OTHER RELEVANT INFORMATION ASTURIANA DE LAMINADOS, S.A.

December 30, 2024

By virtue of the provisions of Article 17 of Regulation (EU) No. 596/2014 on market abuse and Article 227 of Law 6/2023, of 17 March, on the Securities Market and Investment Services and related provisions, as well as in Circular 3/2020 of BME GROWTH, we hereby inform you of the following information regarding the company ASTURIANA DE LAMINADOS, S.A. (hereinafter "ELZ" or "the Company" indistinctly),

The interim financial statements for the six-month period ended 30 June 2024 of the Company are hereby published.

ELZ hereby submits the interim financial statements reported favourably by the Audit Committee and approved by the Board of Directors, together with the corresponding limited review report carried out by its auditor KPMG.

In Lena, December 30, 2024

Mr. Macario Fernández Fernández

Chairman of the Board of Directors

Limited Review Report on Asturiana de Laminados, S.A.

(Together with the interim financial statements and interim directors' report of Asturiana de Laminados, S.A. for the period ended 30 June 2024)

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

KPMG Auditores, S.L.
Ventura Rodríguez, 2
33004 Oviedo

Limited Review Report on the Interim Financial Statements

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

REPORT ON THE INTERIM FINANCIAL STATEMENTS

To the Shareholders of Asturiana de Laminados, S.A.

Introduction

We have carried out a limited review of the interim financial statements of Asturiana de Laminados, S.A. (the "Company"), which comprise the balance sheet at 30 June 2024, and the income statement, statement of changes in equity and statement of cash flows for the six-month period then ended, and explanatory notes. The Directors are responsible for the preparation of these interim financial statements in accordance with the financial reporting framework applicable to the entity (specified in note 2 to the accompanying interim financial statements) and, in particular, with the accounting principles and criteria set forth therein. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

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

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

Basis for Qualified Conclusion

As detailed in note 6 of the accompanying explanatory notes, the forecasts that formed part of the Company's business plan are not being met, giving rise to indications of impairment of the Company's property, plant and equipment and intangible assets at 30 June 2024. Moreover, as mentioned in that note, the Company has made calculations of the recoverable amount of its production facilities using the value in use method applying the improved scenario. Bearing in mind that as disclosed in note 2 (f), the Company is undergoing a restructuring process as established in Law 16/2022, of 5 September 2022, and that, in that context, the Company has prepared a feasibility plan which is the basis of the negotiations, we consider that the estimate of the recoverable amount of its production facilities, which are currently in use, should be based on the approved feasibility plan given that, as established in the applicable regulatory framework, the cash flow projections should be based on reasonable assumptions and should take into account inherent uncertainty. In contrast, in the case of the industrial bay that is not in use at present, we used the amount resulting from an appraisal performed by an independent expert as the estimate of its recoverable amount. Consequently, property, plant and equipment in the balance sheet at 30 June 2024, are overstated by Euros 18,686 thousand, and impairment and gains/(losses) on disposal of fixed assets in the income statement for the six-month period then ended are understated by Euros 18,686 thousand.

Qualified Conclusion

Based on our limited review, which can under no circumstances be considered an audit, except for the effects of the matter described in the "Basis for Qualified Conclusion" section of our report, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the equity and financial position of Asturiana de Laminados, S.A. at 30 June 2024, its financial performance and its cash flows for the six-month period then ended in accordance with the financial reporting framework applicable to the entity and, in particular, with the accounting principles and criteria set forth therein.

Emphasis of Matter

We draw attention to note 2 (f) to the accompanying interim financial statements, which indicates that on 30 June 2024 the Company presents negative working capital of Euros 19,295 thousand and losses in its interim financial statements amounting to Euros 30,281thousand. Furthermore, considering the effect of the qualification included in the "Basis for Qualified Conclusion" section, the Company's equity would be negative in an amount of Euros 7,468 thousand at that date. Moreover, Asturiana de Laminados S.A. has implemented the provisions stipulated in article 672 of the Spanish Insolvency Law (Royal Legislative Decree 1/2020, of 5 May 2020) and is currently negotiating the restructuring of its debt. These events or conditions, along with other matters set forth in the aforementioned note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The accompanying interim directors' report for the six-month period ended 30 June 2024 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements. The

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interim directors' report is not an integral part of the interim financial statements. We have verified that, except for the material misstatement indicated in the next paragraph, the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2024. Our work is limited to the verification of the interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Asturiana de Laminados, S.A.

As explained in the "Basis for Qualified Conclusion" section, there is a material misstatement in the interim financial statements. We have concluded that this circumstance also affects the interim directors' report.

Other Matter Paragraph

This report has been prepared in relation to the publication of the half-yearly financial report and the corresponding limited review report on the interim financial statements required by the second article of section 2.1 a) of Circular 3/2020, amended by BME MTF Equity Circular 2/2022 on information to be provided by companies admitted to trading in the BME Growth segment of BME MTF Equity.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Alberto Fernández Solar

26 December 2024

Asturiana de Laminados, S.A.

Interim Financial Statements

30 June 2024

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

ASTURIANA DE LAMINADOS, S.A.

Balance Sheet
30 June 2024

(Expressed in Euros)

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

ASSETS	Note	Unaudited 30.06.2024	Audited 31.12.2023
NON-CURRENT ASSETS		108,652,978	138,561,451
Intangible assets	5	833,127	900,905
Development		572,800	634,015
Patents, licences, trademarks and similar rights		31,084	37,287
Computer software		229,243	229,603
Property, plant and equipment	6	95,899,052	96,789,396
Land and buildings		27,247,950	27,439,791
Technical installations, machinery, equipment, furniture and other items		68,640,479	69,349,605
Under construction and advances		10,623	-
Investment property	6 (g)	129,075	129,075
Land and buildings		129,075	129,075
Non-current investments in Group companies and associates		3,273,142	32,694,405
Equity instruments	8	2,989,250	14,038,565
Other financial assets	8 ,19	283,892	18,655,840
Non-current investments	9	4,113,854	4,113,854
Equity instruments		86,476	86,476
Loans to third parties		67,098	67,098
Debt securities		138,403	138,403
Other financial assets		3,821,877	3,821,877
Deferred tax assets	16 (d)	4,404,728	3,933,816
CURRENT ASSETS		29,181,492	31,947,441
Inventories	11	14,621,232	15,090,618
Merchandise		66,243	67,614
Raw materials and other supplies		2,230,278	2,799,462
Work in progress		1,509,558	3,314,016
Finished goods		7,019,176	8,909,526
Advances to suppliers		3,795,977	-
Trade and other receivables	12	10,811,701	8,362,048
Trade receivables		9,226,963	7,399,326
Trade receivables from Group companies and associates, current	19	1,128,997	573,889
Other receivables		15,000	15,000
Personnel		53,406	46,600
Public entities, other	16 (a)	387,335	327,233
Current investments in Group companies and associates	8, 19	415,210	259,939
Other financial assets		415,210	259,939
Current investments	9	865,906	5,728,858
Other financial assets		865,906	5,728,858
Prepayments for current assets		293,021	342,870
Cash and cash equivalents		2,174,422	2,163,108
TOTAL ASSETS		137,834,470	170,508,892

The accompanying notes form an integral part of the interim financial statements for the six-month period ended 30 June 2024.

ASTURIANA DE LAMINADOS, S.A.

Balance Sheet
30 June 2024

(Expressed in Euros)

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

EQUITY AND LIABILITIES	Note	Unaudited 30.06.2024	Audited 31.12.2023
EQUITY		13,263,713	44,306,291
Capital and reserves	13	3,691,141	33,981,592
Capital		25,710,333	25,710,333
Registered capital		25,710,333	25,710,333
Share premium		4,686,667	4,686,667
Reserves		6,430,737	6,467,373
Own shares and equity holdings		(148,487)	(175,733)
Prior years' losses		(2,707,048)	-
Loss for the period		(30,281,061)	(2,707,048)
Grants, donations and bequests received	14	9,572,572	10,324,699
NON-CURRENT LIABILITIES		76,094,185	80,718,527
Non-current payables	15	70,023,241	74,383,005
Bonds and other marketable securities		49,465,265	47,766,555
Loans and borrowings		6,903,134	11,852,429
Finance lease payables	7	2,128,208	2,610,319
Other financial liabilities		11,526,634	12,153,702
Deferred tax liabilities	16 (d)	6,070,944	6,335,522
CURRENT LIABILITIES		48,476,572	45,484,074
Current payables	15	31,214,843	27,456,529
Bonds and other marketable securities		-	1,465,068
Loans and borrowings		25,533,310	20,795,436
Finance lease payables	7	947,689	914,320
Other financial liabilities		4,733,844	4,281,705
Group companies and associates, current	16 and 19	151,876	130,483
Trade and other payables		17,109,853	17,897,062
Suppliers		13,864,900	16,480,080
Suppliers, Group companies	19	129,446	89,424
Other payables		545,829	518,489
Personnel (salaries payable)		717,723	496,488
Current tax liabilities		198,241	76,972
Public entities, other	16 (a)	1,653,714	235,609
TOTAL EQUITY AND LIABILITIES		137,834,470	170,508,892

The accompanying notes form an integral part of the interim financial statements for the six-month period ended 30 June 2024.

ASTURIANA DE LAMINADOS, S.A.

Income Statement
for the six-month period ended
30 June 2024

(Expressed in Euros)

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

INCOME AND EXPENSES	Note	Unaudited 30.06.2024	Unaudited 30.06.2023
CONTINUING OPERATIONS			
Revenue	18 (a)	46,397,760	59,422,376
Sales		46,167,100	59,293,322
Services rendered		230,660	129,054
Changes in inventories of finished goods and work in progress		(3,694,808)	363,335
Self-constructed assets	5 and 6	4,506	12,258
Supplies	18 (b)	(33,109,675)	(48,341,131)
Merchandise used		(375,508)	(843,660)
Raw materials and other consumables used		(32,698,355)	(47,351,142)
Subcontracted work		(35,812)	(146,329)
Other operating income	18 (g)	244,314	305,799
Non-trading and other operating income		242,791	263,544
Operating grants taken to income		1,523	42,255
Personnel expenses	18 (c)	(3,438,359)	(3,710,069)
Salaries, wages and similar		(2,649,479)	(2,851,999)
Employee benefits expense		(788,880)	(858,070)
Other operating expenses	18 (f)	(3,701,799)	(4,625,477)
External services		(3,652,431)	(4,570,025)
Taxes		(49,368)	(55,452)
Amortisation and depreciation	5 and 6	(1,027,745)	(1,044,211)
Non-financial and other capital grants	14	240,100	360,558
Impairment and gains/(losses) on disposal of fixed assets	5	5,333	-
Other income/(expenses)	14 (a)	(304,183)	5,232
Results from operating activities		1,615,444	2,748,670
Finance income		223,630	163,204
Marketable securities and other financial instruments	9	223,630	163,204
Group companies and associates	19	219,312	161,286
Other		4,318	1,918
Finance costs	15	(3,422,284)	(3,258,761)
Other		(3,422,284)	(3,258,761)
Exchange losses		(206)	(10,390)
Impairment and gains/(losses) on disposal of financial instruments	18 (i)	(29,061,039)	-
Net finance cost		(32,259,899)	(3,105,947)
Loss before income tax		(30,644,455)	(357,277)
Income tax	16 (c)	363,394	85,953
Loss for the period		(30,281,061)	(271,324)

The accompanying notes form an integral part of the interim financial statements for the six-month period ended 30 June 2024.

STATEMENT OF CASH FLOWS	Note	30.06.2024	30.06.2023
Cash flows from operating activities			
Loss for the period before tax		(30,644,455)	(357,277)
Adjustments:		**32,852,881**	**3,779,210**
Amortisation and depreciation (+)	5 and 6	1,027,745	1,044,211
Impairment (+)		28,562,399	-
Grants recognised in the income statement (-)	14	(240,100)	(360,558)
Finance income (-)		(223,630)	(163,204)
Finance costs (+)	15	3,422,284	3,258,761
Other income/(expenses)		304,183	-
Changes in operating assets and liabilities		**(4,568,913)**	**3,741,217**
Inventories (+/-)	11	469,386	7,216,931
Trade and other receivables (+/-)	12	(3,089,782)	1,023,422
Other current assets (+/-)		49,849	113,297
Trade and other payables (+/-)		(1,998,366)	(4,612,433)
Other cash flows used in operating activities		**(2,966,641)**	**(4,429,083)**
Interest paid (-)		(2,970,840)	(4,362,356)
Interest received (+)		4,318	1,918
Income tax (paid)/received (-/+)		(119)	(68,645)
Cash flows from (used in) operating activities		(5,327,128)	2,734,067
Cash flows from investing activities			
Payments for investments (-)		**(190,978)**	**(2,323,285)**
Intangible assets	5	(35,707)	(20,611)
Property, plant and equipment	6	-	(349,682)
Group companies and associates	8	(155,271)	(1,952,992)
Proceeds from sale of investments (+)		**6,527,033**	-
Property, plant and equipment		585,905	-
Group companies and associates	8	1,078,176	-
Other financial assets	9	4,862,952	-
Cash flows from (used in) investing activities		6,336,055	(2,323,285)
Cash flows from financing activities			
Proceeds from and payments for equity instruments		**(9,390)**	**29,350**
Disposal of equity instruments	13	(9,390)	29,350
Proceeds from and payments for financial liability instruments		**(988,223)**	**(2,766,677)**
a) Issue			
Loans and borrowings (+)	15	8,384,983	1,868,013
Group companies and associates (-)		21,393	-
b) Repayment of	15		
Group companies and associates (-)		-	(486,438)
Loans and borrowings (-)		(8,596,404)	(2,355,921)
Other payables (-)		(798,195)	(1,792,331)
Cash flows used in financing activities		(997,613)	(2,737,327)
Net increase/(decrease) in cash and cash equivalents		11,314	(2,326,545)
Cash and cash equivalents at beginning of period		2,163,108	3,534,671
Cash and cash equivalents at period end		2,174,422	1,208,126

The accompanying notes form an integral part of the interim financial statements for the six-month period ended 30 June 2024.

ASTURIANA DE LAMINADOS, S.A.

Statement of Recognised Income and Expense
for the period ended
30 June 2024

(Expressed in Euros)

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

STATEMENT OF RECOGNISED INCOME AND EXPENSE	Unaudited 30.06.2024	Unaudited 30.06.2023
Loss for the period	**(30,281,061)**	**(271,324)**
Loss for the period	(30,281,061)	(271,324)
Grants, donations and bequests received	(762,735)	-
Tax effect	190,683	-
Total income and expense recognised directly in equity	**(30,853,113)**	**(271,324)**
Amounts transferred to the income statement (note 14)	**(180,075)**	**(270,419)**
Grants, donations and bequests	(240,100)	(360,558)
Tax effect	60,025	90,139
Total recognised income and expense	**(31,033,188)**	**(541,743)**

The accompanying notes form an integral part of the interim financial statements for the six-month period ended 30 June 2024.

ASTURIANA DE LAMINADOS, S.A.

