax purposes. These tax assets arise from the impairment losses recognized for accounting purposes on Acerinox, S.A.'s investments in the following affiliates and that are not deductible until the companies giving rise to the related temporary difference are settled.

	Accumulated balance as of December 31, 2023	Period endowment	Reversal of the period	Accumulated balance as of December 31, 2024	Tax credits at December 31, 2024
ACERINOX EUROPA, S.A.U.	67,245	95,697		162,942	40,736
Acerinox SC Malaysia, Sdn. Bhd.	18,081			18,081	4,520
Acerinox Pacific, Ltd.	19,358			19,358	4,840
Betinoks Palanmaz Çelik, A.S.	354			354	89
Bahru Stainless Sdn. Bhd.	772,846		-772,846	0	0
Columbus Stainless Pty, Ltd.	38,668			38,668	9,667
TOTAL	916,552	95,697	-772,846	239,403	59,851

12.3.1 Analysis of the recoverability of deferred tax assets

The Company has tax credits of EUR 65,433 thousand, which corresponds to tax loss carryforwards of EUR 261,731 thousand.

At Group level, after recording the tax credit derived from the tax loss carryforwards of the tax group for 2024 (EUR 34 million), and having performed the recoverability analysis explained below, an impairment of EUR 61,548 thousand has been recorded. The Company has not been affected by the aforementioned impairment as it has practically no capitalized tax credits derived from unused tax loss carryforwards from previous years; in fact, the analysis conducted this year revealed tax credits amounting to EUR 10,657 thousand.

The Company has partially reversed the impairment recorded, leaving tax credits capitalized at the year-end in the amount of EUR 10,671 thousand as a result of (i) the effect of the nullity of RD 3/2016, which will allow it to apply higher tax loss carryforwards when the claims are admitted (ii) forecast results of future years and (iii) the effect of the limitation of integration in the Group's taxable income of the losses of the companies that compose it and the consequent integration over the following 10 years. In view



of the positive results in these financial years, the Company Acerinox S.A. will not be affected by the integration of losses mentioned above (iii).

As already mentioned, the Company files consolidated tax returns and, accordingly, when assessing the recoverability of its tax assets, takes into account the results of the whole tax group.

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

To assess the recoverability of the unused tax assets, the Group prepares a five- to ten-year budget for each of the companies with recognized tax assets, based on which it performs the tax adjustments necessary to determine the tax bases. The Group also takes into account the limitations on the offset of tax bases established by the Spanish law, as well as the minimum payment regulations and other applicable regulations. In addition, the Group assesses the existence of deferred tax liabilities against which tax losses may be offset in the future.

In preparing budgets, the Group considers the financial and macroeconomic circumstances and those of the stainless-steel market itself, adapted to the entity's operating environment. Parameters such as expected growth, use of installed production capacity, prices, etc. are projected on the basis of the forecasts and reports of independent experts, as well as historical figures and the targets set by management. Relevant key assumptions such as exchange rates, commodity prices or energy prices are extrapolated using highly conservative criteria, always tied to the most recent values recorded in the pertinent markets at the date of the analysis.

In the case of the Spanish tax group, the 5-year budgets are projected to 10 years on a prudent basis by repeating a 5-year cycle that takes into account the business volatility.

No tax planning actions are taken into account beyond the reversals of deferred taxes as determined by law.

Tax assets arising from tax loss carryforwards from the consolidated tax group in Spain amounted to EUR 218 million at year-end, of which EUR 158 million were not recognized as deferred tax assets.

This year, the drop in demand along with the strike at the Acerinox Europa factory as a consequence of negotiation of the labor agreement, which led to the factory shutting down for five months and also affected the other companies that form part of the Spanish group consolidated for tax purposes, have caused most of the Spanish companies of the Group to post losses. These losses have increased the tax credits generated in the year. In addition, the regulatory amendments introduced by Law 7/2024 of December 20, which reintroduced limitations, applicable as from 2024, on the deductibility of tax loss carryforwards, have led the Group, after the appropriate recoverability analysis, to consider it reasonable to record an impairment on the tax credits for EUR 61.5 million, reaching a total accumulated impairment of EUR 158 million, based on the assumptions described below.

On January 18, 2024 the Constitutional Court declared the unconstitutionality of Royal Decree 3/2016 which introduced an amendment to the Corporate Income Tax Law, whereby the possibility of offsetting tax losses was limited to 25% of the taxable income generated in a fiscal year, which meant that during the year, as in the previous year, the Tax Group could have capitalized the taxable income generated in the fiscal year. This ruling, as a consequence of the approval of new Law 7/2024, will only have practical effect for 2023 and the tax returns challenged prior to the aforementioned ruling.

In the case of the Group, as described in **Note 12.1**, the Constitutional Court's ruling will apply to the corporate income tax returns for 2017, 2018 and 2021. In summary, it will entail the immediate offset of tax credits amounting to EUR 18,042 thousand (EUR 72,167 thousand of tax loss carryforwards).

On the other hand, as explained in **Note 9.2.6**, in this financial year, the Group has updated the five-year results forecasts based on the new circumstances and taking into account the future strategic plans approved by the management team, which have been designed with the aim of trying to improve the results of Acerinox Europa, the main component of the Spanish fiscal Group, redirecting a greater part of its sales towards end customers and towards products with higher added value. The Group has also engaged an independent expert to perform an impairment analysis.

To analyze the recoverability of the tax credits capitalized in the Spanish tax group, the Group has taken into account the budgets of Acerinox Europa prepared by the independent expert, in addition to the five-year budgets of the other companies in the consolidated tax group.



The variables considered in the preparation of the budgets are based on demand estimates, commodity and selling prices, exchange rates, consumer price increases, energy costs estimates and the Company's strategy itself.

In view of all these aspects and taking into account the new limitations on the application of tax loss carryforwards, the 5-year budgets extrapolated to 10 years along with the effect of the annulment of RD 3/2016, has led, on the one hand, to an impairment of EUR 61 million, as the credit derived from the losses of the tax group corresponding to fiscal year 2024 (34 million) had already been recorded and, on the other hand, to maintain the recovery of all the deductions pending application.

Sensitivity analyses were performed on these estimates to determine the risk that a change in the assumptions may require an additional impairment loss to be recognized on these deferred tax assets. The capitalized tax credits have a recovery period of 10 years based on the cyclical repeatability of the 5-year budget carried out by the independent expert. This year, as tax credits have impaired to the maximum with the budgets carried out, any downward sensitivity of these forecasts would force further impairment.

12.4 Current tax

The current tax asset recognized at year-end amounts to EUR 591 thousand, which corresponds to the withholdings made and which the Company will receive back when the tax is settled from July 2025. At the end of 2023, EUR 13 thousand corresponding to withholdings were pending collection.

As a result of the consolidated tax regime, Group companies generated net balances in the amount of EUR 3,371 thousand receivables (2023: EUR 5,323 thousand receivables). The total net amount of loans with companies in the tax consolidation Group as a result of tax loss carryforwards amounts to EUR 4,479 thousand receivable and EUR 3,702 thousand payable (2023: EUR 7,850 thousand receivable).

12.5 Tax audits and years open for review

Pursuant to the Spanish Income Tax Law, tax loss carryforwards 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 Companies Registry within the aforementioned period.