Statement of Changes in Equity for the six-month period ended 30 June 2024

(Expressed in Euros)

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

STATEMENT OF CHANGES IN EQUITY	Capital	Share premium	Legal reserve	Voluntary reserves	Own shares and equity holdings	Prior years' losses	Profit/(loss) for the period	Grants, donations and bequests	Total
Balance at 1 January 2023	25,710,333	4,686,667	1,323,159	4,801,110	(215,843)	-	367,628	10,781,117	47,454,171
Own shares sold	-	-	-	(9,944)	39,294	-	-	-	29,350
Recognised income and expense	-	-	-		-	-	(271,324)	(270,419)	(541,743)
Distribution of profit	-	-	36,763	330,865	-	-	(367,628)	-	-
Balance at 30 June 2023	25,710,333	4,686,667	1,359,922	5,122,031	(176,549)	-	(271,324)	10,510,698	46,941,778
Balance at 1 January 2024	25,710,333	4,686,667	1,359,922	5,107,451	(175,733)	-	(2,707,048)	10,324,699	44,306,291
Own shares sold	-	-	-	(36,636)	27,246	-	-	-	(9,390)
Recognised income and expense	-	-	-	-	-		(30,281,061)	(752,127)	(31,033,188)
Application of losses	-	-	-	-	-	(2,707,048)	2,707,048	-	-
Balance at 30 June 2024	25,710,333	4,686,667	1,359,922	5,070,815	(148,487)	(2,707,048)	(30,281,061)	9,572,572	13,263,713

The accompanying notes form an integral part of the interim financial statements for the six-month period ended 30 June 2024.

Explanatory Notes to the Interim Financial Statements for the six-month period ended 30 June 2024

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

(1) General Information on and Activities of the Company

Asturiana de Laminados, S.A. (hereinafter "the Company") was incorporated in Oviedo with limited liability on 26 May 2006 before the notary Manuel Rodríguez de la Paz Guijarro. The Company is registered with the Asturias Mercantile Registry under volume 3,478, sheet 70, page AS-34460, entry no. 1 and has its registered office at Polígono Industrial de Villallana, no. 1, 33695 Pola de Lena, Asturias.

According to its articles of association, the Company's statutory activity primarily consists of the following:

- Designing, casting or melting, assembling, lacquering, anodising, patination, machining and marketing of metal profiles, sheets, coils and any other component of metal products.

- Casting or melting of zinc or other metals and any industrial treatment thereof.

- Designing, manufacturing, marketing and managing logistics of accessories, metal and non-metallic components and other products for the construction and transport sectors and heavy industry in general.

- Performing all manner of transport and delivery activities and acting as an agent to arrange transport services for third parties.

Its principal activity is transforming zinc ingots into coils and sheets of different sizes and thicknesses according to customer orders.

At 30 June 2024, Asturiana de Laminados, S.A. does not and did not form part of a decision-making unit, under the terms defined in standard 13 for the preparation of annual accounts, with any other companies domiciled in Spain.

As explained in note 8 (a), the Company holds investments in subsidiaries. Nevertheless, as permitted by section 2 of article 43 of the Spanish Code of Commerce, the Company does not prepare consolidated annual accounts as the subgroup is part of the larger Spanish group Laminados del Principado, S.A. The registered office of Laminados del Principado, S.A. is Polígono Industrial de Villallana-Lena 33695, Asturias.

As a result of a major investment drive in recent years, the Company now has the world's most advanced zinc rolling plant. Its state-of-the-art machinery lends considerable flexibility to the production process, which, coupled with the high quality of its products and quick production turnover, has allowed it to become the world's third leading manufacturer by tonnes placed on the market, and first in range of products.

(2) Basis of Presentation of the Interim Financial Statements

(a) True and fair view

The interim financial statements at 30 June 2024 have been prepared on the basis of the Company's accounting records in accordance with prevailing legislation and the Spanish General Chart of Accounts to give a true and fair view of the equity and financial position at 30 June 2024 and results of operations, changes in equity, and cash flows for the six-month period then ended.

On 28 November 2024, the Company's directors prepared and authorised for issue the accompanying interim financial statements and explanatory notes thereon for the six-month period ended 30 June 2024.

(b) Comparative information

These interim financial statements and explanatory notes include, for each of the items in the balance sheet, income statement, statement of changes in equity, statement of cash flows and the explanatory notes thereto for the six month-period ended 30 June 2024, comparative figures for the six month-period ended 30 June 2023, which formed part of the interim financial statements for the six month-period ended 30 June 2023 and were approved by the Directors of the Company on 29 September 2023, except for the balance sheet, which compares 30 June 2024 with 31 December 2023.

(c) Functional and presentation currency

The figures disclosed in the interim financial statements are expressed in Euros, the Company's functional and presentation currency.

(d) Accounting principles applied

The Company's directors have prepared these interim financial statements taking into consideration all mandatory accounting standards and principles which have a significant effect on these interim financial statements. All mandatory accounting principles have been applied. Moreover, no non-mandatory accounting principles have been applied.

(e) Critical issues regarding the valuation and estimation of uncertainties

The information included in these interim financial statements is the responsibility of the Company's directors.

Estimates made by the Company's directors have been used to measure certain assets, liabilities, income, expenses and commitments in the preparation of the accompanying interim financial statements. These estimates basically refer to:

- The evaluation of possible impairment losses on property, plant and equipment and intangible assets.

- The evaluation of impairment of investments in Group companies and associates.

- The write-down of inventories based on the related expected realisable value.

Although these estimates have been prepared based on the best information available at 30 June 2024, future events might make it necessary to change these estimates (upwards or downwards) in subsequent years. If required, changes in accounting estimates would be applied in accordance with the Spanish General Chart of Accounts, i.e. prospectively, by recognising the effects of the change in estimates in the related income statement.

(f) Going concern basis

At 30 June 2024, working capital, calculated as current assets less current liabilities, is negative in the amount of Euros 19,295 thousand (negative in the amount of Euros 13,537 thousand at 31 December 2023). In addition, the Company recorded losses of Euros 30,281 thousand in the six-month period ended 30 June 2024 (losses of Euros 2,707 thousand at 31 December 2023) as a result of the decrease in the consumption of rolled products by the Company's main European customers and mainly due to impairment recognised in the first half of the year on the loans granted to the majority shareholder and other related companies and impairment of the ownership interest in Latem Global Trading, S.A. (see note 8) The Company also has negative cash flows from operating activities at that date amounting to Euros 5,327 thousand.

As the 2024 market recovery forecast by the directors has ultimately not taken place, and even though results from operating activities continue to be positive as in prior periods, the Company faces liquidity problems as a result of the high level of debt assumed to carry out the investments in the Company's production facilities and those related to the development, construction and entry into service of the aluminium rolling mill through the subsidiary Latem Global Trading, S.A. in the province of Zamora. Pursuant to Law 16/2022 of 5 September 2022, the Company therefore initiated a financial restructuring process to stabilise and strengthen the Company's structure in order to meet the challenges of the future. This restructuring plan has been approved by the Board and the Company is currently in negotiations.

In view of the foregoing, although equity at 30 June 2024 is not less than 50% of share capital, the Company will assess its performance in the second half of the year and the progress of the restructuring plan so that the directors can adopt any necessary rebalancing measures within the established deadlines.

The directors consider it necessary to restructure the debt as the generation of operating cash flows in the context indicated above does not enable the debt to be repaid under the current terms and conditions.

The Company has drawn up scenarios with business projections for the 2024-2032 period based on the current situation and market expectations, giving rise to a conservative scenario that has been used to support the Company's Viability Plan, which proposes moderate growth for 2026 and subsequent years that would enable the repayment of debt once it has been restructured, which is expected to be approved by the creditors.

At the date of approval of these interim financial statements, the Company is in the process of restructuring, which it expects to complete before the end of 2025.

In view of the above, although the situation described casts material uncertainty on the Company's ability to continue as a going concern, the directors of the Company reasonably expect that, in the short term, an agreement will be reached with creditors that will enable it, on the basis of the Viability Plan, to service the restructured debt. The directors have therefore prepared these interim financial statements on a going concern basis.

(3) Application of Losses

The Euros 2,707,048 loss for 2023 was carried forward as prior years' losses. This application was approved by the shareholders at their annual general meeting on 30 June 2024.

At 30 June 2024 and 31 December 2023, the distribution of dividends is subject to certain limitations, as dividends may only be distributed provided that they do not reduce the balance of reserves to an amount lower than the balance of research and development expenses pending amortisation (Euros 572,800 at 30 June 2024 and Euros 634,015 at 31 December 2023).

The terms and conditions stipulated in the bond issue prospectus (see note 15) established a limit on the distribution of dividends.

Since the bonds have not been fully redeemed, the Company may only distribute dividends to shareholders provided that the net financial debt to EBITDA ratio of the issuer is lower than 2.5, none of the early redemption events have been triggered and the Company has not breached any of the obligations described in section 8.11 of the information memorandum for the admission of securities on the Alternative Fixed-Income Market (MARF) (see note 15). As a result of the aforementioned ratio there is a limit to the distribution of dividends at 30 June 2024.

In addition, the bond issue prospectus establishes that the maximum dividend to be paid is limited to 50% of net profit.

Profit recognised directly in equity cannot be distributed, either directly or indirectly.

(4) Significant Accounting Policies

The accompanying interim financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with accounting principles established in the Spanish General Chart of Accounts, the most significant of which are as follows:

(a) Intangible assets

Intangible assets are measured at cost of acquisition or production, using the same criteria as for determining the cost of production of inventories. Capitalised production costs are recognised under self-constructed assets in the income statement. Intangible assets are carried at cost, less any accumulated amortisation and impairment.

Advances on account of fixed assets are initially recognised at cost. In subsequent years, advances accrue interest at the supplier's incremental borrowing rate when the period between payment and the receipt of the asset exceeds one year.

(i) *Research and development expenditure*

Research and development expenditure is recognised under assets on the balance sheet at acquisition or production cost when incurred, provided there is evidence of a project's technical success and economic and commercial feasibility. Research expenditure is amortised on a straight-line basis from the date on which it is capitalised, whereas development expenditure is amortised on a straight-line basis from the date on which the project finishes. Both are amortised over a five-year period. The Company capitalises development expenditure incurred on each specific project that meets the following conditions:

- Expenditure attributable to the performance of the project can be measured reliably.

- The allocation, assignment and timing of costs for each project are clearly defined.

- There is evidence of the project's technical success, in terms of direct operation or sale to a third party of the results thereof once completed and if a market exists.

- The economic and commercial feasibility of the project is reasonably assured.

- Financing to develop the project, the availability of adequate technical and other resources to complete the development and to use or sell the resulting intangible asset are reasonably assured.

- There is an intention to complete the intangible asset for its use or sale.

Where there are reasonable doubts as to the project's technical success and economic feasibility, the amounts recognised under assets are taken directly to profit and loss.

Development expenditure is reclassified under patents, licences, trademarks and similar rights at the date of registration.

(ii) *Patents, licences and trademarks (industrial property)*

This item reflects the amounts disbursed for the acquisition of industrial property or the right to use the different forms thereof, or any expenses incurred to register the industrial property developed by the Company. It is amortised on a straight-line basis over five years.

(iii) *Computer software*

Computer software reflects the cost incurred for the acquisition and development of computer software, including website development costs (which are recognised when they meet the conditions set out under development expenditure). Computer software maintenance costs are expensed as incurred. Amortisation is on a straight-line basis over a period of six years.

(b) Property, plant and equipment

Property, plant and equipment are initially measured at cost of acquisition or production, using the same criteria as for determining the cost of production of inventories. It is subsequently reduced by the related accumulated depreciation and by any accumulated impairment, in accordance with the criterion mentioned in this note.

Advances on account of fixed assets are initially recognised at cost. In subsequent years, advances accrue interest at the supplier's incremental borrowing rate when the period between payment and the receipt of the asset exceeds one year.

Repair and maintenance costs of property, plant and equipment are recognised in the income statement when incurred. Conversely, amounts invested in improvements that increase the capacity or efficiency or extend the useful lives of assets are recognised as an increase in the cost of those assets. Replacements or renewals of items of property, plant and equipment are recognised as assets and the items replaced or renewed are derecognised.

For assets that will not be available for use for at least one year, capitalised costs include borrowing costs accrued prior to the start-up of the asset which have been charged by the supplier or relate to loans or other funds borrowed specifically or generally that are directly attributable to the acquisition or production of the asset.

Replacements of property, plant and equipment that qualify for capitalisation are recognised as a reduction in the carrying amount of the items replaced. Where the cost of the replaced items has not been depreciated separately and it is not possible to determine the respective carrying amount, the replacement cost is used as indicative of the cost of items at the time of acquisition or construction.

Self-constructed assets are recorded at the accumulated cost, determined basically as external costs plus internal costs calculated on the basis of own consumption of materials, direct labour costs and manufacturing overheads calculated using absorption rates similar to those used to measure inventories. The related capitalised costs are recognised under self-constructed assets in the income statement.

The Company depreciates property, plant and equipment using the straight-line method over the estimated useful lives of the items or, for certain items, applies the depreciation rates calculated based on actual production compared to the total estimated production for such assets.

The straight-line method is applied to depreciated items as follows:

Type of asset	Estimated years of useful life
Buildings	68
Pressing equipment and accessories	18
Tools	8
Other installations	18
Furniture	20
Information technology equipment	8
Other property, plant and equipment	20

Machinery is depreciated on the basis of the number of tonnes produced.

The estimated useful lives of the items of property, plant and equipment are reviewed on a regular basis with a view to detecting significant changes therein. If changes are detected, the useful lives of the assets are adjusted by correcting the depreciation charge to be recognised in the income statement in future years on the basis of the new useful lives.

(c) Impairment of property, plant and equipment and intangible assets

The Company evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

Recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses or reversal of impairment losses, if the circumstances in which they were recognised no longer exist, are recognised as an expense or income, respectively, in the income statement.

The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

(d) Leases

Leases are classified as finance leases when under the terms thereof the risks and rewards incidental to ownership of the asset are substantially transferred to the lessee. Otherwise they are classified as operating leases.

(i) Finance leases

At the commencement of the lease term, the Company recognises finance leases as assets and liabilities at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Initial direct costs are added to the asset's carrying amount. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Interest is expensed using the effective interest method.

Contingent rents are recognised as an expense when it is probable that they will be incurred.

The accounting policies applied to the assets used by the Company by virtue of finance lease contracts are the same as those set out in sections a) and b). However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the assets are fully depreciated over the shorter of the lease term and their useful lives.

(ii) Operating leases

Lease payments under an operating lease, net of incentives received, are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the lease's benefit.

Contingent rents are recognised as an expense when it is probable that they will be incurred.

(iii) Sale and leaseback transactions

Asset sale and leaseback transactions that meet the conditions for classification as a finance lease are considered as financing operations and, therefore, the type of asset is not changed and no profit or loss is recognised.

(e) Financial instruments

The measurement standards applicable to financial instruments are as follows:

(i) Recognition and classification of financial instruments

The Company classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

The Company recognises a financial instrument when it becomes party to the contract or legal transaction, in accordance with the terms set out therein.

Debt instruments are recognised from the date on which the legal right to receive or legal obligation to pay cash arises. Financial liabilities are recognised at the trade date.

The Company classifies financial instruments into the following categories: financial assets and financial liabilities at fair value through profit or loss, financial assets and financial liabilities at amortised cost, financial assets at fair value through equity and financial assets carried at cost.

The Company classifies a financial asset or liability as held for trading if:

- It is originated, acquired, issued or assumed principally for the purpose of selling or repurchasing it in the near term;

- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;

- It is a derivative financial instrument, except for a derivative that is a financial guarantee contract or a designated hedging instrument; or

- It is an obligation held by the Company in a short position, to return the financial assets that it has borrowed.