At December 31, 2024 and 2023, Acerinox, S.A. had all the taxes applicable to them open for review by the tax authorities in relation to the following years:

Type of tax	2024	2023
Corporate income tax	2017-2023	2017-2022
Value added tax	2021-2024	2020-2023
Customs duties	2021-2024	2020-2023
Personal income tax	2021-2024	2020-2023

On December 21, 2023, the companies Acerinox, S.A., Acerinox Europa, S.A.U. and Roldan, S.A. received notification of the commencement of partial verification and investigation proceedings limited to the verification of the request for rectification of corporate income tax for the year 2021 submitted by the Group, as well as the deductions for technological innovation (TI) expenses pending application, generated in the years 2017 to 2021.

The inspection proceedings concluded on January 17, 2025 by means of an assessment in which the tax authorities agreed to rectify the self-assessment in the terms requested by this party, i.e. (i) increasing the limitation of the offsetting of tax loss carryforwards to 70%, which involves reducing the Tax Loss Carryforwards pending offsetting, (EUR 22,782 thousand), (ii) reducing the deductions applied that year, increasing therefore the deductions pending application, and (iii) rectifying the amounts

declared as deductions for R&D&I corresponding to 2021 based on the valuation report issued by the Ministry of Science and Innovation.

As a result of the foregoing, the amount of EUR 2,012 thousand will be returned, plus interest. The conformity certificate becomes final on February 17, 2025. The refund is expected to be made during the first quarter of 2025.

12.6 Balances with the Public Administrations

At December 31, 2024 and 2023, the following were the Company's balances with the Public Administrations (except corporate income tax balances):

(Amounts in thousands of euros)

	2024		2023	
	Receivables	Payables	Receivables	Payables
Social Security payable	7	232	4	193
Personal income tax		592		441
Value added tax	706		406	
TOTAL	713	824	410	634

NOTE 13 – INCOME AND EXPENSES

13.1 Staff costs

The detail of “staff costs” is as follows:

(Amounts in thousands of euros)

	2024	2023
Wages, salaries and similar	21,042	17,656
Social security	2,166	1,848
Other employee benefits	606	599
Staff costs	23,814	20,103

13.2 Revenue and other operating income

The detail of revenue is as follows:

(Amounts in thousands of euros)

	2024	2023
Dividends received from Group companies	260,535	306,131
Provision of services	61,968	39,325
Interest on loans to Group companies	37,552	31,668
Revenue	360,055	377,124

“Other operating income” in the income statement includes mainly lease income amounting to EUR 365 thousand (2023: EUR 356 thousand).



13.3 Outsourced services

The detail of outside services is as follows:

(Amounts in thousands of euros)

	2024	2023
Repairs and maintenance	1,343	1,950
Freelance services	32,484	9,345
Supplies	72	79
Travel expenses	933	851
Communications	834	964
Insurance	2,516	1,930
Advertising	244	168
Other	2,619	2,164
Outside services	41,045	17,451

The heading independent professional services includes EUR 20,577 thousand from the acquisition of the Haynes Group by the US subsidiary North American Stainless.

NOTE 14 – PROVISIONS AND CONTINGENCIES

14.1 Long-term provisions

There are no long-term provisions at December 31, 2024 or December 31, 2023.

14.2 Contingent liabilities

Guarantees

At December 31, 2024 and 2023, the Company had provided guarantees to third parties totaling EUR 1.7 million, which correspond mainly to guarantees presented to the Public Administration and suppliers.

Company management does not expect any significant liabilities to arise as a result of these guarantees and, accordingly, no provision was recognized in these annual accounts in this connection.

14.3 Share-based payment transactions

The Company 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 Company 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 Company 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 execution of each cycle of the plan would be 78,853 shares for the first plan, which ended last year, 203,830 shares for the second plan and 309,427 for the one approved for the 2024-2028 period.

During this year, 181 thousand treasury shares were delivered to senior manager of both the Company and the Group as a result of the application of the Plan for the current year (2023: 110,563 treasury shares delivered). The difference between the value of the treasury shares delivered (2024: EUR 1,770 thousand and 2023: EUR 1,072 thousand) and the equity instruments provisioned on the basis of the estimates made (2024: EUR 848 thousand and 2023: EUR 940 thousand), after deducting withholdings on account, was moved to reserves in the amount of EUR -849 thousand and EUR -768 thousand, respectively.

The expense incurred this fiscal year amounted to EUR 964 thousand (2023: EUR 1,105 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 5,778 thousand (2023: EUR 4,288 thousand).

14.4 Employee benefits and other obligations

On the other hand, there are obligations for retirement commitments agreed with Senior Management and arising from certain contracts amounting to EUR 19.5 million (2023: EUR 18.8 million). Since these obligations were appropriately insured in both 2024 and 2023, 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:

	2024	2023
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



NOTE 15 – RELATED PARTY BALANCES AND TRANSACTIONS

15.1 Related parties

The Company's annual accounts include transactions performed with the following related parties:

- Group companies
- Affiliates
- Key executives of the Group and members of the Boards of Directors, as well as persons related thereto, of the various Group companies
- Significant shareholders of the Company.

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

15.2 Balances and transactions with Group companies

The detail of the trade balances with Group companies at December 31 is as follows:

(Amounts in thousands of euros)

COMPANY	2024		2023	
	Receivables	Payables	Receivables	Payables
Acerinox Australasia PTY. LTD	5		6	
Acerinox do Brasil Representações Ltda.	9		11	
Acerinox Benelux, S.A.-N.V.	9		9	
Acerinox Argentina, S.A.	424		377	
Acerinox Chile, S.A.	37		-68	
Acerinox Colombia S.A.S.	49		36	
Acerinox Deutschland GmbH	147		150	
Acerinox Europa, S.A.U.	3,207	25	6,367	6
Acerinox France S.A.S.	35		34	
Acerinox India Pte. Ltd.	9		38	
Acerinox Italia S.R.L.	116		1,378	
Acerinox Metal Sanayii Ve Ticaret, Ltd Sirketi	22		82	
Acerinox Middle East Dmcc	69		48	
Acerinox Pacific Ltd.	10		8	
Acerinox Polska, SPZ.O.O.	66		58	
Acerinox Russia Llc			28	
Acerinox Scandinavia, A.B.	79		77	
Acerinox (Schweiz) Ag.	58		12	
Acerinox SC Malaysia Sdn. Bhd.	316		64	
Acerinox Shanghai Co. Ltd.	26		73	
Acerinox (S.E.A.) Pte. Ltd.	211		174	
Acerinox U.K. Ltd.	94		83	
Acerol Comercio e Industria de Aços Inoxidáveis Unipessoal, Ltda.	60		60	
Bahru Stainless Sdn. Bhd.			565	2
Columbus Stainless (Pty) Ltd.	4,081		3,491	
Corporación Acerinox Peru, S.A.C.	6		45	
Inoxcenter, S.L.U.	238		228	
Inoxcenter Canarias, S.A.U.	9		8	
Inoxfil, S.A.	144		136	
Inoxidables Euskadi, S.A.	69	4	63	
Inox Re S.A.			1	
Metalinox Bilbao, S.A.U.	50		44	
North American Stainless, Inc.	18,234	1	2,357	
Roldan, S.A.	558		555	
VDM Metals Holding GmbH	2,525	-11	8,986	
TOTAL	30,972	19	25,584	8

The detail of the short- and long-term loans granted to Group companies and affiliates at December 31, 2024 and 2023 is as follows:

(Amounts in thousands of euros)

	Short-term loans granted		Long-term loans granted	
	2024	2023	2024	2023
Acerinox Europa, S.A.U.	217,001	532,209		
Acerinox SC Malaysia Sdn. Bhd.	29,482	15,761		
Acerinox Colombia S.A.S.		117		
Caraban Dunia	31,728			
Corporación Acerinox Perú S.A.		166		
Inoxcenter Canarias S.L.	161	164		
Inoxcenter S.L.U.	21,700	46,647		
Inoxfil, S.A.	662	716		
Roldan, S.A.	35,742	16,274		
TOTAL	336,476	612,054	0	0

Information about the variations that occurred this year is included in Note 9.2.3 .