The Company classifies a financial asset at amortised cost, even when it is traded, if it is held within a business model whose objective is to hold the investment in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Company classifies a financial asset as at fair value through equity when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

Upon initial recognition the Company designates equity instruments not held for trading and that need not be measured at cost as measured at fair value through equity.

At any rate, the Company classifies the following financial assets at cost:

a) Equity investments in Group companies, jointly controlled entities and associates.

b) Investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or that cannot be estimated reliably.

c) Any other financial asset that should be initially classified at fair value through profit or loss when it is not possible to obtain a reliable estimate of its fair value.

The Company designates a financial liability at initial recognition as measured at fair value through profit or loss whenever doing so eliminates or significantly reduces an accounting inconsistency or mismatch in the measurement or recognition. The Company classifies all other financial liabilities at amortised cost.

(ii) *Offsetting principles*

A financial asset and a financial liability are offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) *Financial assets and financial liabilities at amortised cost*

Financial assets and financial liabilities at amortised cost are initially recognised at fair value, plus or minus transaction costs, and are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash flows through the expected life of a financial instrument to the carrying amount of that financial instrument based on the contractual terms of the instrument, and for financial assets, not considering future credit losses, except for purchased or originated credit-impaired financial assets, for which the credit-adjusted effective interest rate is used, i.e. considering the credit losses incurred when purchased or originated.

(iv) *Financial assets at fair value through equity*

Financial assets at fair value through equity are initially recognised at fair value plus transaction costs directly attributable to the acquisition.

After initial recognition, financial assets classified in this category are measured at fair value and any gain or loss is accounted for in income and expenses recognised in equity. On disposal of the financial assets, amounts recognised in equity and any impairment loss are reclassified to profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss.

(v) *Financial assets and financial liabilities carried at cost*

Investments in equity instruments for which the fair value cannot be reliably measured and derivative instruments that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost. Nonetheless, if the financial assets or liabilities can subsequently be reliably measured on an ongoing basis, they are accounted for at fair value and any gain or loss is recognised in accordance with their classification.

The Company measures investments included in this category at cost, which is equivalent to the fair value of the consideration given or received, plus or minus any directly attributable transaction costs, and net of any accumulated impairment. The initial measurement of the equity instruments also includes any pre-emptive subscription and similar rights acquired.

(vi) *Investments in Group companies, associates and jointly controlled entities*

Investments in Group companies, associates and jointly controlled entities are initially recognised at cost, which is equivalent to the fair value of the consideration given, including transaction costs in the case of investments in associates and jointly controlled entities, and are subsequently measured at cost net of any accumulated impairment.

(vii) *Interest and dividends*

Dividends are recognised as income in the income statement when the investee or any Group company that is an investee thereof have generated profits in excess of the equity being distributed.

Moreover, when the dividends are clearly derived from profits generated prior to the acquisition date, they are not recognised as income, but rather the carrying amount of the investment is reduced accordingly.

Judgement as to whether the investee has generated profits will be based exclusively on the profits accounted for in the individual income statement since the acquisition date, unless the distribution of profits can clearly be considered a recovery of the investment from the perspective of the entity receiving the dividend.

Interest is accounted for using the effective interest method, while dividends are recognised when the right to receive payment is established.

(viii) *Derecognition of financial assets*

The Company applies the financial asset derecognition criteria to a part of a financial asset or a part of a group of similar financial assets, or to a financial asset or a group of similar financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Where the Company retains the contractual rights to receive cash flows, it only derecognises financial assets when it has assumed a contractual obligation to pay the cash flows to one or more recipients.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including any new asset obtained less any new liability assumed, is recorded in profit or loss.

(ix) *Impairment of financial assets*

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event or events have an impact on the estimated future cash flows from the financial asset or group of financial assets that can be reliably estimated.

The Company recognises impairment on financial assets at amortised cost when estimated future cash flows are reduced or delayed due to debtor insolvency.

For equity instruments, objective evidence of impairment exists when the carrying amount of an asset is uncollectible due to a significant or prolonged decline in its fair value.

(x) *Security deposits*

Security deposits paid in relation to supply contracts are measured using the same criteria as for financial assets.

(xi) *Derecognition and modifications of financial liabilities*

The Company derecognises all or part of a financial liability when it either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

The exchange of debt instruments between the Company and the counterparty or substantial modifications of initially recognised liabilities are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, provided that the instruments have substantially different terms.

(f) Inventories

Inventories are stated at the lower of cost of acquisition, cost of production and net realisable value. Trade discounts, rebates and other similar items, as well as the interest added to the nominal amount of the consideration, are deducted from the cost of acquisition.

Sales returns are recognised at purchase price or cost of production on a weighted average cost basis, except where the net realisable value is lower, in which case they are recognised at that amount.

The cost of production includes the direct cost of materials consumed and, where applicable, direct labour costs and other manufacturing overheads.

The Company measures its inventories using the weighted average cost method.

The Company recognises impairment as an expense in the income statement when the net realisable value of inventories falls below their acquisition cost (or cost of production). Net realisable value is understood to be:

- For raw materials and other supplies, replacement cost. Raw materials and other supplies are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost of production;

- For merchandise and finished goods, estimated selling price less costs to sell;

- For work in progress, estimated selling price of the related finished goods, less the estimated costs of completion and the estimated costs necessary to make the sale.

The previously recognised write-down is reversed against profit and loss when the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances. The reversal of the valuation adjustment is limited to the lower of the cost and the revised net realisable value of the inventories.

Write-downs to net realisable value recognised or reversed on inventories are classified under changes in inventories of finished goods and work in progress or supplies, depending on their nature.

The Company takes out insurance policies to cover the possible risks to which its inventories are exposed.

(g) Foreign currency transactions

The Company's functional and presentation currency is the Euro. Consequently, operations in currencies other than the Euro are considered to be denominated in foreign currency and are recognised at the exchange rates prevailing at the transaction date.

At period end, monetary assets and liabilities denominated in foreign currencies are translated into Euros at the exchange rates prevailing at the reporting date. Exchange gains and losses are taken directly to the income statement for the period they are incurred.

(h) Income tax

The income tax expense or tax income for the period comprises current and deferred tax.

Current tax reflects income tax settlements payable for the period. Deductions and other tax relief applicable to tax payable, excluding withholdings and payments on account, and tax loss carryforwards effectively applied in the current reporting period are accounted for as a reduction in current tax.

Deferred tax income or expense derives from the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences, which are defined as the amounts which are expected to be paid or recovered in the future for differences between the carrying amount of assets and liabilities and their tax bases, as well as unused tax loss carryforwards and tax deductions. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and affects neither taxable profit nor accounting profit.

In the absence of evidence to the contrary, it is not considered probable that the Company will have future taxable profit when the deferred tax assets are expected to be recovered in a period of more than ten years from the end of the reporting period. Nevertheless, it is considered probable that the Company will generate sufficient taxable profit to recover deferred tax assets when there are taxable temporary differences, which are expected to reverse in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from a deductible temporary difference can be carried back or forward.

Deferred tax assets and liabilities deriving from transactions with direct debits or credits to equity accounts are also recognised with a balancing entry in equity.

Tax planning opportunities are only considered when assessing the recoverability of deferred tax assets and if the Company intends to use these opportunities or it is probable that they will be utilised.

At each reporting date, the Company reassesses recognised and previously unrecognised deferred tax assets. The Company then derecognises previously recorded deferred tax assets when recovery is no longer probable, or recognises a previously unrecorded deferred tax asset whenever it is probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

(j) Revenue from the sale of goods

The Company engages in the manufacture and sale of zinc coils. Although the products are manufactured for customers, revenue is recognised when control of the products is transferred and not over time, as the Company does not have an unconditional right to payment for performance completed at the end of each reporting period.

Delivery is considered to have taken place when the products have been sent to the location indicated, the risks of loss and obsolescence have been transferred thereto and the wholesaler has accepted the products in accordance with the sales agreement, the acceptance clauses have expired or the Company has objective evidence that all the acceptance criteria have been met.

Customers agree to a standard market collection period with the Company. The Company records these sales at the nominal amount, without considering the financial effect thereof, which is not significant.

The Company provides customers with standard warranties, which are recognised in accordance with the accounting policy for provisions.

Once the product has been delivered to the customer, an account receivable is recognised to the extent that an unconditional right to receive payment arises at that time.

The Company does not recognise incremental costs of obtaining contracts with significant customers.

(k) Provisions and contingencies

In preparing the interim financial statements, the Company's directors distinguish between:

(i) Provisions

Provisions are creditor balances covering present obligations arising from past events, the settlement of which is expected to result in an outflow of resources, the amount of which can be reliably estimated.

(ii) Contingent liabilities

Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The interim financial statements include all the provisions for amounts for which it is considered more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the interim financial statements, but rather are disclosed in the notes.

Provisions are measured at the present value of the best possible estimate of the amount necessary to settle or transfer the obligation, taking into account available information on the event and its consequences, and any adjustments arising from the restatement of these provisions are recognised as a finance cost as they are accrued.

(l) Termination benefits

Under current legislation, the Company is required to pay termination benefits to employees whose services are terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. There is no provision for this item in the accompanying interim financial statements as situations of this nature are not expected to arise.

(m) Environmental assets and liabilities

Expenses derived from environmental activities are recognised as other operating expenses in the year in which they are incurred.

Property, plant and equipment acquired by the Company for long-term use to minimise the environmental impact of its activity and protect and improve the environment, including the reduction and elimination of future pollution from the Company's activities, are recognised as assets applying the measurement, presentation and disclosure criteria described in section b (property, plant and equipment).

(n) Grants

The Company accounts for grants, donations and bequests received from third parties other than the owners as follows:

(i) Non-repayable grants, donations and bequests related to assets

These are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the depreciation charged during the period on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss.

(ii) Operating grants

These are recognised as income as soon as they are awarded, except those earmarked to finance operating losses for a future period, in which case they are recognised as income in that period. If they are awarded to finance specific costs, they are taken to income as the financed costs are accrued.

(iii) Interest-free loans

As receipt of interest-free loans is conditional upon compliance with certain investment requirements, the difference between the sum received and the fair value of the repayable interest-free loan (net present value at market interest rates) is recognised as a grant related to assets. These financial liabilities are recognised initially at fair value and subsequently at amortised cost, and any accrued interest is taken to the income statement using the effective interest method.

In any of the foregoing cases, should an amount be collected before the Company meets the conditions established in the grant or interest-free loan, the amount collected relating to the grant is recognised in “Non-current payables – Other financial liabilities”, “Current payables – Other financial liabilities” or “Trade and other payables – Public entities, other” in the accompanying balance sheet until the Company meets such conditions.

Grants received are recognised definitively when the Company is considered to have met and/or expects to meet the conditions for the specific grant.

(o) Related party transactions

All of the Company’s related party transactions (whether financial, trading or of any other kind) are carried out at transfer prices established following OECD principles governing transactions with group companies and associates.

Moreover, as the Company has met the transfer pricing documentation requirements established by Royal Decree 1793/2008 of 3 November 2008, which came into force on 19 February 2009, the directors do not consider this issue to pose any major risk that might give rise to significant liabilities in the future.

(p) Current/Non-current classification

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realised within twelve months after the end of the reporting period; financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year; and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities held for trading, except for financial derivatives that will be settled in a period exceeding one year; and, in general, all obligations that will mature or be extinguished in the short term. All other liabilities are classified as non-current liabilities.

(5) Intangible Assets

Details of and movement in intangible assets and the most significant information concerning this item are as follows:

Euros	Balance at 01.01.2024	Additions or charges	Balance at 30.06.2024
Cost	3,756,939	35,707	3,792,646
Research and development	2,876,560	6,477	2,883,037
Industrial property	277,589	-	277,589
Computer software	602,790	29,230	632,020
Accumulated amortisation	(2,856,034)	(103,485)	(2,959,519)
Research and development	(2,242,545)	(67,692)	(2,310,237)
Industrial property	(240,302)	(6,203)	(246,505)
Computer software	(373,187)	(29,590)	(402,777)
Net	900,905	(67,778)	833,127

Euros	Balance at 01.01.2023	Additions or charges	Balance at 30.06.2023
Cost	3,689,040	20,611	3,709,651
Research and development	2,822,430	9,060	2,831,490
Industrial property	267,658	7,713	275,371
Computer software	598,952	3,838	602,790
Accumulated amortisation	(2,657,019)	(101,196)	(2,758,215)
Research and development	(2,107,650)	(67,399)	(2,175,049)
Industrial property	(227,355)	(6,515)	(233,870)
Computer software	(322,014)	(27,282)	(349,296)
Net	1,032,021	(80,585)	951,436

At 30 June 2024 and 2023, additions consisted mainly of the expenses incurred in various projects to develop new products, as well as computer software. In addition, the amounts capitalised included capitalisations credited to self-constructed assets in the income statement for the six-month period ended 30 June 2024, amounting to Euros 4,506 (Euros 8,958 at 30 June 2023).

Details of fully amortised intangible assets at 30 June 2024 and 31 December 2023 are as follows:

Euros	30.06.2024	31.12.2023
Research and development	1,836,961	1,825,717
Industrial property	215,768	213,124
Computer software	268,498	267,998
Total	2,321,227	2,306,839

(6) Property, Plant and Equipment

Details of and movement in property, plant and equipment and the most significant information affecting this item are as follows:

Euros	Balances at 01.01.2024	Additions or charges	Disposals	Transfers	Balances at 30.06.2024
Cost	115,500,203	54,224	(20,308)	-	115,534,119
Land and natural resources	3,704,978	-	-	-	3,704,978
Buildings	26,255,956	720	-	-	26,256,676
Technical installations	4,153,800	2,630	-	-	4,156,430
Machinery	79,429,592	27,522	-	-	79,457,114
Other installations, equipment and furniture	1,028,249	-	-	-	1,028,249
Other property, plant and equipment	927,628	12,729	(20,308)	-	920,049
Under construction and advances	-	10,623	-	-	10,623
Depreciation	(18,579,533)	(924,260)	-	-	(19,503,793)
Buildings	(2,521,143)	(192,561)	-	-	(2,713,704)
Technical installations	(1,336,133)	(113,284)	-	-	(1,449,417)
Machinery	(13,666,996)	(575,615)	-	-	(14,242,611)
Other installations, equipment and furniture	(714,815)	(19,576)	-	-	(734,391)
Other property, plant and equipment	(340,446)	(23,224)		-	(363,670)
Impairment	(131,274)	-	-	-	(131,274)
Impairment losses	(131,274)	-	-		(131,274)
Net	96,789,396	(870,036)	(20,308)	-	95,899,052

Euros	Balances at 01.01.2023	Additions or charges	Disposals	Transfers	Balances at 30.06.2023
Cost	113,345,457	349,682	(3,744)	-	113,691,395
Land and natural resources	3,704,978	-	-	-	3,704,978
Buildings	25,922,717	15,650	(2,205)	-	25,936,162
Technical installations	2,502,428	7,752	-	-	2,510,180
Machinery	78,996,603	206,143	(480)	32,907	79,235,173
Other installations, equipment and furniture	1,007,056	16,222	-	-	1,023,278
Other property, plant and equipment	837,424	73,960	(1,059)	-	910,325
Under construction and advances	374,251	29,955	-	(32,907)	371,299
Depreciation	(16,717,840)	(943,015)	177	-	(17,660,678)
Buildings	(2,139,741)	(189,907)	56	-	(2,329,592)
Technical installations	(1,162,954)	(67,391)	-	-	(1,230,345)
Machinery	(12,457,823)	(643,625)	121	-	(13,101,327)
Other installations, equipment and furniture	(673,195)	(21,084)	-	-	(694,279)
Other property, plant and equipment	(284,127)	(21,008)	-	-	(305,135)
Impairment	(131,274)	-	-	-	(131,274)
Impairment losses	(131,274)	-	-	-	(131,274)
Net	96,496,343	(593,333)	(3,567)	-	95,899,443

(a) Main investments and impairment testing

In 2024, investments were made to expand the production capacity of the facilities, mainly the casting line. The investments underway at 30 June 2024 and 2023 are primarily for improvements to the roof of the industrial bay.