This section also includes the credits arising from the application of the tax consolidation regime between the companies that make up the tax group and which are described in **Note 12.4**.

The detail of the short- and long-term loans received from Group companies and affiliates at December 31, 2024 and 2023 is as follows:

(Amounts in thousands of euros)

	Short-term loans received	
	2024	2023
Acerinox Europa, S.A.U.	3,702	770
Inox Re S.A.	33,852	33,918
Inoxcenter, S.L.U.		109
TOTAL	37,554	34,797

The interest rates set are in all cases market interest rates which take into account both the currency in which the loans are granted and the risk of the associate, as well as the interest rates on the financing obtained by the Group from banks.

The transactions performed with Group companies are as follows:

(Amounts in thousands of euros)

	2024	2023
Income from services rendered	61,968	39,325
Other operating income	378	479
Interest income	37,552	31,668
Income from ownership interest	260,535	306,131
Interest expenses	1,773	1,590

“Interest income” includes mainly the interest at market rates charged by the Company on the loans granted to Group companies.

“Interest expenses” includes mainly the interest at market rates on loans received from Group companies, primarily Inox Re, S.A.

15.3 Transactions and balances with affiliates

The Company did not perform any transactions or recognize any balances with affiliates in 2024 or 2023.

15.4 Directors and key management personnel

The remuneration received during the year by the nineteen members of the Management Committee and who do not hold a position on the Board of Directors of Acerinox, S.A. amounts to EUR 5,870 thousand. Of this amount, EUR 3,513 thousand relate to salaries, EUR 1,391 thousand to variable remuneration based on the previous year’s results and EUR 966 thousand to remuneration in kind. There have been no per diems in this financial year.

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

In 2023, the four senior managers received EUR 2,418 thousand, of which EUR 1,195 thousand related to salaries, EUR 770 thousand to variable remuneration based on the previous year’s results and EUR 453 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.

In 2024, 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 3,889 thousand in fixed allowances, attendance fees, and fixed and variable salaries (based on the previous year’s results), of which EUR 2,235 thousand related to salaries and fixed allowances for 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. In 2023, the remuneration received amounted to EUR 4,129 thousand, of which EUR 1,490 thousand related to salaries and fixed allowances of Directors, EUR 679 thousand to attendance fees, EUR 1,500 thousand to variable remuneration based on the previous year’s results and EUR 460 thousand to remuneration in kind.

With regard to the breakdown of the Chief Executive Officer’s variable remuneration, the annual bonus for 2023 has been settled in this year. The metrics used for their calculation combined financial, environmental and other business aspects specified in the Annual Report on Directors’ Remuneration (IARC) for the year.

The Appointments, Remuneration and Corporate Governance Committee considered the different levels of compliance and submitted its proposal to the Company’s Board of Directors, which generated a combined achievement coefficient that resulted in a preliminary bonus of EUR 517 thousand and a bonus pool – a percentage to be distributed of 0.591% of EBITDA, shared with the rest of the senior managers – of an additional EUR 420 thousand. As the maximum remuneration for this item is capped, the total bonus received amounted to EUR 937 thousand. This amount was paid during the month of March.



There are obligations arising from certain senior managers retirement benefit arrangements amounting to EUR 19.5 million (2023: EUR 18.8 million), of which EUR 5.5 million correspond to the Chief Executive Officer (2023: EUR 5.5 million). In 2024 and 2023, these obligations were duly covered by insurance contracts, to which EUR 681 thousand were contributed in 2024 (2023: EUR 1,315 thousand). There are no obligations contracted with proprietary or independent directors of Acerinox, S.A. At December 31, 2024 there are no advances or loans granted to or balances with members of the Board of Directors or senior management.

In connection with the Multi-Year Remuneration or Long-Term Incentive (LTI) Plan, the terms and conditions of which are detailed in **Note 14.3**, the expense incurred in the year in relation to the Chief Executive Officer and senior management of Acerinox, S.A., the balancing entry of which is recognized under “other equity instruments”, amounts to EUR 2,128 thousand, of which EUR 745 thousand correspond to the Chief Executive Officer (2023: EUR 963 thousand, of which EUR 233 thousand correspond to the Chief Executive Officer). During the year, the shares corresponding to the first cycle of the approved second share-based remuneration plan were delivered. A total of 101,026 shares were delivered (2023: 78,314 shares were delivered), after deducting applicable withholdings, of which 24,254 corresponded to the Chief Executive Officer (2023: 23,498).

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 590 thousand (2023: EUR 754 thousand).

In 2024 and 2023, 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.

15.5 Significant shareholders

The Acerinox Group has not entered into any related party transactions with any significant shareholders in 2024 or 2023.

The directors have no conflict of interest with the Company’s interests.

NOTE 16 – OTHER DISCLOSURES

16.1 Average number of employees in the year

	2024		2023	
	Men	Women	Men	Women
Senior Vice President	5		6	
Director	10	5	9	5
Manager	15	12	11	10
Analyst / Supervisor	17	14	14	12
Specialist	17	7	10	7
Administrative staff	6	13	11	15
TOTAL	70	51	61	49

At December 31, 2024, the Company complies with the provisions of the Spanish General Law on the Rights of Persons with Disabilities and their Social Inclusion.

16.2 Breakdown by gender, of personnel and directors, at December 31, 2024 and 2023

	2024		2023	
	Men	Women	Men	Women
Board Members	6	4	6	5
Senior Vice President	5		6	
Director	10	5	10	5
Manager	15	12	11	10
Analyst / Supervisor	17	14	15	13
Specialist	17	7	10	7
Administrative staff	6	13	13	15
TOTAL	76	55	71	55

16.3 Fees paid to auditors

The General Shareholders' Meeting held on May 23, 2024 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 2024.

The detail of the fees and expenses incurred for the respective services rendered in 2024 and 2023 is as follows:

(Amounts in thousands of euros)

	2024	2023
For audit services	57	55
For other verification services	260	128
TOTAL	317	183

The amounts detailed in the foregoing table include the total fees for services rendered in 2024 and 2023, irrespective of when they were billed.

“Other verification services” includes the limited review of the Interim Condensed Consolidated Financial Statements as at June 30, 2024 and 2023, 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 ICO, as well as the verification of the Non-Financial Information Statement and Sustainability Statement.

NOTE 17 – POST-CLOSING EVENTS

Interim dividend

The Board of Directors of Acerinox, S.A. held on December 18, 2024, decided to propose to the Ordinary General Shareholders' Meeting of the Company a dividend of EUR 0.62 per share charged to 2024 results, of which EUR 0.31 were paid as an interim dividend on January 24, 2025. This dividend will be submitted for approval at the General Shareholders' Meeting to be held in 2025.