Furthermore, additions for the six-month periods ended 30 June 2024 and 30 June 2023 include capitalisations credited to self-constructed assets in the accompanying income statement. No amounts have been capitalised under this heading at 30 June 2024 (Euros 3,300 at 30 June 2023).

At 30 June 2024 the Company has commitments to purchase fixed assets amounting to approximately Euros 0.6 million, which are mostly associated with the finishing line (Euros 0.6 million at 31 December 2023 associated with the finishing line).

In the six-month period ended 30 June 2024 the contraction in demand continued, thus preventing the Company from achieving the sales volumes envisaged in its business plan from prior periods, which was used as the basis for the impairment test performed at the 2023 reporting date.

The Company has drawn up different scenarios with projections up to 2032, approving a viability plan which is the basis for the restructuring currently under negotiation (see note 2(f)). The main update to the projections is a delay in the expected recovery of sales levels and an adjustment of margins in line with the current market reality.

The latest information shows that sales in September 2024 have improved by 31% vis-à-vis the same month in 2023, and the sales forecast for October 2024 also shows an increase compared to the same month in 2023.

The Company has tested fixed assets for impairment using the discounted cash flow method to calculate the recoverable amount applying the value in use method, to which end a more favourable scenario than that envisaged in the viability plan was used. The discounted cash flow calculations are based on the enhanced scenario up to 2032. A discount rate based on the weighted average cost of capital (WACC) was used to calculate the present value of free cash flows. The WACC is a discount rate based on the required rates of return of each of the components of the capital invested (equity and debt); it is calculated by weighting the required returns of these components in proportion to the relative weight of each of these sources of financing in an expected capital structure. The post-tax discount rate used is 12% while the perpetual growth rate used is 1.6%.

Based on the foregoing, the results of the impairment test show that the recoverable amount is not lower than the carrying amount of the operating assets and, therefore, the Company has not recorded any impairment of fixed assets at 30 June 2024.

(b) Fixed assets acquired from related companies

At 30 June 2024 and 31 December 2023, the Company has not purchased any fixed assets from related parties.

(c) Grants

At 30 June 2024 and 31 December 2023, the Company had recognised capital grants of Euros 20,059,508 awarded by various bodies and earmarked for the construction of the industrial bay and expansion of the zinc rolling plant on the Villallana industrial estate (see note 14). At 30 June 2024, the amount yet to be taken to the income statement is Euros 13,526,165 (Euros 13,776,265 at 31 December 2023).

(d) Guarantees

At 30 June 2024 and 31 December 2023, the Company had arranged a mortgage on certain assets with a carrying amount of Euros 91,106,117 (see Note 15 (b)).

In addition, certain assets have been pledged as security in the request for the repayment in instalments of the reindustrialisation loans (see Note 15 (d)).

(e) Fully depreciated assets

Details of fully depreciated property, plant and equipment at 30 June 2024 and 31 December 2023 are as follows:

Euros	30.06.2024	31.12.2023
Other installations, equipment and furniture	361,974	331,816
Other property, plant and equipment	139,348	114,993
Total	501,322	446,809

(f) Insurance policies

The Company takes out insurance policies to cover possible risks to its property, plant and equipment. At 30 June 2024 and 31 December 2023 the coverage was considered sufficient for the risks inherent in the Company's activities.

(g) Investment property

In the six-month period ended 30 June 2024, the Company had recognised land amounting to Euros 129,075 that is not used in the ordinary course of its business.

(7) Leases

(a) Operating leases

The Company has rented various vehicles under operating leases. The related lease payments amounted to Euros 200,017 in the six-month period ended 30 June 2024 (Euros 139,559 in the six-month period ended 30 June 2023). In addition, the Company has primarily leased machinery for Euros 19,076 (Euros 91,702 in the six-month period ended 30 June 2023).

At 30 June 2024 and 30 June 2023 the Company has committed the following minimum lease payments to lessors, pursuant to the leases in force, without taking into account the charging of shared expenses, future increases in the CPI or future contractual lease payment revisions:

Euros	Nominal amount	
Minimum payments	30.06.2024	30.06.2023
Less than one year	178,985	203,511
One to five years	539,250	713,396
Over five years	-	120,766

(b) Finance leases

At 30 June 2024 and 31 December 2023 the Company has leased the following types of assets under finance leases:

Euros	Technical installations and machinery	Other property, plant and equipment	Total
Initially recognised at:			
Present value of minimum lease payments	9,119,000	13,850	9,132,850
Accumulated depreciation	(1,688,664)	(2,770)	(1,691,434)
Carrying amount at 30 June 2024	7,430,336	11,080	7,441,416

Euros	Technical installations and machinery	Other property, plant and equipment	Total
Initially recognised at:			
Present value of minimum lease payments	9,119,000	13,850	9,132,850
Accumulated depreciation	(1,601,431)	(2,424)	(1,603,855)
Carrying amount at 31 December 2023	7,517,569	11,426	7,528,995

On 31 March 2018 the Company signed a sale and leaseback agreement, payable in monthly instalments, expiring on 31 March 2023. At 30 June 2024 and 30 June 2023 these assets were fully depreciated.

On 21 December 2018 the Company also signed another sale and leaseback agreement, payable in 61 monthly instalments. The balance payable amounts to Euros 1,612,205 at 30 June 2024 (Euros 1,979,305 at 31 December 2023).

On 12 July 2021, the Company signed a finance lease contract for the supply, installation, commissioning, maintenance and operation of solar panels for a period of 96 months. On 28 July 2023, the solar panels entered into operation and are therefore accounted for at their initial value of Euros 1,619,000 and depreciation has commenced. The balance payable amounts to Euros 1,536,551 at 30 June 2024.

Additionally, the Company has other assets under finance leases amounting to Euros 2,539 at 30 June 2024 (Euros 3,924 at 31 December 2023).

Future minimum lease payments are reconciled with their present value as follows:

Euros	30.06.2024	31.12.2023
Future minimum payments	3,581,877	4,149,863
Unaccrued finance costs	(505,980)	(625,224)
Present value	3,075,897	3,524,639

Details of minimum payments under finance leases, by maturity date, are as follows:

Euros	30.06.2024	31.12.2023
Less than one year	947,689	914,320
One to five years	2,128,208	2,610,319
Total	3,075,897	3,524,639

All purchase options are expected to be exercised upon expiry of the leases. The value of the assets exceeds the amount of minimum lease payments in all cases.

No contingent rents for finance leases have been recognised as expenses.

(8) Investments in Group Companies and Associates

Details of investments in Group companies and associates at 30 June 2024 and 31 December 2023 are as follows:

Euros	30.06.2024		31.12.2023	
	Non-current	Current	Non-current	Current
Equity instruments	2,989,250	-	14,038,565	-
Other financial assets (note 19)	283,892	415,210	18,655,840	259,939
Total	3,273,142	415,210	32,694,405	259,939

(a) Equity instruments

Details of equity instruments, which are measured at cost, at 30 June 2024 and 31 December 2023, are as follows:

Euros	30.06.2024		31.12.2023	
	% ownership	Investment	% ownership	Investment
Latem Global Trading, S.A.	56.76%	2,951,125	57.38%	14,000,440
Quinta Metálica Factoría de Revestimientos, S.A.	50.00%	8,625	50.00%	8,625
elZinc America Corporation	100.00%	1,000	100.00%	1,000
elZinc France, S.A.S	100.00%	3,000	100.00%	3,000
elZinc Deutschland GmbH	51.00%	25,500	51.00%	25,500
Total		2,989,250		14,038,565

Latem Global Trading S.A.

On 23 May 2023, the Company made the last outstanding payment of Euros 873,750, corresponding to the remaining 15%.

At 30 June 2024, Euros 25,600,000 has been paid for the share capital of Latem Global Trading, S.A. (Euros 24,456,752 at 31 December 2023), which has negative reserves of Euros 38,817 (Euros 38,817 at 31 December 2023), prior years' losses of Euros 11,430 (Euros 10,339 in 2023) and a loss for the period of Euros 144 (Euros 1,091 at 31 December 2023). The principal activity of Latem Global Trading, S.A. is the holding of shares. Its registered office is located on the Villadangos industrial estate, in León.

Latem Global Trading, S.A. holds a 58.47% interest in the share capital of LatemAluminium, S.A. (57.76% at 31 December 2023), which was incorporated in 2018 and engages in the rolling and casting of aluminium.

LatemAluminium, S.A. has been investing in the start-up of an aluminium rolling mill project with two production centres. The project, which has been declared a Priority Industrial Project by the public authorities, came about with the aim of becoming a domestic and international benchmark in the supply of recycled aluminium alloys in the form of ingots, liquid aluminium and high-quality rolled aluminium, using aluminium scrap as the raw material. LATEM Refinería, at its Villadangos del Páramo facilities, engages in the production of aluminium alloys, in the form of ingots or liquid aluminium, from recycled scrap. This company's liquid aluminium will be used mainly to feed the rolling lines of LATEM Laminación, which will produce, at its Villabrázaro production centre, aluminium coils and sheets, both in their natural state and in different surface finishes of up to 2100mm thickness.

In May 2024, the directors of LatemAluminium, S.A. resolved to implement a furlough scheme until additional financing or new capital contributions can be formally arranged to complete the pending investments in the Villabrázaro production centre, which were at a very advanced stage. At the date of authorising these financial statements for issue, the directors are assessing various alternatives to complete the investments and they estimate that the centre will ultimately come into service between June and September 2025, which is later than originally estimated at the end of 2023, when start-up was expected in the last quarter of 2024.

In this context, and due to the situation described in note 2(f) affecting ASLA, which is the majority shareholder through Latem Global Trading, S.A., the directors of ASLA have commissioned an independent expert to prepare a valuation report on LatemAluminium, S.A., which has been drawn up considering different valuation scenarios based on an income approach and a market approach that yields a high and low valuation range in each scenario.

The independent expert used different scenarios to estimate the fair value of LATEM. The income approach was based on the discounted cash flow method using the business plan, provided and prepared by management, with a discount rate ("WACC") of 14.6% and a perpetual growth rate ("g") of 2%, while the market approach was based on multiples of listed entities and comparable transactions.

In view of the foregoing, at 30 June 2024 the Company has recognised impairment of Euros 11,547,955 on the investment in Latem Global Trading, S.A. (see Note 18 (i)) under impairment and gains/losses on disposal of financial instruments in the accompanying income statement, having adopted the criterion of giving equal weighting to the scenarios envisaged in the independent expert report and taken the average of these scenarios, on considering that this is the best estimate of the recoverable amount of its investment and given that there are no firm third-party offers to acquire an interest in LatemAluminum, S.A. that would provide a better indication of the recoverable amount.

Quinta Metálica Factoría de Revestimientos, S.A.

On 12 March 2021, Raizquinta Architectural Roofing and Cladding, S.L. changed its name to Quinta Metálica Factoria de Revestimientos, S.A. and its share capital was increased to Euros 60,000 through the issuance of 57,000 new shares of Euros 1 par value each. Asturiana de Laminados S.A. subscribed 50% of these new shares and paid up 28.75% thereof. At 30 June 2024 and 31 December 2023 the investment amounted to Euros 8,625.

At 30 June 2024 and 31 December 2023, the share capital of this company amounts to Euros 60,000, of which Euros 17,250 has been paid. This company has reserves of Euros 73,097 (Euros 66,910 at 31 December 2023) and profit for the period of Euros 77,183 (profit of Euros 6,187 at 31 December 2023). The principal activity of the company comprises procurement and construction, particularly the preparation and metal coating of roofs, façades and all manner of structures. Its registered office is located on La Marina industrial estate in Villabrázaro, Zamora.

elZinc America Corporation

On 2 March 2020, the Company subscribed 100 new shares of the share capital of elZinc America Corporation, with a par value of USD 10 each, fully paid up for a total amount of Euros 1,000. At 30 June 2024 and 31 December 2023, the share capital of this company amounts to Euros 1,000 and has been subscribed and fully paid up. This company presents a profit of Euros 19,252 at 30 June 2024 (Euros 107,573 at 31 December 2023).

elZinc France, S.A.S

On 5 June 2021, elZinc France was incorporated as a wholly-owned subsidiary of Asturiana de Laminados, S.A. with a share capital of Euros 3,000. At 30 June 2024, the company has reported a loss of Euros 26,622 (Euros 1,684 at 31 December 2023).

elZinc Deutschland GmbH

On 22 April 2022, elZinc Deutschland GmbH was incorporated as a subsidiary that is 51% owned by Asturiana de Laminados, S.A. with a share capital of Euros 50,000. At 30 June 2024, the company has reported a loss of Euros 11,434 (Euros 53,201 at 31 December 2023).

Details by company at 30 June 2024, are as follows:

Investee	Capital	Unpaid capital	Reserves	Prior years' losses	Profit/(loss) for the period	Total equity
Latem Global Trading(*)	25,600,000	-	(38,817)	(11,430)	(144)	25,549,609
Quinta Metálica Factoría de Revestimientos, S.A.	60,000	(42,750)	73,097	-	77,183	167,530
elZinc America Corporation	1,000	-	-	(468,918)	19,252	(448,666)
elZinc France, S.A.S.	3,000	-	14,180	-	(26,622)	(9,442)
elZinc Deutschland GmbH	50,000	-	2,653	-	(11,434)	41,219

(*) In the half-yearly data, Latem Global Trading has not impaired the amount of its shareholding in Latem Aluminium as it does not prepare interim financial statements, and it will therefore be valued at period end.

None of the investees are listed on the stock exchange. No dividends were received from these companies in 2024 or 2023.

(b) Other financial assets

At 30 June 2024 and 31 December 2023, the Company held a current account with its majority shareholder Laminados del Principado, S.A., the balance of which amounted to Euros 14,888,063 (Euros 14,649,667 at 31 December 2023). This account yields fixed annual interest of 3%. The balance drawn down from the current account with Laminados del Principado, S.A. was used to meet the cash requirements of Laminados del Principado, S.A. for the payment of share redemptions already formalised and agreed with the founding institutional shareholders upon incorporation of Asturiana de Laminados, S.A. At 30 June 2024 the amount payable for these redemptions is Euros 0.6 million (Euros 0.6 million at 31 December 2023), of which approximately Euros 0.6 million are guaranteed by the Company.