Management Report



2024

In-house translation of the original Spanish version. In the event of any discrepancy, the original Spanish version prevails.

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1. Acerinox S.A.

Acerinox S.A. is the holding company that establishes and monitors the strategic lines of the business. In addition, it provides corporate services such as legal, accounting, and advisory services, among others, and is responsible for directing and managing the Group's financing, as well as approving both CAPEX and organic and inorganic growth strategies.

Its headquarters, which are located in Madrid, have 121 employees. and is where the main decision-making and management bodies convene.

Acerinox's shares are admitted to trading on the Madrid Stock Exchange and the company is part of the selective Spanish IBEX 35. Approximately 47,500 shareholders, including individuals and legal entities, own stock in the company.

At December 31, 2024, Acerinox's share capital consisted of 249,335,371 ordinary shares with a par value of EUR 0.25 each.

2. Balance sheet

The most important figures for the year and their change with respect to the previous one are summarized in the following table:

EUR million	12M 2024	12M 2023	% 12M 24/ 12M 23
Revenue	360	377	(5)%
EBIT	134	153	(13)%
EBIT margin	37%	41%	
Pre-tax income	95	120	(21)%
Profit after tax	101	114	(11)%
Net financial debt	1,546	1,403	10%

(*) The net financial debt is calculated based upon the following items in the annual accounts: Long-term and short-term borrowings with financial institutions + Liabilities and other long-term and short-term marketable securities - Treasury

Acerinox, S.A.'s results are mainly derived from dividends from its affiliates, income from management fees and financial interest on loans granted to certain Group companies. During this fiscal year, the Company received dividends in the amount of EUR 261 million.

Statement of financial position and financing

ASSETS

EUR million	2024	2023	Variation
Non-current assets	2,071	1,725	20%
Current assets	850	972	(13)%
Receivables	32	26	24%
Cash	161	21	662%
Other current financial assets	656	925	(29)%
Total Assets	2,921	2,697	8 %

LIABILITIES

EUR million	2024	2023	Variation
Equity	1,070	1,130	(5)%
Non-current liabilities	1,430	1,198	19 %
Bank borrowings	1,409	1,177	20 %
Other non-current liabilities	21	21	(1)%
Current liabilities	421	369	14 %
Bank borrowings	298	248	20 %
Trade payables	4	4	10 %
Other current liabilities	119	118	1 %
Total Liabilities	2,921	2,697	8 %

The Acerinox Group's Consolidated Management Report provides a summary of the main milestones that have marked this fiscal year, many of which have had an impact on the parent, such as:

• Haynes acquisition: triple A investment (Americas Alloys Aerospace):

This year, Acerinox, through its subsidiary North American Stainless, acquired the Haynes Group, based in the United States.

Acerinox is holding firm to a strategy focused on the development and expansion of higher-value-added solutions. Haynes International provides access to new markets and industrial sectors such as aerospace and contributes its strength in the research and development of new alloys. The integration of Haynes will generate synergies for the Group in terms of expenses, sales, efficiency and process optimization. This American company was acquired by the Group's US subsidiary, NAS. It will become part of the High-Performance Alloys Division (HPA), created in 2020 with the acquisition of VDM Metals.

Acerinox will invest around USD 200 million over the next four years in the new platform in the US to increase capacity and develop synergies.

The transaction was finalized nine months after its announcement via a cash payment of USD 799 million, after receiving the green light from all pertinent regulatory authorities.

Acerinox incurred expenses for this transaction amounting to EUR 21 million.

• New organizational model at Acerinox Europa.

Acerinox Europa, in light of the market conditions and financial results of recent years, decided to implement a new organizational and production model at the Acerinox Europa factory, located in Campo de Gibraltar (Cadiz, Spain).

After almost five months of strike action, Acerinox Europa and the Works Council signed the IV Collective Bargaining Agreement for the plant. This agreement will remain valid until December 31, 2027,

The agreement seeks to strengthen the relationship between the company and its employees, promoting flexibility and a positive and collaborative work environment. All of this was necessary to implement the Group's strategy of creating high value-added products and increasing its presence for the end customer.

In addition, this agreement included, among other conditions, 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. 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.

Acerinox has had to undertake a non-cash capital increase in Acerinox Europa in the amount of EUR 430 million through partial capitalization of the loan, leaving the loan drawn down in EUR 217 million.

In this fiscal year, Acerinox has had to record an impairment of its shareholding in this company amounting to EUR 96 million, according to the valuation made by the independent expert.

• Shut-down and sale of Bahru Stainless in Malaysia

Bahru Stainless was incorporated in 2008, aimed at supplying the Asian market, in addition to adding to the Group's global production through the purchase of semi-finished products from other factories. Strong Asian competition, some of it unfair, and market shifts hindered the development and profitability of this asset, which ceased to be strategic for the Group.

On October 10, a contract was signed with Worldwide Stainless Sdn. Bhd, a Malaysian company, to sell Bahru Stainless for USD 95 million. The transaction closed on December 3. This was an important strategic decision for Acerinox and presented the best possible formula for the various stakeholders.

The impact of this sale on Acerinox, S.A.'s results amounted to a loss of EUR 65 million.

• Approval of expansion plans at North American Stainless, VDM and Haynes

Acerinox, S.A. as the parent company of the Group and responsible for the strategy, decision making, and approval of the Group's strategy and investment plans. The main investments recently approved, aside from the acquisition of Haynes, have been:

- 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, with a special focus on increasing those with higher added value.
- In January 2024, the Group announced investments in VDM Metals valued at EUR 67 million with the goal of increasing sales by 15%.

This document is not required to include in its entirety the Statement of Non-Financial Information (NFIS), which is presented as a separate document and to which reference is made for further consultation.

3. Average supplier payment period

The average payment period to suppliers, both domestic and foreign, is as follows:

	2024	2023
Average supplier payment period	44 days	54 days
Ration of operations settled	45 days	55 days
Ratio of transactions pending payment	35 days	39 days
(Amounts in thousands of euros)	Amount	Amount
Total payments made	52,958	27,389
Total outstanding payments	2,774	2,139

Details of the volume and number of invoices paid are as follows:

	2024	2023
a) Monetary volume of invoices paid within a period equal to or less than the maximum established in the regulations on late payment (in thousands of euros)	36,732	14,482
Percentage share of total monetary payments to its suppliers	69%	53%
b) Number of invoices paid within a period equal to or less than the maximum period established in the late payment regulations	4,515	5,797
Percentage share of total number of invoices of payments to its suppliers	80%	84%

The table includes, the same as above, the payments made to any supplier, whether domestic or foreign.

4. Human resources

At December 31, 2024, the Acerinox's parent company had an average of 121 employees, including the CEO.

The breakdown by category shows no significant variations with respect to the previous year.

Below is a table summarizing the average number of employees of the company, broken down by category:

	2024		2023	
	Men	Women	Men	Women
Senior Vice President	5	0	6	
Director	10	5	9	5
Manager	15	12	11	10
Analyst / Supervisor	17	14	14	12
Specialist	17	7	10	7
Administrative staff	6	13	11	15
Total	70	51	61	49

5. Acerinox shares

Acerinox's capital stock amounts to EUR 62,333,843 and is represented by 249,335,371 shares with a par value of EUR 0.25 per share.