At their meeting held on 8 April 2017, the board of directors unanimously approved the extension of a guarantee or loan to the related company Titanzinc, S.A. Consequently, on 27 April 2017 the Company extended a Euros 4,940,000 loan to the related company Titanzinc, S.A., which accrues interest at an annual rate of 3.00%, payable on a half-yearly basis (see note 19). At 30 June 2024, the balance of accrued interest receivable amounts to Euros 309,560 (Euros 309,560 at 31 December 2023). The loan has a seven-year term and the full amount is payable upon maturity. On 26 July 2019, the Company's board of directors approved the extension of the maturity date by a further five years. This related party transaction was carried out for the purpose of enabling Titanzinc S.A. to meet its obligations to third parties.

All the shares of Laminados del Principado, S.A. held by Titanzinc, S.A. have been pledged to the Company to secure this loan, in addition to the future receivables of Titanzinc, S.A. from the dividends that it might receive from Laminados del Principado, S.A. Titanzinc, S.A. is a shareholder of Laminados del Principado, S.A. with an ownership interest of 57.78%.

In 2023, in the light of the agreements reached by the Company's shareholders, Titanzinc, S.A. was released from the pledge in favour of ASLA of the shares it held in Laminados del Principado, S.A., and the loan was novated to expressly reflect Laminados del Principado's assumption of 60% of the debt, i.e. Euros 2,964,000, while Titanzinc, S.A. assumed the remaining 40%, i.e. Euros 1,976,000. The interest accrued up to the suspension agreement dated 21 December 2022 will be distributed on the same pro rata basis.

In 2021 the Company extended a non-current loan to elZinc America Corporation, which amounts to Euros 283,892 at 30 June 2024 (Euros 281,992 at 31 December 2023).

In addition, during the six-month period ended 30 June 2024, the Company extended a loan to Valorización Verde with a balance of Euros 153,192. At 30 June 2024, the Company has extended a short-term credit facility to Latem Global Trading, S.A. with a balance of Euros 111,537 (Euros 111,482 at 31 December 2023) and also to other related parties with a balance of Euros 129,088 (Euros 5,491 at 31 December 2023) (see note 19).

At 30 June 2024, following an assessment by Company management of the recoverable amount of these non-current receivables from Group companies, the Company recognised impairment of Euros 17,513,084 on the receivables from Lufeol Investments, S.L., Laminados del Principado, S.A. and Titanzinc, S.A. (see Note 18 (i)), which is recognised under impairment and gains/losses on disposal of financial instruments.

ASLA's situation was taken into consideration when assessing the recoverable amount (see notes 2 (f) and 6), as the recoverability of the loans granted to the three related parties depends on ASLA's ability to generate cash flows and the distribution thereof in the form of dividends or the sale of the shares in ASLA to third parties, as these are holding companies with no other activities or investments that could give rise to unrealised gains. Following an assessment of the various scenarios and the Company's level of indebtedness and given the current uncertainty surrounding the aluminium rolling mill project (see note 8(a)), the directors consider that the loans granted will not be recoverable. However, ASLA's performance will be monitored on a regular basis and the impairment may be partially or fully reversed in the future depending on the Company's performance in the coming years.

(9) Financial Assets by Category and Investments

(a) Financial assets by category

The Company classifies the financial assets detailed in notes 8, 9 and 12 under financial assets at amortised cost, except for investments in equity instruments amounting to Euros 86,476 at 30 June 2024 (Euros 86,476 at 31 December 2023), which are considered financial assets at cost given that their fair value cannot be reliably estimated, and equity investments in Group companies amounting to Euros 14,537,205 at 30 June 2024 (Euros 14,038,565 at 31 December 2023).

Financial assets at amortised cost are initially measured at fair value and subsequently at amortised cost, with their fair values being the same as their carrying amounts. Financial assets at fair value through equity are measured at fair value and investments in Group companies are measured at cost.

Net gains and losses by financial asset category for the six-month period ended 30 June 2024 amounted to Euros 223,630 of finance income using the amortised cost method from financial assets at amortised cost, relating mainly to the loans extended and bank deposits (Euros 163,204 in the six-month period ended 30 June 2023).

(b) Investments

Movement in non-current and current investments in the six-month-period ended 30 June 2024 and in 2023 is as follows:

Euros	Balance at 01.01.2024	Additions and charges	Balance at 30.06.2024
Non-current investments	4,113,854	-	4,113,854
Equity instruments	86,476	-	86,476
Loans to third parties	67,098	-	67,098
Debt securities	138,403	-	138,403
Fixed-term deposits	3,803,787	-	3,803,787
Non-current security and other deposits extended	18,090	-	18,090
Current investments	5,728,858	(4,862,952)	865,906
Fixed-term deposits	5,527,116	(5,124,035)	403,081
Other financial assets	201,742	261,083	462,825

Euros	Balance at 01.01.2023	Additions and charges	Balance at 30.06.2023
Non-current investments	4,713,854	-	4,713,854
Equity instruments	86,476	-	86,476
Loans to third parties	67,098	-	67,098
Debt securities	138,403	-	138,403
Fixed-term deposits	4,403,787	-	4,403,787
Non-current security and other deposits extended	18,090	-	18,090
Current investments	5,106,285	35,094	5,141,379
Fixed-term deposits	4,917,112	9,970	4,927,082
Other financial assets	189,173	25,124	214,297

The figures shown in the foregoing tables do not differ substantially from the fair values of the related assets.

At 30 June 2024, fixed-term deposits under non-current assets include five deposits at two banks amounting to Euros 3,803,787 (Euros 3,803,787 at 31 December 2023). During the six-month-period ended 30 June 2024 and in 2023, these deposits did not earn any interest. In addition, these deposits are tied to the maturity of the guarantees relating to the 2008, 2014 and 2016 Reindustrialisation loans and 2014 and 2016 Competitiveness loans, which will mature in over 12 months. The maturity of the Reindustrialisation and Competitiveness loans is detailed in note 15.

At 30 June 2024, fixed-term deposits under current assets include two deposits at two banks amounting to Euros 403,081 (Euros 5,527,116 at 31 December 2023). At 30 June 2024, the Company's main supplier, Asturiana de Zinc, S.A., has released the guarantees required for the supply of raw materials, of which Euros 4,524 thousand were linked to a fixed-term deposit which has been cancelled.

(10) Risk Management Policy

(a) Qualitative disclosures

Financial risk is centrally managed at the Company by the directors. The main financial risks affecting the Company are as follows:

(i) Credit risk:

The Company takes out insurance policies to mitigate the credit risk derived from sales to third parties.

During the six-month period ended 30 June 2024 and in 2023, the Company intensified its activity in the collections and risks department in order to meet the collection targets set. However, it has not been necessary to change the policies developed in previous years, since they have been considered sufficient to address the new socio-economic reality.

The average collection period has not changed with respect to the average period in the years prior to the situation derived from the war in Ukraine, and likewise, the percentage of debt covered by insurance has not changed.

(ii) Liquidity risk:

At 30 June 2024, the Company's working capital is negative in an amount of Euros 19,296 thousand (negative working capital of Euros 13,537 thousand at 31 December 2023).

In addition, as detailed in note 2 (f), the Company is in the process of financial restructuring, hence it not settling current payables upon maturity.

Consequently, the Company's ability to service its debt depends on the progress made with the restructuring.

(iii) Market risk (including interest rate, currency and other types of price risk):

Both the cash balances and the financial debt of the Company are exposed to interest rate risk, which could have an adverse impact on its finance costs/income and its cash flows.

As regards currency risk, the Company did not perform any significant transactions in foreign currency during the six-month period ended 30 June 2024 or in 2023.

As regards market risks, fluctuations in zinc prices (LME) affect the measurement of certain inventories that are produced for stock purposes and not on order.

The IBOR reform does not affect the Company.

(b) Quantitative information

- *Credit risk:*

The Company takes out insurance policies to mitigate the credit risk derived from sales to third parties. At 30 June 2024 and 31 December 2023, the percentage of receivables from third parties secured by credit insurance or non-recourse factoring facilities with respect to total receivables from third parties is 92% and the policies taken out cover 95% of the balance with each insured customer.

- *Interest rate risk:*

The Company had not arranged any interest rate hedges at 30 June 2024 or 31 December 2023. A portion of the Company's loans are arranged at floating rates and, therefore, it is exposed to cash flow risk. In addition, the Company has issued bonds (see note 15) at a fixed interest rate and, accordingly, is exposed to fair value risk.

During the six-month period ended 30 June 2024, had interest rates been 100 basis points higher or lower, with other variables remaining constant, profit after tax would have been approximately Euros 76,104 higher/lower (Euros 111,111 at 31 December 2023), mainly because of higher/lower borrowing costs on floating interest debt.

- *Currency risk:*

The Company did not perform any significant transactions in foreign currency and did not arrange any currency hedges in 2024 or 2023.

- *Market risk:*

During the first six months of 2024, zinc prices continued trending upward.

Had zinc prices on the commodities market at 30 June 2024 been 1% higher or lower, with other variables remaining constant, the difference in profit/loss after tax would not be significant.

(11) Inventories

Details of inventories at 30 June 2024 and 31 December 2023 are as follows:

Euros	30.06.2024	31.12.2023
Merchandise	66,243	67,614
Raw materials and other supplies	2,230,278	2,799,462
Work in progress	1,509,558	3,314,016
Finished goods	7,019,176	8,909,526
Advances to suppliers	3,795,977	-
Total	14,621,232	15,090,618

At 30 June 2024 and 31 December 2023, the Company did not consider that it had any obsolete, defective or slow-moving products that reduced the cost at which its inventories were measured.

The Company has taken out insurance policies to cover the risk of damage to its inventories. The coverage of these policies with respect to the carrying amounts of inventories is considered sufficient. As a result of the restructuring plan, the Company is working with new zinc suppliers that are being paid upfront. Advances are therefore being made on account of zinc supplies for its operations, and these amounts have been included in advances to suppliers.

(12) Trade and other receivables

The breakdown of this item in the accompanying balance sheets at 30 June 2024 and 31 December 2023 is as follows:

Euros	30.06.2024	31.12.2023
Receivables from Group companies	1,128,997	573,889
Trade receivables from Group companies (note 19)	1,128,997	573,889
Unrelated parties	9,682,704	7,788,159
Trade receivables	9,226,963	7,399,326
Personal	53,406	46,600
Public entities, other (note 16)	387,335	327,233
Other receivables	15,000	15,000
Total	10,811,701	8,362,048

The carrying amounts shown above do not differ substantially from the fair value of these assets.

Euros 5,055,421 were transferred under non-recourse factoring agreements at 30 June 2024 (Euros 4,091,663 at 31 December 2023).

(13) Equity

(a) Subscribed capital

At 1 January 2021 the share capital of the Company was represented by 25,710,333 registered shares of Euros 1 par value each, subscribed and fully paid.

At their Extraordinary General Meeting held on 10 November 2021, the shareholders of the Company agreed to split the Company's total share capital, which increased from 25,710,333 shares of Euros 1 par value each to 128,551,665 shares with a par value of Euros 0.20 each, proportionally equivalent to five new shares for every one former share. The purpose of the split was to increase the market availability of the Company's stock and to improve stock trading volumes. Splitting the shareholders' investment in the stock this way can attract new investors.

As a result, at 30 June 2024 and 31 December 2023 the Company's share capital amounted to Euros 25,710,333, represented by 128,551,665 shares of Euros 0.20 par value each, subscribed and fully paid.

At 30 June 2024 and 31 December 2023, the Company's shareholders are as follows:

Percentage ownership	30.06.2024	31.12.2023
Laminados del Principado, S.A.	60.37%	60.37%
Natural person	6.02%	5.94%
Own shares	0.65%	0.56%
Other shareholders	32.96%	33.13%
Total	100.00%	100%

At 30 June 2024, Laminados del Principado S.A. and a natural person are the only shareholders that hold an interest of 5% or more.

On 19 June 2017, Asturiana de Laminados, S.A. began trading on BME Growth (previously called Mercado Alternativo Bursátil (Spanish Alternative Stock Market) – MAB). The listing of 100% of the Company's share capital on this market is one of the most important moments in the Company's history, offering solvency, transparency and prestige to investors, customers, suppliers and financial intermediaries and enabling the Company to continue growing and to achieve its main objective, which is to be a global benchmark in the production of rolled zinc products.

Following its aforementioned admission to trading on BME Growth, the Company entered into a liquidity contract with the liquidity provider, whereby the latter undertakes to provide investors with liquidity. In order to enable the liquidity provider to meet the commitments of this contract, Asturiana de Laminados, S.A. provided the former with Euros 300,000 in cash and a certain number of shares.

(b) Share premium

At 30 June 2024 and 31 December 2023 the share premium amounts to Euros 4,686,667. Article 296 of the Revised Spanish Companies Act expressly provides for the use of the share premium to increase share capital and does not establish any specific restrictions applicable to this amount. Nevertheless, the Company's share premium is not freely distributable due to the provisions of the bond issue described in note 15.

(c) Reserves

Under Royal Legislative Decree 1/2010 of 2 July 2010 approving the Revised Spanish Companies Act, 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the balance left on the reserve is at least equal to 10% of the nominal value of total capital after the increase.

Except as indicated above, until the legal reserve exceeds 20% of share capital it can only be used to offset losses, and only when sufficient other reserves are not available for this purpose.

The legal reserve amounts to Euros 1,359,922 at 30 June 2024 (Euros 1,359,922 at 31 December 2023).

At 30 June 2024 and 31 December 2023, the balance of this reserve had not reached the legally required minimum.

The Company has voluntary reserves in its shareholders' equity, which are not freely distributable due to the provisions of the bond issue described in note 15.

(d) Own shares

At 30 June 2024 the Company holds 839,940 own shares valued at Euros 148,847, which represent 0.65% of the Company's share capital (at 31 December 2023 the Company held 724,262 own shares valued at Euros 175,733, which represented 0.56% of the Company's share capital). During the six-month period ended 30 June 2024, the Company carried out the following transactions with own shares, through the operations of its liquidity provider:

Euros	Number	Nominal amount	Average purchase price
Balance at 01.01.2024	724,262	175,733	0.24
Acquisitions	926,921	148,217	0.16
Disposals	(811,243)	(175,463)	(0.22)
Balance at 30.06.2024	839,940	148,487	0.18

(*) The amount obtained from the sale of own shares totalled Euros 138,827, which represents a decline in reserves of Euros 36,636.

Euros	Number of shares	Nominal amount	Average purchase price
Balance at 01.01.2023	784,799	215,843	0.28
Acquisitions	728,804	167,723	0.23
Disposals	(789,341)	(207,833)	(0.27)
Balance at 31.12.2023	724,262	175,733	0.24

(*) The amount obtained from the sale of own shares totalled Euros 183,298, which represents a decline in reserves of Euros 24,524.

ASTURIANA DE LAMINADOS, S.A.

Explanatory Notes to the Interim Financial Statements for the six-month period ended 30 June 2024
(Expressed in Euros)

(14) Capital Grants

Euros				30 June 2023					30 June 2024			
Grantor	Grant	Related loan (*****)	Year awarded	Amount awarded	Balance at 1 January 2023	Recognised in the 6-month period ended 30 June 2023	Tax effect of allocation to profit or loss	Balance at 30 June 2023	Balance at 1 January 2024	Recognised in the 6-month period ended 30 June 2024 and other	Tax effect of allocation to profit or loss and other	Balance at 30 June 2024
MITC (*)	Reindus 2007	2,000,000	2,007	720,994	428,555	(5,207)	1,302	424,650	421,177	(4,549)	1,137	417,765
MITC (*)	Reindus 2008	1,800,000	2,008	595,508	322,299	(5,972)	1,493	317,820	313,803	(5,361)	1,340	309,782
MITC (*)	Reindus 2009	1,500,000	2,009	551,470	325,924	(4,506)	1,128	322,546	319,550	(3,977)	994	316,567
MITC (*)	Reindus 2010	1,800,000	2,010	671,063	327,535	(6,636)	1,659	322,558	317,581	(6,636)	1,659	312,604
MITC (*)	Reindus 2011	1,000,000	2,011	404,650	151,745	(11,240)	2,809	143,314	134,885	(11,240)	2,810	126,455
MITC (*)	MINER Phase I		2,007	6,900,000	3,616,856	(85,660)	21,413	3,552,609	3,492,573	(80,013)	20,003	3,432,563
IDEPA (**)	IDEPA Phase I grant		2,008	2,952,862	1,598,669	(33,710)	8,427	1,573,386	1,549,827	(31,396)	7,849	1,526,280
MEH (***)	LIR Phase I		2,007	1,668,038	857,716	(19,644)	4,911	842,983	829,226	(18,335)	4,584	815,475
MITC (*)	MINER Phase II grant		2,010	5,480,008	3,125,963	(176,492)	44,123	2,993,594	2,937,460	(829,838)	207,459	2,315,081
	Repayment of MINER Phase II		2,010	-	-	-	-	-	-	762,735	(190,683)	-
CDTI (****)	CDTI-CEIT		2,019	114,915	25,855	(11,491)	2,874	17,238	8,617	(11,490)	2,873	-
Total				20,059,508	10,781,117	(360,558)	90,139	10,510,698	10,324,699	(240,100)	60,025	9,572,572

MITC (*) *Ministry of Industry, Tourism and Trade*
IDEPA (**) *Asturias regional government Institute for Economic Development*
MEH (***) *Ministry of Economy and Finance*
CDTI (****) *Centre for the Development of Industrial Technology*
(*****) *The Company recognised as a capital grant the difference between the amounts received and the fair values of these loans (present value of amounts payable discounted at market interest rates). See loans - note 15*

- *We have included an additional line with a breakdown of the amounts of the repayment of the Miner Phase II grant (see note 14(a)) to facilitate accurate cross-referencing of the table with the notes to the financial statements.*

(a) Grants recognised as non-repayable

Information on non-repayable capital grants received by the Company, which form a part of equity, as well as amounts taken to the income statement, are shown in the foregoing table. The requirements for receiving these grants have been met and certified.

With regard to the MINER Phase II grant, the Company was required to repay part of the financing granted for the project consisting of the optimisation and expansion of the zinc melting and rolling technology plant, given that, although the justifications presented by the Company in previous years had been considered adequate, subsequently, as a result of the review carried out by the Just Transition Institute and due to a different interpretation to that considered with respect to the commitment to maintain employment, inasmuch as the project was executed in different phases, ultimately the grant has been partially revoked in the amount of Euros 1,083 thousand which, together with the applicable late payment interest, has led to the recognition of a current liability in the amount of Euros 1,378 thousand and an expense in the income statement for the six-month period of 2024 of Euros 320 thousand, recorded under other income and expenses.

(15) Financial Liabilities

All financial liabilities are classified under financial liabilities at amortised cost and are measured at amortised cost. Their fair value does not differ significantly from their carrying amount at 30 June 2024 and 31 December 2023.

(a) Non-current and current payables

Details of non-current and current payables in the balance sheet at 30 June 2024 and 31 December 2023 are as follows:

ASTURIANA DE LAMINADOS, S.A.

Explanatory Notes to the Interim Financial Statements for the six-month period ended 30 June 2024

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

Euros	30 June 2024						
	Grant date	Maturity date	Nominal interest rate	Initial loan / limit	Total amount	Long-term maturity	Short-term maturity
Bonds and other marketable securities					49,465,265	49,465,265	-
Non-convertible bonds	03/08/2021	02/08/2027	5.75%	50,000,000	49,465,265	49,465,265	-
Loans and borrowings					32,436,444	6,903,134	25,533,310
Caixabank export discounting line	14/09/2020	14/09/2025	Euribor + 1.75%	3,500,000	3,031,972	-	3,031,972
Cajamar reverse factoring	27/11/2017	27/11/2024	Euribor + 1.6%	4,000,000	2,358,458	-	2,358,458
Sabadell factoring	07/07/2017	Indefinite	Euribor + 1.75%	2,500,000	28,965	-	28,965
Liberbank ICO export discounting line	04/06/2020	21/03/2024	Euribor + 2.3%	1,000,000	278,422	-	278,422
Liberbank ICO 1 reverse factoring	13/09/2020	04/06/2026	3-month Euribor + 1.95%	1,500,000	352,257	-	352,257
Confirming Liberbank ICO 2	25/02/2021	25/02/2024	3-month Euribor + 1.95%	1,000,000	995,626	-	995,626
Sabadell ICO reverse factoring	14/05/2018	15/10/2026	2.50%	750,000	748,620	-	748,620
Caixabank ICO loan	20/04/2020	20/04/2028	2.75%	2,000,000	1,330,671	-	1,330,671
Deutsche Bank ICO loan	20/04/2020	20/04/2028	2.91%	2,000,000	1,383,770	1,020,676	363,094
Cajamar ICO loan	30/04/2020	30/04/2028	2.67%	1,500,000	1,048,139	753,950	294,189
Caixabank ICO credit account	17/12/2016	20/04/2026	2.00%	4,000,000	4,006,194	4,006,194	-
BBVA ICO loan	08/05/2020	08/03/2026	4.64%	500,000	255,941	-	255,941
BBVA ICO credit facility	19/06/2021	19/06/2024	2.31%	1,000,000	1,015,275	-	1,015,275
Liberbank ICO loan	15/06/2020	04/06/2028	3.41%	1,000,000	684,885	523,254	161,631
Deutsche Bank reverse factoring	09/06/2021	09/06/2024	6-month Euribor + 2.55%	500,000	500,000	-	500,000
Caja Laboral loan	14/06/2021	14/06/2025	2.65%	600,000	190,615	-	190,615
Cajamar credit facility	03/09/2021	25/08/2026	Euribor	3,000,000	65,891	-	65,891
Santander reverse factoring	24/01/2022	24/07/2024	Euribor + 2.17%	1,800,000	-	-	1,265,649
Sabadell 1 reverse factoring prepayment	25/03/2022	11/04/2025	2.50%	500,000	499,795	-	499,795
Banco Santander prepayment	27/04/2022	27/04/2025	Euribor + 1.70%	2,000,000	1,535,662	-	1,535,662
C. Laboral loan	01/06/2022	01/06/2028	1.50%	1,000,000	814,968	599,060	215,908
SANTANDER Definitive	27/04/2022	27/05/2025	2.90%	1,500,000	1,499,069	-	1,499,069
BBVA reverse factoring prepayment	13/06/2022	13/06/2024	Euribor + 5.75%	1,000,000	1,000,000	-	1,000,000
Banco Sabadell					192,757	-	192,757
Banco Sabadell					2,613	-	2,613
Deutsche Bank					2,408,289	-	2,408,289
Deutsche Bank credit facility					11,657	-	11,657
SANTANDER AZSA guarantee					1,000,000	-	1,000,000
CAJAMAR AZSA guarantee					900,000	-	900,000
Caixa AZSA guarantee					2,586,564	-	2,586,564
Cajamar loan					10,800	-	10,800
Caja Laboral reverse factoring prepayment					400,000	-	400,000
Current interest on loans and borrowings					32,920	-	32,920
Other payables					19,336,375	13,654,842	5,681,533
2007 reindustrialisation loan	31/10/2007	05/01/2028	3.25%	2,000,000	179,167	129,167	50,000
2008 reindustrialisation loan	15/12/2008	05/01/2028	3.25%	1,800,000	340,338	116,250	224,088
2009 reindustrialisation loan	17/08/2009	05/01/2028	3.25%	1,500,000	429,173	241,673	187,500
2010 reindustrialisation loan	15/09/2010	05/01/2028	3.25%	1,800,000	334,846	224,652	110,194
2011 reindustrialisation loan	31/08/2011	05/01/2028	3.25%	1,000,000	468,006	343,006	125,000
2012 reindustrialisation loan	10/12/2012	05/01/2028	3.25%	4,417,500	1,241,068	439,765	801,303
2014 reindustrialisation loan	31/12/2014	05/04/2029	3.25%	3,360,000	1,819,252	1,274,521	544,731
2014 competitiveness loan	31/12/2014	05/04/2029	3.25%	747,750	441,034	308,978	132,056
2016 competitiveness loan	29/12/2016	05/04/2029	3.25%	7,475,596	5,869,864	4,686,142	1,183,722
2016 reindustrialisation loan	29/12/2016	05/04/2029	3.25%	5,015,850	3,379,920	2,698,322	681,598
2017 reindustrialisation loan	27/11/2017	18/01/2030	3.25%	1,123,427	1,159,235	957,660	201,575
CDTI loan	27/01/2017	31/05/2028	0.00%	362,544	145,170	106,498	38,672
Finance lease (note 7)				-	3,075,897	2,128,208	947,689
Accrued interest				-	194,178		194,178
Suppliers of fixed assets				-	259,227		259,227
Total					101,238,084	70,023,241	31,214,843

Euros	31 December 2023						
	Grant date	Maturity date	Nominal interest rate	Initial loan / limit	Total amount	Long-term maturity	Short-term maturity
Bonds and other marketable securities					49,231,623	47,766,555	1,465,068
Non-convertible bonds	03/08/2021	02/08/2027	5.75%	50,000,000	47,766,555	47,766,555	-
Accrued interest					1,465,068	-	1,465,068
Loans and borrowings					32,647,865	11,852,429	20,795,436
Caixabank export discounting line	14/09/2020	14/09/2025	Euribor + 1.75%	3,500,000	3,318,944	-	3,318,944
Cajamar reverse factoring	27/11/2017	27/11/2024	Euribor + 1.6%	4,000,000	3,999,595	-	3,999,595
Sabadell factoring	07/07/2017	Indefinite	Euribor + 1.75%	2,500,000	88,447	-	88,447
Liberbank ICO export discounting line	04/06/2020	21/03/2024	Euribor + 2.3%	1,000,000	801,037	-	801,037
Liberbank ICO 1 reverse factoring	13/09/2020	04/06/2026	3-month Euribor + 1.95%	1,500,000	1,500,000	-	1,500,000
Liberbank ICO 2 reverse factoring	25/02/2021	25/02/2024	3-month Euribor + 1.95%	1,000,000	1,000,000	-	1,000,000
Sabadell ICO reverse factoring	14/05/2018	15/10/2026	2.50%	750,000	750,000	-	750,000
Caixabank ICO loan	20/04/2020	20/04/2028	2.75%	2,000,000	1,462,663	1,142,903	319,760
Deutsche Bank ICO loan	20/04/2020	20/04/2028	2.91%	2,000,000	1,483,872	1,181,067	302,805
Cajamar ICO loan	30/04/2020	30/04/2028	2.67%	1,500,000	1,104,390	874,266	230,124
CaixaBank ICO credit account	17/12/2016	20/04/2026	2%	4,000,000	3,202,299	3,202,299	-
BBVA ICO loan	08/05/2020	08/03/2026	4.64%	500,000	298,171	169,493	128,678
BBVA ICO credit facility	19/06/2021	19/06/2024	2.31%	1,000,000	980,705	-	980,705
Liberbank ICO loan	15/06/2020	04/06/2028	3.41%	1,000,000	763,403	604,865	158,538
Deutsche Bank ICO credit account	26/06/2020	26/04/2025	1.60%	2,400,000	2,397,237	2,397,237	-
Deutsche Bank reverse factoring	09/06/2021	09/06/2024	6-month Euribor + 2.55%	500,000	500,000	-	500,000
Banco Santander export discounting line	21/03/2018	10/05/2024	2.50%	500,000	325,942	-	325,942
Caja Laboral loan	14/06/2021	14/06/2025	2.65%	600,000	246,599	83,411	163,188
Cajamar credit facility	03/09/2021	25/08/2026	Euribor	3,000,000	829,216	-	829,216
Santander reverse factoring	24/01/2022	24/07/2024	2.17%	1,800,000	1,287,786	-	1,287,786
Sabadell 1 reverse factoring prepayment	25/03/2022	11/04/2025	2.50%	500,000	500,000	-	500,000
Banco Santander prepayment	27/04/2022	27/04/2025	Euribor + 1.70%	2,000,000	1,777,581	-	1,777,581
Sabadell 2 reverse factoring prepayment	07/07/2017	07/07/2024	2.50%	500,000	350,000	-	350,000
Caja Laboral loan	01/06/2022	01/06/2028	1.50%	1,000,000	897,955	698,737	199,218
SANTANDER Definitive	27/04/2022	27/05/2025	2.90%	1,500,000	1,498,151	1,498,151	-
BBVA reverse factoring prepayment	13/06/2022	13/06/2024	Euribor + 5.75%	1,000,000	1,000,000	-	1,000,000
Sabadell credit facility	26/12/2018	07/07/2024	3.00%	1,206,000	283,872	-	283,872
Other payables					19,960,046	14,764,021	5,196,025
2007 reindustrialisation loan	31/10/2007	05/01/2028	3.25%	2,000,000	199,999	154,167	45,832
2008 reindustrialisation loan	15/12/2008	05/01/2028	3.25%	1,800,000	357,728	138,749	218,979
2009 reindustrialisation loan	17/08/2009	05/01/2028	3.25%	1,500,000	441,710	257,335	184,375
2010 reindustrialisation loan	15/09/2010	05/01/2028	3.25%	1,800,000	340,860	232,503	108,357
2011 reindustrialisation loan	31/08/2011	05/01/2028	3.25%	1,000,000	472,684	349,767	122,917
2012 reindustrialisation loan	10/12/2012	05/01/2028	3.25%	4,417,500	1,311,998	524,881	787,117
2014 reindustrialisation loan	31/12/2014	05/04/2029	3.25%	3,360,000	1,842,384	1,332,352	510,032
2014 competitiveness loan	31/12/2014	05/04/2029	3.25%	747,750	446,642	322,997	123,645
2016 competitiveness loan	29/12/2016	05/04/2029	3.25%	7,475,596	5,918,613	4,808,014	1,110,599
2016 reindustrialisation loan	29/12/2016	05/04/2029	3.25%	5,015,850	3,407,989	2,768,496	639,493
2017 reindustrialisation loan	27/11/2017	18/01/2030	3.25%	1,123,427	1,168,364	1,140,974	27,390
CDTI loan	27/01/2017	31/05/2028	0.00%	362,544	162,140	123,468	38,672
Finance lease (note 7)				-	3,524,638	2,610,318	914,320
Accrued interest				-	39,210	-	39,210
Suppliers of fixed assets				-	325,087	-	325,087
Total					101,839,534	74,383,005	27,456,529

The amount relating to the limits of the 2007, 2008, 2009, 2010 and 2011 reindustrialisation loans is the total amount awarded without subtracting the associated grant (see note 14).

The effective interest rate on loans and borrowings at 30 June 2024 and 31 December 2023 was an annual rate of between 3.29% and 4.85%.