All shares are admitted to official trading on the Madrid and Barcelona stock exchanges and are traded on the continuous market.

At December 31, 2024, Acerinox had a total of 47,000 shareholders:

	No. of shares	% capital
Corporación Financiera Alba SA	48,101,807	19 %
Danimar 1990 SL	14,224,988	6 %
Industrial Development Corporation of South Africa LTDA	8,809,294	4 %
Other shareholders	178,174,139	71 %

Acquisition of treasury shares

In the year 2024, a total of 181,224 shares were delivered from treasury shares for Acerinox senior managers for their participation in I.L.P. programs.

The number of shares acquired as treasury shares in 2024 was 100,000 shares. The par value of the acquisitions was therefore EUR 25,000.

At December 31, 2024 Acerinox held a total of 25,143 treasury shares.

Share price performance

Throughout 2024, stock markets were characterized by high volatility, mainly affected by the following circumstances:

- Interest rate adjustments implemented mainly by the US' Federal Reserve (Fed) and the European Central Bank (ECB).
- The interruption of crude oil production, geopolitical conflicts, and OPEC decisions.
- Uncertainty due to geo-strategic conflicts.
- Election seasons in the US and Europe

The Acerinox share decreased by 11% during the year. On January 2 reached a high of EUR 10.59/share and its lowest value was EUR 8.41/share on October 31. Our performance, relative to other manufacturers that were treated more harshly by the stock market, shows the successful strategy followed by Acerinox in recent years, with diversification towards higher value-added alloys.

Throughout 2024, Acerinox shares experienced significant movements. The first of these took place in February, following the Haynes International takeover bid and its positive reception by the market.

Low demand during the year and the Acerinox Europa strike led to a prolonged slump for much of the year. At the end of 2024, the sector as a whole was penalized for various "profit warnings" issued by companies in the sector, and by a worsening of expectations for 2025. However, in the case of Acerinox, this was offset by the revaluation of the stock due to the electoral change in the US.

Analysts' recommendations regarding Acerinox did not change significantly during the year. 85% issued a "buy" recommendation at the beginning of the year, as did 88% at the close; 6% of analysts advised holding and 6% selling.

The average target price of analysts following Acerinox was EUR 12.8/share.

In 2024, Acerinox shares traded on the 256 days the continuous market was in operation. The total number of shares traded amounted to 207,558,363 with average daily trading of 810,774 shares.

In 2024, trading totaled EUR 2,010,376,045, entailing a daily average of EUR 7,853,031.

6. Risks

Acerinox has implemented a risk management model backed by the Board of Directors and senior management. It aims to identify, evaluate and mitigate the risks inherent to the industry in which the Company operates, as well as their impact on financial goals and strategic objectives to the continued benefit of all its stakeholders.

Acerinox's entire organization is actively committed to this, starting with senior management, which is responsible for the design, implementation, and monitoring of the Risk Management System. This program, which is overseen by the Board of Directors, is aligned with the COSO ERM three-line model to cover all the Group's business areas:

- The first line of defense comprises operational profiles in charge of identifying and assessing specific risks related to their operations.
- The second line of defense is formed by the Group's Corporate Risk department, which is in charge of developing and monitoring risk management processes, as well as coordinating with the business units to evaluate these properly.
- The third line of defense is the responsibility of the Internal Audit department, which ensures that both previous lines are effective.

To support compliance with the Risk Management System, Acerinox has established the General Risk Monitoring and Management Policy of Acerinox S.A. and its Group of companies. This policy sets out the basic principles and the general framework to monitor and manage the risks faced by the Group.







Integrating risk management at all levels of the company fosters a proactive mindset that helps identify and assess potential threats, reflecting a strong risk culture that translates into:

- **More resilience:** a solid risk culture allows for better preparation to face crises and adapt to unforeseen changes.
- **Improved decision-making:** by systematically considering risks, decisions are made in a more informed and strategic manner.
- **Loss reduction:** identifying and mitigating risks early avoids financial and reputational losses.
- **Regulatory compliance:** a strong risk culture facilitates compliance with regulations and industry standards.
- **Fostering innovation:** the analysis of own risks stimulates innovation and growth, in turn generating new techniques and products.

The Group's risk management model, based on the COSO ERM framework, makes it possible to simplify, unify, and homogenize risk handling, with the Board of Directors as the main driving force and the last line of defense (annual audits) involved. Established risk management provides a solid framework for dealing with risks effectively. The Group, through at least two annual reviews, is able to systematically identify, assess, address, monitor and communicate risks, enabling more informed decisions and improved long-term performance.



The main risks that affect the entity directly or indirectly through its affiliates are as follows:

Category	Main risks	Description and examples	Main responses
External 	Economic cycles	The uncertainty associated with political changes following elections in many countries and new policies could lead to new trajectories for inflation, indebtedness, trade flows, and production costs.	Strategic plans focused on higher value-added products with the goal of having a more stable volume and margin base in low price cycles.
	Geopolitical	In an increasingly complex and rapidly changing world, social divisions have deepened, geopolitics is multipolar, and politics is veering toward protectionism, hindering both trade and investment. International military conflicts add stress to supply chains.	Constant global monitoring to mitigate and/or anticipate economic impacts and potential supply chain disruptions.
	Trade barriers	As a result of geopolitical changes and the shift towards protectionist policies, there is uncertainty about potential impacts due to the Group's global nature.	Monitoring of global trade trends with an active presence in the main local and international organizations and institutions.
ESG 	CO₂ emissions	In matters relating to environmental, social and corporate governance (ESG), the most significant risks are those related to the reduction of CO ₂ emissions, energy and occupational health and safety. Acerinox has targets for 2030 linked to these three areas; the specific action plans can be found in the corresponding sections of this report.	Sustainability Master Plan, called Positive Impact 360° It establishes 5 pillars, including eco-efficiency and climate change mitigation, as well as LTIFR / TIR accident rates reduction.
	Energy		
	Health and safety		
	Labor unrest	The year 2024 was marked by a strike lasting almost 5 months at the Algeciras factory.	Signing of a new collective bargaining agreement effective to December 31, 2027.
	Climate change in the medium and long term	An analysis of transition risks and physical risks was performed following the TCFD. The analysis takes into account the climate-related risks identified in the CSRD.	Decarbonization plan. Implementation of energy efficiency measures, increased use of renewable energies and greater use of sustainable fuels.
Financial 	Raw material price volatility	The production of stainless steel and high-performance alloys requires raw materials, mainly nickel, ferrochromium and scrap. The prices of these raw materials are subject to significant volatility.	Alloy surcharge mechanisms and/or, if applicable, financial hedges to try to minimize the impact of the volatility linked to raw materials.
	Macroeconomic, market and third-party insolvency variables	This same context may put special stress on different macroeconomic and market variables, such as interest rates, exchange rates and commodity prices, and likewise the insolvency of third parties. These are risks that the Group faces in its daily operations in order to achieve its financial targets.	Partially insure the risk through financial hedging mechanisms and commercial credit insurance policies. There is an internal commercial credit risk management instruction as well as a global Commercial Risk Committee.
Technological 	Cybersecurity	While cybersecurity has always been present as a risk factor, the irruption of new technologies (AI) has increased this threat. This could lead to business interruption, loss of critical information, loss of customers and supplier trust or the imposition of fines by the authorities.	The Cybersecurity Master Plan is underway; this will increase our protection capacity and improve our response to potential threats
Operational 	Supply chain. Availability of raw materials / basic supplies	The availability of raw materials and basic supplies are fundamental to the Company's production process. Their timely and proper availability, as well as the quality and reliability of the products supplied, are fundamental to our work.	Through the implementation of corporate tools, the Group strives to maintain adequate stability in the supply chain, monitoring the quality and reliability of its raw materials suppliers, and other basic supplies necessary to ensure the continuity of our production process
Strategic 	Strategic plans	The execution and correctness of the strategic plans implemented by the company always comes with a risk of not achieving the targets set. Strategic investments, M&A processes, plans for improvement and target achievement, etc.	Non-strategic divestment plans for the Group (sale of Bahrú Stainless), as well as investments focused on higher value-added products (high performance steels) and strategic markets (purchase of Haynes International).