All the borrowing costs recognised in the six-month periods ended 30 June 2024 and 30 June 2023, amounting to Euros 3,422,284 and Euros 3,258,761, respectively, related to financial debts accounted for using the amortised cost method.

At 30 June 2024, the Company has failed to honour the maturities of three loans, which has triggered the execution of the early repayment clause in the contract, entailing the reclassification of this liability as current in the amount of Euros 1,082,019.

Details of non-current payables at 30 June 2024 and 31 December 2023, by maturity, are as follows:

Euros	30.06.2024
2025/2026 (*)	13,631,373
2026/2027 (*)	3,151,527
2027/2028 (*)	51,806,318
2028/2029 and thereafter	1,434,023
Total	70,023,241

(*) 2025, 2026 and 2027 include amounts of Euros 1 million, Euros 2.4 million and Euros 3.7 million, respectively, corresponding to credit facilities maturing in the long term. The Company's directors intend to renew these facilities at maturity.

Euros	31.12.2023
2025 (*)	9,731,085
2026 (*)	8,527,196
2027 (*)	52,140,473
2028	3,017,016
2029 and thereafter	967,235
Total	74,383,005

(*) 2025, 2026 and 2027 include amounts of Euros 1 million, Euros 2.4 million and Euros 3.7 million, respectively, corresponding to credit facilities maturing in the long term. The Company's directors intend to renew these facilities at maturity.

(b) Bonds and other marketable securities

On 20 July 2016 the Company issued 188 non-convertible bonds with a face value of Euros 100,000 on the EURO MTF market of the Luxembourg stock exchange, with initial maturity on 20 July 2023. These bonds accrued an annual interest rate of 6.50%, payable annually, and the Company had arranged a mortgage on its assets with an appraisal value of Euros 27,676,340, in accordance with the provisions of the bond issue prospectus. On 26 December 2018 an amendment to the terms and conditions of the memorandum was agreed so as to change the maturity date of the issue to 20 July 2025, and provide the in rem guarantee for the issue, comprising a real estate mortgage and a chattel mortgage (see note 6).

On 25 March 2021, the Company's board of directors approved a debt restructuring programme through a bond issue for a maximum amount of Euros 50 million, of which Euros 40 million will be allocated to refinancing debt and Euros 10 million to new investments.

On 3 August 2021 the first issue of the Asturiana de Laminados Bond Programme was subscribed and paid up in an amount of Euros 21.7 million. The bond issue was subscribed by institutional investors of various nationalities. Furthermore, through Euroclear and Clearstream, the Company notified holders of the bonds issued on 12 August 2016 on the EURO MTF market in Luxembourg that, within a maximum period of 15 business days starting from 6 September 2021, a second bond issue in an amount of Euros 18.8 million would be carried out to exchange these former bonds, as agreed at the assembly of bondholders and reflected in the Other Relevant Information bulletin of 18 June 2021.

On 17 September 2021 the second and third issues of the Asturiana de Laminados Bond Programme were subscribed and paid up in amounts of Euros 18.8 million and Euros 4.5 million, respectively. The second issue constituted the full refinancing of the previous issue on the EURO MTF market in Luxembourg, which has been exchanged for this new issue, as agreed at the assembly of bondholders and reflected in the Other Relevant Information bulletin of 18 June 2021.

On 13 October 2021, 26 October 2021 and 4 November 2021 the fourth, fifth and sixth issues of the Asturiana de Laminados Bond Programme were subscribed and paid up in amounts of Euros 2 million, Euros 2.2 million and Euros 0.8 million, respectively, thereby completing the Company's entire Euros 50 million bond issuance programme.

The cash inflows from these issues, net of arrangement fees, amount to Euros 29.2 million.

The issues mature at six years via a bullet repayment, are secured by a mortgage guarantee of Euros 50,000,000 (see note 6) and accrue a coupon of 5.75%. The effective interest rate is an annual 6.92%.

The Company has two bond buyback options, one on 3 August 2026 at 101.475% and another six months prior to their maturity, i.e. 3 February 2027 at 100% (for further details on the issue and bond programme please refer to the MARF website).

As with the previous issue, the bond prospectus sets out a series of obligations to be met by the Company, including reporting obligations, the arrangement of an in-rem guarantee valued at Euros 99,557,098 (see note 6), and restrictions on additional debt and on dividend distribution to shareholders, provided that the net financial debt to EBITDA ratio is lower than 2.5. If, as a consequence of taking on additional debt, the net financial debt to EBITDA ratio were to exceed 2.5, the issuer would have a maximum of six months, starting from the moment it becomes aware of this situation, to reduce the ratio to 2.5x or lower. In the event the ratio has not been reduced to 2.5x or lower after this six-month period has elapsed, it is understood that there are grounds for early redemption.

The prospectus also provides certain early redemption clauses, which include defaults relating to the issue, the failure to meet the obligations assumed in the prospectus, the failure to meet payment obligations vis-à-vis third parties in an amount greater than 8% of the total value of the asset, substantial changes to the Company's statutory activity, auditor's reports containing a disclaimer of opinion and the failure to arrange an in rem guarantee.

On 27 June 2024, at the general meeting of the syndicate of bondholders, Asturiana de Laminados, S.A. requested that the bondholders grant a waiver to modify the final terms and conditions of the bond issues under the "Asturiana de Laminados, S.A. 2021 Fixed Income Programme" as regards the payment date of the ordinary interest, with a coupon due date of 30 June 2024, postponing it to the final redemption date of the bonds, i.e. 2 August 2027, for a total of Euros 1,678,802.60. This waiver request was approved by a simple majority on 27 June 2024, subject to compliance with a number of clauses contained in the waiver.

At 30 June 2024 and 31 December 2023, the Company meets all obligations set forth in the prospectus and has not triggered any of the early redemption clauses. It also complies with the clauses contained in the waiver mentioned in the previous paragraph.

At 30 June 2024 and 31 December 2023, the fair value of the debt does not differ significantly from its carrying amount.

(c) Loans and borrowings

The Company has various financing facilities at 30 June 2024 and 31 December 2023, the terms and outstanding balance of which are detailed in section a) of this note. At 30 June 2024, the Company has been unable to meet its payment obligations on certain loans, thus requiring Euros 1,082,019 of the balance to be reclassified to current, as no standstill has been formally arranged with the banking pool.

(d) Reindustrialisation and CDTI loans

The main terms and outstanding balances at 30 June 2024 and 31 December 2023 are shown in section a) of this note.

(i) 2007, 2008, 2009, 2010 and 2011 reindustrialisation loans

The Company received five reindustrialisation loans, the terms of which are detailed in section a) of this note.

The Company recognises the debts at the fair value (net present value) of the loan repayments. The difference between the amount awarded and the present value was recognised as a capital grant (see note 14).

(ii) *2012, 2013, 2014, 2016 and 2017 reindustrialisation loans*

The Company received five reindustrialisation loans from the MITC, the terms of which are detailed in section a) of this note. The Company will apply to the Spanish Ministry of Economy and Finance to avail of the repayment of these reindustrialisation loans in instalments and will have to secure the instalments with a guaranteed commitment. At 31 December 2023, the Company was permitted to pay Euros 3,917,409 due in 2024 in instalments. It therefore expects the payment in instalments to be approved at the end of this period.

(iii) *2014 and 2016 competitiveness loans*

The Company received two reindustrialisation and competitiveness loans from the Spanish Ministry of Industry, Energy and Tourism, which are detailed in section a) of this note.

(iv) *CDTI loan*

On 27 January 2017, the Centre for the Development of Industrial Technology (CDTI) announced its final decision to award the Company an interest-free loan of Euros 362,544 to carry out a project, repayable in six-monthly instalments of Euros 19,336 each between 2021 and 2028. At 30 June 2024, the Company had satisfied the initial requirements of the CDTI.

(16) Taxation

(a) Current balances with public entities

At 30 June 2024 and 31 December 2023 the Company has the following balances with public entities:

Euros	30.06.2024	31.12.2023
Assets	387,335	327,233
Current tax assets	-	-
Grants receivable	-	-
Value added tax	387,335	327,233
Liabilities	1,653,714	312,581
Current tax liabilities	-	76,972
Withholdings on account of personal income tax	134,278	108,697
Grants repayable	1,378,197	-
Social Security contributions payable	141,239	126,912

(b) Reconciliation of accounting loss and taxable income

Income tax for the period is calculated based on the accounting profit/loss obtained under generally accepted accounting principles, which is not necessarily the same as the taxable income/tax loss.

The reconciliation of the accounting loss before tax at 30 June 2024 and 31 December 2023 with the taxable income for the period is as follows:

Euros	Income statement			Income and expense recognised directly in equity			Total
	Increases	Decreases	Net	Increases	Decreases	Net	
Income and expenses for the period	-	-	(30,281,061)	-	-	180,075	(30,100,986)
Income tax	-	-	(363,394)	-	-	60,025	(303,369)
Loss before income tax	**-**	**-**	**(30,644,455)**	**-**	**-**	**240,100**	**(30,404,355)**
Permanent differences	29,066,514	-	29,066,514	-	-	-	29,066,514
Temporary differences	2,333,907	(98,695)	2,235,212	-	(240,100)	(240,100)	1,995,112
Taxable income/(Tax loss)	31,400,421	(98,695)	657,271	-	(240,100)	-	657,271
Taxable income							657,271
Tax payable							164,318
Tax deductions							(42,930)
Withholdings and payments on account							(119)
Total amount payable							121,269

Euros	Income statement			Income and expense recognised directly in equity			Total
	Increases	Decreases	Net	Increases	Decreases	Net	
Income and expenses for the period	-	-	(2,707,048)	-	-	456,418	(2,250,630)
Income tax	-	-	(907,550)	-	-	152,140	(755,410)
Loss before income tax	**-**	**-**	**(3,614,598)**	**-**	**-**	**608,558**	**(3,006,040)**
Permanent differences	21,500	-	21,500	-	-	-	21,500
Temporary differences	5,289,491	(126,312)	5,163,179	-	(608,558)	(608,558)	4,554,621
Taxable income/(Tax loss)	5,310,991	(126,312)	1,570,081	-	(608,558)	-	1,570,081
Taxable income							1,570,081
Tax payable							392,520
Tax deductions							(129,221)
Withholdings and payments on account							(186,327)
Total amount payable							76,972

Permanent and temporary differences between the accounting loss and taxable income are as follows:

- Positive permanent difference of Euros 5,475 at 30 June 2024 relating to expenses and taxes that are not deductible for tax purposes (Euros 21,500 at 31 December 2023).

- Positive permanent difference amounting to Euros 29,066,514 at 30 June 2024 corresponding to the impairment of financial instruments with related parties in accordance with section 13 of the Spanish Income Tax Law.

- Positive adjustment of Euros 117,159 at 30 June 2024 (Euros 250,443 in 2023) due to the reversal of the accelerated depreciation applied in prior periods provided in additional provision eleven of the Revised Spanish Income Tax Law as worded in Royal Decree-Law 13/2010 of 9 April 2010, and in accordance with transitional provision 34 of the Spanish Income Tax Law.

- Positive adjustment of Euros 2,216,748 at 30 June 2024 (Euros 5,039,048 in at 31 December 2023) due to the limit on the deductibility of finance costs in accordance with article 16 of the Spanish Income Tax Law.

- Negative adjustment of Euros 43,272 due to the application of article 106 of the Spanish Income Tax Law relating to finance leases (Euros 23,776 at 31 December 2023).

- Negative adjustment of Euros 18,409 at 30 June 2024 (Euros 28,203 at 31 December 2023) in connection with the tax recognition of income from grants in accordance with the inspection criterion.

- Negative adjustment of Euros 37,013 at 30 June 2024 and 31 December 2023 relating to the reversal of the 30% limitation on the tax deductibility of the amortisation and depreciation charge in accordance with article 7 of Law 17/2012 of 27 December 2012.

At 30 June 2024 and 31 December 2023, the Company had a balance payable of Euros 130,483 to Laminados del Principado, S.A. relating to income tax for 2014. In 2014, the Company formed a consolidated tax group with Laminados del Principado S.A. (see note 19). The consolidated tax group was dissolved in 2017.

(c) Details of the income tax expense

Details of income tax at 30 June 2024 and 31 December 2023 are as follows:

Euros	30.06.2024	31.12.2023
Current tax:		
Present period	164,318	392,520
Deductions	(42,930)	(129,221)
Deferred tax:		
Source and reversal of temporary differences		
Property, plant and equipment	(20,037)	(53,302)
Non-deductible borrowing costs	(554,187)	(1,259,762)
Tax recognition of income from grants	4,602	7,051
Derecognition of deductions	42,930	129,221
Prior period adjustments	31,092	-
Other	10,818	5,943
Total income tax income recognised in the income statement	(363,394)	(907,550)

(d) <u>Deferred tax assets and liabilities</u>

Details of deferred tax assets and liabilities and movement at 30 June 2024 and 31 December 2023 are as follows:

30 June 2024						
Euros	Opening balance	Income statement		Equity		Closing balance
		Additions	Derecognitions	Additions	Derecognitions	
Deferred tax assets						
Finance costs	3,576,636	554,187	-	-	-	4,130,823
Limitation on depreciation and amortisation	51,701	-	(40,345)	-	-	11,356
Impairment of fixed assets	32,819	-		-	-	32,819
Deductions capitalised	272,660	-	(42,930)	-	-	229,730
Total	3,933,816	554,187	(83,275)	-	-	4,404,728
Deferred tax liabilities						
Accelerated depreciation/amortisation	(3,209,400)	-	29,289	-	-	(3,180,111)
Finance leases	(18,846)	(10,818)	-	-	-	(29,664)
Tax effect of grants	(3,440,758)	-	-	-	250,709	(3,190,049)
Tax recognition of income from grants	333,482	(4,602)	-	-	-	328,880
Total	(6,335,522)	(15,420)	29,289	-	250,709	(6,070,944)

31 December 2023						
Euros	Opening balance	Income statement		Equity		Closing balance
		Additions	Derecognitions	Additions	Derecognitions	
Deferred tax assets						
Finance costs	2,316,874	1,259,762	-	-	-	3,576,636
Limitation on depreciation and amortisation	70,208	-	(18,507)	-	-	51,701
Impairment of fixed assets	32,819	-	-	-	-	32,819
Deductions capitalised	392,682	9,199	(129,221)	-	-	272,660
Total	2,812,583	1,268,961	(147,728)	-	-	3,933,816
Deferred tax liabilities						
Accelerated depreciation/amortisation	(3,272,009)	-	62,609	-	-	(3,209,400)
Finance leases	(12,903)	-	(5,943)	-	-	(18,846)
Tax effect of grants	(3,592,898)	-	-	-	152,140	(3,440,758)
Tax recognition of income from grants	340,533	(7,051)	-	-	-	333,482
Total	(6,537,277)	(7,051)	56,666	-	152,140	(6,335,522)

Based on the best estimate of the Company's future profits, including certain tax planning initiatives, there are no reasonable doubts that the above deferred tax assets will be recovered, hence they have been recognised in the accompanying balance sheet.

At 30 June 2024 the Company does not have any unused tax loss carryforwards.

At 30 June 2024 the Company had unused deductions amounting to Euros 226,082 (Euros 267,162 at 31 December 2023). These deductions arose from research and development activities and, therefore, they may be used within 18 years as from their generation, in accordance with Spanish Income Tax Law 27/2014 of 27 November 2014.