7. Research, Development and Innovation (R&D&i)

Acerinox is strongly committed to research, development, and innovation; this is one of the Group's fundamental pillars. The Group's factories are the ones who really drive and carry out our various projects. They are supported by an Innovation and Technology Committee headed by the Group's CEO and made up of managers from various parts of the business, located at different facilities, whose main objective is to coordinate the R&D&i strategy, alongside managing and monitoring the funds for the same.

Among the different projects, it should be highlighted that the first cycle of the "Materials for the day after tomorrow" project was successfully completed under the motto "Energy of the future." Groups of experts met at Acerinox Europa to develop the ideas generated in the cycle. The teams organized workshops focused on hydrogen storage, combustion, fuel cells, and electrolysis, aiming to incorporate these into the Group's development processes.

The projects underway allow the Group's common portfolio to be expanded, deepening synergies and taking advantage of complementary facilities.

Another key synergy consists of the opportunity to have the high-performance alloys and stainless steel R&D teams both simultaneously involved in new funded projects with a high potential impact for Acerinox.

The addition of Haynes International made it possible to start a new line of R&D work, collaborating with VDM Metals to further strengthen innovation capacity. With it, key synergies are expected in the exchange of knowledge and mutual use of patents on high-performance alloys, cooperation on significant R&D projects to drive innovation, integration of process modeling expertise, and mutual use of Group-wide research facilities, including also the Stainless Steel Division.

Even though the parent company, Acerinox, S.A., did not carry out any R&D&i-related activities during 2024, the fostering of these activities is a pillar of its strategy.

8. Sustainability

Acerinox is committed to best practices in governance and sustainability to contribute to economic and social development. To this end, it has a responsible management model that structures, coordinates and strengthens the activities necessary to make this a reality.

In order to guide targets and ensure the sustainability of the business, a Sustainability Committee was created in 2020 within the Board of Directors. The Head of Sustainability reports to the Sustainability Committee. Its purpose is to supervise and promote actions related to the Group's commitment in this area.

For the deployment and implementation of our commitment to sustainability, the company has a sustainability plan, 360° Positive Impact, which responds to the ESG risks and materiality analysis, identifies the levers of value generation, and establishes long-term objectives to make this a reality.

Positive Impact 360° sets out the Group's main environmental, social and corporate governance initiatives. This multi-year plan is implemented through annual sustainability programs defined and agreed with the Group's different areas and factories. These programs are a legitimate tool for achieving continuous improvement in responsible execution.

The sustainability plan is structured around five strategic pillars:

Ethical, accountable and transparent governance	Eco-efficiency and climate change mitigation	Circular economy and sustainable products	Committed team, culture, diversity, and safety	Supply chain and community impact
Promote the development of a responsible and transparent management model and solid corporate governance, with a sustainable and long-term vision, which identifies and proposes responses to new ESG challenges and opportunities.	Establish commitments and objectives in climate change mitigation and develop an action plan to achieve them that includes energy efficiency measures, which are the bedrock of the climate change model.	Integrate circular economy processes into all operations by driving the development of sustainable and low-emission products.	Strengthen the alignment of people with the values of Acerinox, boosting their commitment to sustainability, promoting equality, the development of talent and the improvement of the climate, guaranteeing safety, health and well-being.	Manage the supply chain responsibly and be a company recognized for its commitment to local society and creating positive community impact.

This Plan includes the sustainability targets as a company with a 2030 horizon. In 2024, these targets have been revised, updating the carbon emissions reduction target, seeking to be compatible with limiting global warming to 1.5°C and based on science (SBTi); and the water consumption intensity target, focusing on improving the blue water footprint intensity.

Our targets for 2030

45.28%

reduction of CO₂ emissions (Scopes 1 and 2) vs 2021 (intensity and absolute value)

15%

reduction of CO₂ emissions (Scopes 2 and 3) vs 2021

7.5%

reduction in energy intensity compared to 2015

3%

annual reduction in the intensity of the blue water footprint

90%

recycled waste

10%

annual reduction in LTIFR

15%

women in staff

Section 7.1 of the Consolidated Management Report, general information on the Consolidated Statement of Non-Financial Information and Sustainability Statement, details the sustainability targets for the year 2030.

The targets are monitored monthly by the sustainability managers at each factory and are then reviewed by the corporate sustainability team. Likewise, changes are assessed on a quarterly basis by the Sustainability Committee, which subsequently reports to the Board of Directors. In each case, the necessary measures are taken.

The annual variable remuneration of the Group's main senior managers is linked to the achievement of these targets, which are being deployed in the different organizational areas. The specific objectives included in variable remuneration for 2024, in line with the 2030 Group road map, are as follows:

The identification and management of environmental risks is a matter of critical importance to Acerinox, in line with the risk model detailed in section 5. Risks of this report. In addition to legal obligations, the Group's own factories also have procedures in place to control environmental risks with appropriate assessment of likelihood and severity. All Acerinox factories have an environmental management system in accordance with the ISO 14001 standard.

To meet all these challenges, the Group believes that the innovation and R&D&i strategy must go hand in hand with the environmental challenges in order to produce a sustainable product. The implementation of eco-efficient management of production processes, from the source to the end of the product life cycle, supports these competitiveness and sustainability targets.

9. Anti-corruption and bribery

In all its actions, Acerinox takes into account its commitment to zero tolerance of corruption, bribery, fraud or similar illegal activities. The Board of Directors, through the Chief Compliance Officer and whistleblowing channels, ensures compliance with and observance of the Crime Prevention Model, which provides for the application of sanctions and referral to the competent jurisdiction in extreme cases.

The information and measures to combat corruption and bribery within the Group are mainly based on the provisions of the Code of Conduct and best practices, the Crime Prevention Model, and the instructions on prevention of bribery, which set out the obligations and ethical responsibilities. These are the main tools for compliance and prevention of crime by the Group, which also establish measures to prevent money laundering.

To encourage the application of the Code of Conduct, the Company has a whistleblowing channel, a communication tool accessible to all Acerinox employees and stakeholders to report behavior that breaches the provisions of the code.

The Group's whistleblowing channel was modified per Law 2/2003 of February 20, 2003, on the protection of persons who report regulatory violations and the fight against corruption. The aforementioned legislation incorporates the Whistleblower Directive into Spanish law.

No cases of corruption or bribery were detected in 2024. However, there were four substantiated cases, classified as fraud and petty corruption, related to the misuse of company assets or theft. Two of these cases were reported to the police or authorities. One of the cases resulted in a dismissal. In all cases, corrective measures were implemented to prevent future incidents.

Acerinox advanced further in its continuous improvement efforts to prevent and mitigate risks by subjecting the Crime Prevention Program to an external audit conducted by AENOR. The acquisition of the UNE 19601 certification confirms the good practices the Company has implemented in this area.

Lastly, the 2025-2028 Compliance Master Plan includes plans to obtain ISO:37001 certification for anti-bribery management systems.

10. Equality, diversity, and inclusion

The Group has an Equality, Diversity and Inclusion Policy, which applies to all companies. This policy, which includes merit and ability principles, aims to foster an environment that guarantees equal opportunities, eliminates discrimination, and encourages diversity and inclusion for all employees. It adheres to the legislation of each country and aligns with international best practices.

The Acerinox Group has a General Board Diversity and Director Selection Policy for Acerinox, S.A.

Acerinox understands equality, diversity, and inclusion as the sum of different potentials and personal and professional characteristics that enable it to multiply opportunities and achieve unique results in a changing and agile environment in order to succeed in the markets in which it operates.

Acerinox has been working for years to promote parity throughout its workforce, which has led to the integration of a cultural change in the Company. This process is leveraged by the implementation and annual development of the Acerinox Group equality plan and the eight vectors on which it is based (communication and awareness raising; selection and recruitment; classification, promotion, and under-representation of women; training and professional development; gender pay gap; co-responsibility and work/life balance; prevention of occupational risks and all types of harassment; and vigilance in gender-based violence).

Acerinox has equality plans negotiated with the representatives of workers at all the Group's companies in Spain and continues to promote specific initiatives adapted to the reality of each country where it is present.

In 2024, 93% of the measures established in the equality plans were carried out. These included initiatives in the areas of work-life balance, as well as training, development and promotion.

The Group's diversity and inclusion policy is supported by the Board of Directors and senior management, which have enshrined this concept as a strategic priority. The challenges of recent years, digital transformation, the coexistence of different generations and an increasingly uncertain and volatile environment have led the Company to pay particular attention to the strategic management of diversity, which is not just focused on reasons of age, gender, race, or disability.

Given the Company's global footprint, making the most of the diversity of available talent has become an asset and an undeniable business opportunity. Diversity management is therefore a strategic pillar and a fundamental criterion in the Group's decision-making process.

The percentage of women stands at 46% as a result of the initiatives implemented to attract and retain female talent.

Cultural diversity and vulnerable groups

Since the 2008 financial crisis, especially in Spain, employment loss for people aged over 45 has become an unfortunate reality. This age group experiences major difficulties in accessing the labor market. A stumbling block that becomes chronic after the age of 50, which means that a group that stands out for its experience and the knowledge that it can pass on to the new generations is not integrated into the labor market.

Acerinox offers complete careers where young people can shape their career plan with opportunities and have access to experiences in other countries and cultures that have high value for their professional trajectory. This allows them to interact with peers of different ages and 65 different nationalities. It is undoubtedly one of the main sources of enrichment and development of skills compared to traditional training.

To manage diversity and non-discrimination due to any kind of personal or social circumstances, Acerinox considers the specific conditions at the locations where it operates, which, in view of their geographical dispersion, present major cultural differences. Specifically, the promotion of workplace inclusion of people with different abilities is reflected in the 258 persons with some form of disability that are employed at Group level.

CEO for Diversity

Bernardo Velázquez, the Company's CEO, has joined the CEO Alliance for Diversity backed by the Adecco Foundation and the CEOE Foundation. This initiative's mission is to unite companies around a common and innovative vision of diversity, equity, and inclusion (DEI). Its focus is also on accelerating the development of strategies that contribute to business excellence, the competitiveness of talent in Spain, and the reduction of inequality and exclusion in Spanish society.

11. Corporate governance

Corporate governance

Corporate governance is the set of rules, principles, and procedures that regulate the Company's governing bodies.

In 2024, the following modifications were made in the area of corporate governance:

- The Acerinox General Shareholders' Meeting held on April 22, 2024, agreed to the Board of Directors' proposal to amend Article 24 of the Company Bylaws to regulate the position of Lead Independent Director. The change was approved with 99.67% of the subscribed voting capital present or represented at the Meeting voting in favor.
- The General Shareholders' Meeting held on April 22, 2024, at the proposal of the Board of Directors, approved the amendment of Article 25 of the Company Bylaws. The aforementioned amendment was approved to eliminate per diems for attending Board and committee meetings from the remuneration system of Acerinox's Board of Directors. Instead, Directors shall receive only fixed annual allowance, payable monthly in arrears and prorated on a daily basis in the event that they do not occupy the corresponding position during the entire year. The determination of the remuneration of each Director shall be made by the board and following a report from the Appointments, Remuneration and Corporate Governance Committee, within the framework of the Bylaws and the Remuneration Policy in force, respecting the maximum annual amount and other criteria contained therein. The amendment of this article of the Company Bylaws was approved with 99.6% of the voting capital in attendance and represented at the Meeting voting in favor.
- The General Shareholders' Meeting held on April 22, 2024 approved a new Directors' Remuneration Policy, applicable from the moment of its approval for fiscal years 2025, 2026 and 2027. This Policy eliminates Directors' per diems for Board and Committee attendance, establishes individual remuneration for Board Members in their capacity as such in accordance with their duties and dedication, modifies the remuneration system for the Chief Executive Officer in relation to his fixed and variable remuneration, and improves the alignment of the Policy with trends in Corporate Governance. This Policy was approved by the General Shareholders' Meeting with 95.19% of the voting capital in attendance and represented at the Meeting voting in favor.
- At its meeting held on April 22, 2024, the Board of Directors approved an amendment to the Regulations of the Board of Directors in order to adapt the aforementioned Regulations to the Directors' Remuneration Policy, eliminating from

the directors' remuneration system per diems for attending Board meetings and establishing, in their place, a fixed annual allowance payable monthly in arrears and prorated on a daily basis in the event that the position of Director is not occupied during the entire year.

The Acerinox Board of Directors carried out an annual evaluation of its performance and that of its Committees in 2024 through the Company's internal services.

The 2024 Acerinox Annual Corporate Governance Report, the Directors' Remuneration Report, the Financial Statements and the Management Report are available on the Spanish National Securities Market Commission and Acerinox websites from the date of publication of the 2024 Annual Accounts. The Annual Directors' Remuneration Report for the 2023 fiscal year was approved by the General Shareholders' Meeting held on April 22, 2024, with 95.13% of the shares present or represented.

The Board of Directors, in collaboration with its Committees, approves the Group's policies. In addition, the Board and its Committees, monitor the Company's targets, including those related to sustainability.

Board of Directors

In 2024, the Acerinox Board of Directors, composed of 11 Directors, met on 12 occasions. During the year, there were no changes in the composition of its members.

Board of Directors



**CARLOS ORTEGA
ARIAS-PAZ**

Chairman

Proprietary Director representing Corporación Financiera Alba, S.A.

Member of the Board of Directors since May 2022.

Elected with the favorable vote of 91.99% of the subscribed voting capital attending the 2022 General Shareholders' Meeting.

Holder of 22,222 shares at December 31, 2024.



LAURA G. MOLERO

External Independent

Member of the Board of Directors since 2017, re-elected in 2021.

She chairs the Appointments, Remuneration and Corporate Governance Committee and is a member of the Audit Committee.

Re-elected with the favorable vote of 97.24% of the subscribed voting capital attending the 2021 General Shareholders' Meeting.



**BERNARDO VELÁZQUEZ
HERRERROS**

Chief Executive Officer

Executive

Member of the Board of Directors since 2010, re-elected in 2014, 2018 and 2022.

Chief Executive Officer since July 2010. He is a member of the Executive Committee.

Re-elected with the favorable vote of 92.55% of the subscribed voting capital attending the 2022 General Shareholders' Meeting.

Holder of 118,944 shares at December 31, 2024.



**GEORGE DONALD
JOHNSTON**

Lead Independent Director

Member of the Board of Directors since 2014; re-elected in 2019 and 2023.

He is a member of the Audit Committee and the Executive Committee.

Holder of 6 shares at December 31, 2024.

Re-elected with the favorable vote of 87.76% of the subscribed voting capital attending the 2019 General Shareholders' Meeting.



**ROSA MARÍA GARCÍA
PIÑEIRO**

External Independent

Member of the Board of Directors since 2017, re-elected in 2021.

She chairs the Sustainability Committee and is a member of the Executive Committee.

Re-elected with the favorable vote of 97.32% of the subscribed voting capital attending the 2021 General Shareholders' Meeting.



**FRANCISCO JAVIER GARCÍA
SANZ**

External Independent

Member of the Board of Directors since 2020.

He is a member of the Executive Committee and the Appointments, Remuneration and Corporate Governance Committee.

Elected with the favorable vote of 92.78% of the subscribed voting capital attending the 2020 General Shareholders' Meeting.



TOMÁS HEVIA ARMENGOL

External Proprietary, representing Corporación Financiera Alba, S.A.

Member of the Board of Directors since 2016, re-elected in 2021.

Sits on the Sustainability Committee and the Audit Committee.

Re-elected with the favorable vote of 99.13% of the subscribed voting capital attending the 2021 General Shareholders' Meeting.



MARTA MARTÍNEZ ALONSO

External Independent

Member of the Board of Directors since 2017, re-elected in 2021.

Member of the Sustainability Committee.

Re-elected with the favorable vote of 98.05% of the subscribed voting capital attending the 2021 General Shareholders' Meeting.



LETICIA IGLESIAS HERRAIZ

External Independent

Member of the Board of Directors since 2020.

Chairs the Audit Committee and is a member of the Sustainability Committee.

Elected with the favorable vote of 92.59% of the subscribed voting capital attending the 2020 General Shareholders' Meeting.



SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN

External Proprietary, representing Corporación Financiera Alba, S.A.

Member of the Board of Directors since 2002, re-elected in 2006, 2010, 2014, 2018 and 2022.

He is a member of the Executive Committee and the Appointments, Remuneration and Corporate Governance Committee

Re-elected with the favorable vote of 91.57% of the subscribed voting capital attending the 2022 General Shareholders' Meeting.

Holder of 9,997 shares at December 31, 2024.



PEDRO SAINZ DE BARANDA RIVA

External Independent

Member of the Board of Directors since 2023.

He is a member of the Appointments, Remuneration and Corporate Governance Committee, as well as the Sustainability Committee.

Elected with the favorable vote of 92.05% of the subscribed voting capital attending the 2023 General Shareholders' Meeting.



LUIS GIMENO VALLEDOR

Secretary of the Board and General Secretary of the Acerinox Group.

Holder of 32,472 shares at December 31, 2024.

The Company Bylaws establish that the board may have between five and 15 Directors. Although the maximum number has been reached in the past, there are currently 11 Directors after the former chairman stepped down in 2022. This number is considered adequate to understand the needs of the company, although it is subject to change in the future if the circumstances so require.

Name	Position	Gender	Director			Committee			Other	
			Executive	Proprietary	Independent	Executive	Audit	Appointments and remuneration		Sustainability
Carlos Ortega Arias-Paz	Chairman			●		●*C			2022	
Bernardo Velázquez Herreros	Chief Executive Officer		●			●			2010	
Laura G. Molero	Director				●		●	●*C	2017	
Rosa María García Piñeiro	Director				●	●		●*C	2017	
George Donald Johnston	Lead independent director.				●	●	●		2014	
Francisco Javier García Sanz	Director				●	●		●	2020	
Tomás Hevia Armengol	Director			●			●	●	2016	
Leticia Iglesias Herraiz	Director				●		●*C	●	2020	
Pedro Sainz de Baranda Riva	Director				●			●	2023	
Marta Martínez Alonso	Director				●			●	2017	
Santos Martínez-Conde Gutiérrez-Barquín	Director			●		●		●	2002	
Luis Gimeno Valledor	Secretary					SEC	SEC	SEC	SEC	–



Men



Women

*C: Chairman

The proportion of women on the Board at the end of 2024 was 36%

		
Board of Directors	7	4
Executive Committee	5	1
Audit Committee:	2	2
Appointments Committee	3	1
Sustainability Committee	2	3

Board Committees

Executive Committee

Composed of six members, it held two meetings.

Audit Committee:

Composed of four members, it held eleven meetings.

Appointments, Remuneration and Corporate Governance Committee

Composed of four members, it held ten meetings.

Sustainability Committee

Composed of five members, it held seven meetings.

Management Committee

At December 31, 2024, the following members sat on the Acerinox Management Committee:

Lucía Alonso de Noriega	Internal Audit
Esther Camós	Chief Financial Officer
José Campuzano	Health, safety and environment
Carlos Castillo	Legal Advice
Marisa Dafaue	Human resources
Antonio Fernández de Mesa	Financial
Miguel Ferrandis	Chief Corporate Officer
Cristóbal Fuentes	CEO of North American Stainless
José Manuel Garcelán	Compliance
Juan García	Risks
Antonio Gayo	Strategy
Luis Gimeno	Secretary General and Secretary of the Board

Fernando Gutiérrez	CEO of Acerinox Europa
Alexander Kolb	Deputy Secretary General
Carlos Lora-Tamayo	Investor Relations, Communication, Consolidation, and Reporting
Carlos Marqués	Raw material purchases
Niclas Müller	CEO of VDM Metals
Deniza Puce	Indirect Purchases
Alberto Ruiz	Cybersecurity
Carlos Ruiz	Sustainability
Johan Strydom	CEO of Columbus Stainless
Isabel Vaca	Information Systems
Bernardo Velázquez	Chief Executive Officer

At December 31, 2023, the following members sat on the Acerinox Management Committee:

General Shareholders' Meeting

The Acerinox General Shareholders' Meeting was held on April 22, 2024 in Madrid with the physical attendance of the Company's shareholders. A total of 1,874 shareholders, either in person or by proxy, were in attendance, representing 58.44% of the subscribed voting capital. All items on the agenda were approved with the sufficient majorities required by the Corporate Enterprises Act and the Company Bylaws.

12. Subsequent events

Interim dividend

The Board of Directors of Acerinox, S.A. held on December 18, 2024, decided to propose to the Ordinary General Shareholders' Meeting of the Company a dividend of EUR 0.62 per share charged to 2024 results, of which EUR 0.31 were paid as an interim dividend on January 24, 2025. This dividend will be submitted for approval at the General Shareholders' Meeting to be held in 2025.