Details of deferred tax assets and liabilities that are expected to be realised or reversed in periods exceeding 12 months are as follows:

Euros	30.06.2024	31.12.2023
Finance costs	4,130,823	3,576,636
Limitation on depreciation and amortisation	(28,989)	33,194
Impairment of fixed assets	32,819	32,819
Deductions capitalised	229,730	272,660
Total assets	4,364,383	3,915,309
Accelerated depreciation/amortisation	(3,180,111)	(3,209,400)
Finance leases	(29,664)	(18,846)
Tax effect of grants	(2,610,460)	(2,955,136)
Total liabilities	(5,820,235)	(6,183,382)
Net	(1,455,852)	(2,268,073)

(e) Years open to inspection

At the date of the authorisation for issue, the Company has all applicable taxes for 2021 to 2024 open to inspection, in addition to income tax for 2020 to 2023.

In accordance with prevailing legislation, taxes cannot be considered definitive until they have been inspected by the taxation authorities or the inspection period has elapsed. However, the Company's directors do not expect any additional significant liabilities to arise as a result of an inspection of the years open.

(17) Guarantees to Third Parties

Details of the Company's guarantees to third parties at 30 June 2024 and 31 December 2023 are as follows:

Euros	30.06.2024	31.12.2023
Raw material purchases	-	9,440,000
Reindustrialisation and competitiveness loans (note 15)	6,804,611	6,804,611
Total	6,804,611	16,244,611

As described in note 9(b), at 30 June 2024 the guarantees required for the supply of raw materials by the Company’s main supplier, Asturiana de Zinc, S.A., have been released in the amount of Euros 9,440,000, of which Euros 4,524,000 reflects the cancellation of fixed-term deposits and the remaining Euros 4,916,000 arises as additional loans and borrowings (see note 15).

(18) Income and Expenses

(a) Revenue

Details of revenue by geographical market and activity for the six-month periods ended 30 June 2024 and 2023 are as follows:

Euros	30.06.2024	30.06.2023
Geographical market		
Domestic	1,606,795	3,251,818
Exports	44,790,965	56,170,558
Total	46,397,760	59,422,376
Type of product		
Spherical anodes	-	72,251
Flat products	42,928,422	53,890,200
Profiled products	2,071,895	2,708,963
Zinc foam and other products	1,397,443	2,750,962
Total	46,397,760	59,422,376

(b) Supplies

Details of this income statement item for the periods ended 30 June 2024 and 30 June 2023 are as follows:

Euros	30.06.2024	30.06.2023
Raw materials purchased	30,950,522	37,913,888
Merchandise purchased	374,007	923,250
Other supplies purchased	1,129,012	1,701,948
Carriage	49,767	75,450
Subcontracted work	35,812	146,329
Change in inventories	570,555	7,580,266
Total	33,109,675	48,341,131

The Company has signed a long-term contract with Asturiana de Zinc, S.A. (a Glencore Group company) to supply all the zinc required for its production process.

(c) Personnel expenses

Details of personnel expenses in the income statements for the six-month periods ended 30 June 2024 and 2023 are as follows:

Euros	30.06.2024	30.06.2023
Salaries and wages	2,649,479	2,851,999
Employee benefits expense	788,880	858,070
Total	3,438,359	3,710,069

(d) Average number of employees

The average headcount of the Company for the six-month periods ended 30 June 2024 and 2023 is as follows:

Category	30.06.2024	30.06.2023
Senior management personnel	10	11
Technicians	15	18
Administrative staff	18	23
Manual workers	102	113
Total	145	165

The average headcount during the six-month periods ended 30 June 2024 and 2023 includes three employees with a disability rating of 33% or more, one of whom is a senior executive and two of whom are manual workers.

(e) Distribution by gender

At 30 June 2024 and 30 June 2023 the distribution by gender of the members of the Company's board of directors and its employees is as follows:

Category	30.06.2024		30.06.2023	
	Male	Female	Male	Female
Senior management personnel	7	3	8	3
Technicians	9	5	10	7
Administrative staff	5	11	5	17
Manual workers	98	8	102	9
Total	119	27	125	36

At 30 June 2024 the board of directors comprises four men and one woman (eight men and one woman at 30 June 2023).

(f) Other operating expenses - External services

Details of this item in the accompanying income statements for the six-month periods ended 30 June 2024 and 30 June 2023 are as follows:

Euros	30.06.2024	30.06.2023
Leases and fees	219,093	231,262
Repairs and maintenance	289,780	317,737
Independent professional services	797,586	838,326
Carriage	535,652	800,644
Insurance premiums	221,367	119,324
Banking and similar services	116,130	155,028
Advertising, publicity and public relations	95,839	178,023
Utilities	1,005,373	1,582,578
Other services	420,979	347,103
Total	3,701,799	4,570,025

(g) Other operating income

At 30 June 2024 and 2023 this line item mainly includes various services rendered to the Group company LatemAluminium, S.A.

(h) Audit fees

KPMG Auditores, S.L., the auditor of the Company's financial statements, has invoiced the Company the following fees for professional services during the six-month periods ended 30 June 2024 and 2023:

Euros	30.06.2024	30.06.2023
Other assurance services	21,188	17,976
Other services	3,120	3,000
Total	24,308	20,976

The amounts detailed in the above table include the total fees for services rendered in the six-month periods ended 30 June 2024 and 30 June 2023, irrespective of the date of invoice.

Other assurance services include agreed-upon procedures for the review of financial ratios and the limited review of the interim financial statements at 30 June 2024 and 2023.

"Other services" include the translation of the annual accounts for the year ended 31 December 2023.

(i) Impairment and gains/(losses) on disposal of financial instruments

In 2024, in this heading the Company mainly records the impairment of the investment in LatemAluminium, S.A. through the shares it holds in the investee Latem Global Trading, S.A. amounting to Euros 11,547,955 and the impairment of receivables from investees amounting to Euros 17,513,084 (see note 8).

(19) Balances and Transactions with Group Companies, Associates and Related Parties

Details of balances with Group companies at 30 June 2024 and 31 December 2023 are as follows:

Euros	Balances receivable/(payable)					
	30.06.2024			31.12.2023		
	Parent	Other related parties	Total	Parent	Other related parties	Total
Other non-current financial assets (note 8)	-	283,892	283,892	14,649,667	4,006,173	18,655,840
Laminados del Principado, S.A.	-	-	-	14,649,667		14,649,667
Titanzinc, S.A.	-	-	-	-	2,285,560	2,285,560
Lufeol Investment, S.L.	-	-	-	-	339,460	339,460
elZinc America Corporation	-	283,892	283,892	-	281,992	281,992
Inverórbigo, S.A.	-	-	-	-	1,099,161	1,099,161
Trade receivables from Group companies (note 12)	-	1,128,997	1,128,997	-	573,889	573,889
Latemaluminium S.A.	-	101,367	101,367	-	-	-
elZinc America Corporation	-	528,502	528,502	-	345,650	345,650
Quinta Metálica Factoria de Revestimientos, S.A.	-	499,128	499,128	-	228,239	228,239
Other current financial assets (note 8)	-	415,210	415,210	-	259,939	259,939
Latem Global Trading, S.A.	-	111,537	111,537	-	111,482	111,482
elZinc France, S.A.S	-	-	-	-	5,491	5,491
Valorización Verde	-	153,192	153,192	-	142,966	142,966
Pico Orbia Machines & Cars, S.L.	-	150,361	150,361	-	-	-
Other	-	120	120	-	-	-
Total balances receivable	-	1,828,099	1,828,099	14,649,667	4,840,001	19,489,668
Group companies and associates, current	(130,483)	(21,393)	(151,876)	(130,483)	-	(130,483)
Laminados del Principado, S.A. (note 16)	(130,483)	-	(130,483)	(130,483)	-	(130,483)
elZinc France, S.A.S.	-	(21,393)	(21,393)	-	-	-
Suppliers, Group companies	-	(129,446)	(129,446)	-	(89,424)	(89,424)
elZinc Deutschland GmbH	-	(88,225)	(88,225)	-	(58,112)	(58,112)
elZinc France, S.A.S.	-	(29,608)	(29,608)	-	(31,312)	(31,312)
Quinta Metálica Factoria de Revestimientos, S.A.	-	(11,613)	(11,613)	-	-	-
Total balances payable	(130,483)	(150,839)	(281,322)	(130,483)	(89,424)	(219,907)

Details of transactions with Group companies and/or related parties at 30 June 2024 and 2023 are as follows:

Euros	Income/(expenses)					
	30.06.2024			30.06.2023		
	Parent	Other related parties	Total	Parent	Other related parties	Total
Sales						
LatemAluminium, S.A.	-	281,817	281,817	-	455,338	455,338
elZinc America Corporation	-	182,852	182,852	-	18,586	18,586
elZinc Deutschland GmbH	-	-	-	-	14,914	14,914
Quinta Metálica Factoría de Revestimientos, S.A.	-	31,264	31,264	-	571,037	571,037
Other operating income						
LatemAluminium, S.A.	-	90,287	90,287	-	234,230	234,230
Finance income						
Laminados del Principado, S.A.	219,312	-	219,312	161,286	-	161,286
Total income	219,312	586,220	805,532	161,286	1,294,105	1,455,391
Expenses						
elZinc France, S.A.S.	-	(214,135)	(214,135)	-	(208,506)	(208,506)
elZinc Deutschland GmbH	-	(64,059)	(64,059)	-	(82,157)	(82,157)
Pico Orbia Machines & Cars, S.L.	-	(49,275)	(49,275)	-	(120,240)	(120,240)
Quinta Metálica Factoría de Revestimientos, S.A.	-	-	-	-	(22,213)	(22,213)
External services						
Construcción Industrial Busa 2013, S.L.	-	(7,358)	(7,358)	-	-	-
Total expenses	-	(334,827)	(334,827)	-	(433,116)	(433,116)

All transactions with related parties in 2024 and 2023 were conducted at arm's length.

(20) <u>Information on the Board of Directors and Senior Management Personnel</u>

(a) <u>Information on the Company's directors and senior management personnel</u>

At 30 June 2024 and 31 December 2023 the Company's directors and senior management personnel have not received any loans or advances. The Company has no pension or life insurance obligations with its former or current directors or senior management personnel.

During the six-month period ended 30 June 2024, the members of the board of directors of the Company received remuneration amounting to Euros 133,333 in their capacity as directors (Euros 200,000 in the six-month period ended 30 June 2023). Total remuneration accrued in 2024 by the Company's senior management, including certain directors, amounted to Euros 323,497 (Euros 381,924 in the six-month period ended 30 June 2023), of which Euros 52,891 was for members of the board of directors. It is understood that senior management includes all personnel of equal or superior rank to a head of department. Also, public liability insurance premiums of Euros 18,926 were paid for damage or loss arising from acts or omissions in the six-month period ended 30 June 2024 (Euros 18,926 in the six-month period ended 30 June 2023).

The directors of the Company and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

(21) Other Information

(a) Environmental information

The Company has a state-of-the-art production process that enables it to be more environmentally friendly, save energy and efficiently exploit raw materials.

In 2011 the Company was awarded "comprehensive environmental certification".

No investments have been made or costs incurred to prevent or remedy environmental impacts and no grants or income have been received relating to the environment. The directors consider that no environmental contingencies exist.

(b) Late payments to suppliers in commercial transactions

Final provision two of Law 31/2014 of 3 December 2014, amending the Spanish Companies Act to introduce improvements to corporate governance, amends additional provision three of Law 15/2010 of 5 July 2010, which in turn amended Law 3/2004 of 29 December 2004 establishing measures to combat late payment, to require that all commercial companies expressly disclose the average supplier payment period in the notes to their financial statements. The following table shows the average supplier payment period, transactions paid ratio, transactions payable ratio, total amount paid and total amount outstanding at 30 June 2024 and 31 December 2023:

Days	30.06.2024	31.12.2023
Average supplier payment period	74	45
Transactions paid ratio	33	48
Transactions payable ratio	437	31
Amount	**30.06.2024**	**31.12.2023**
Total payments made	35,104,779	89,528,319
Total payments outstanding	4,041,347	16,227,559

A breakdown of the information on invoices paid within the maximum period stipulated by legislation on late payments (60 days) is as follows:

	30.06.2024	31.12.2023
Monetary volume paid in Euros	23,466,616	74,796,253
As a percentage of total payments to suppliers	67%	84%
Number of invoices paid	691	1,555
As a percentage of total invoices paid	40%	38%

(c) International Financial Reporting Standards

In accordance with article 525 of the Spanish Companies Act, companies that have issued securities listed on a regulated market of any European Union Member State, as defined in article 1.13 of Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field, and that, pursuant to current legislation, only publish individual annual accounts, must disclose in the notes to the annual accounts the main changes that would have arisen in capital and reserves and in the income statement had International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") been applied.

Under Spanish GAAP, grants are recognised in equity as income, net of the related tax effect, when they have been officially awarded, the conditions attached to them have been met and there is reasonable assurance that the grants will be received.

Under IFRS-EU, grants are recognised as a liability when it is reasonably certain that the grant conditions will be met and the funds will be received. This entails the recognition of a liability from the date on which the grants are awarded until they qualify for recognition in the income statement.

In accordance with IFRS-EU increases in value of land and buildings are voluntarily recognised, which would offset the reduction in equity as a result of the reclassification of grants.

The impact on the balance sheet at 30 June 2024 and 31 December 2023 is as follows:

Equity and Liabilities	30.06.2024			31.12.2023		
	Spanish GAAP	Reclassification	IFRS-EU	Spanish GAAP	Reclassification	IFRS-EU
Capital and reserves	3,051,012	-	3,051,012	33,981,592	-	33,981,592
Grants, donations and bequests received	9,572,572	(9,572,572)	-	10,324,699	(10,324,699)	-
Total equity	12,623,584	(9,572,572)	3,051,012	44,306,291	(10,324,699)	33,981,592
Non-current payables	70,023,241	-	70,023,241	74,383,005	-	74,383,005
Government grants	-	(12,763,429)	(12,763,429)	-	13,766,265	13,766,265
Deferred tax liabilities	6,070,944	(3,190,857)	2,880,087	6,335,522	(3,441,566)	2,893,956
Total non-current liabilities	76,094,185	(15,954,286)	60,139,899	80,718,527	10,324,699	91,043,226

The following standards came into force from 1 January 2024 and would not have a significant impact on equity and the income statement if IFRS were applied at the Company:

Standards and amendments to standards pending adoption by the European Union	Effective date
Amendments to IAS 1 – Non-current Liabilities with Covenants. Classification as Current or Non-current	01 January 2024
Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	01 January 2024

The Company does not consider that the application of these standards and interpretations would have a significant impact on equity and the income statement upon their entry into force, if International Financial Reporting Standards as adopted by the European Union were applied. Nevertheless, the Company is analysing the impacts with a view to potentially disclosing them in the annual accounts for the coming periods.

(22) Events after the Reporting Period

No additional significant events have occurred that would require disclosure.

ASTURIANA DE LAMINADOS, S.A.

DIRECTORS' REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

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

THE COMPANY

Asturiana de Laminados, S.A. was incorporated on the basis of the experience and sector know-how of its founding shareholders, who detected the need for a new competitive manufacturer of the highest level in terms of technological development in the rolled zinc for construction sector, which was very concentrated, having only two players with a wide presence and product offering.

With the knowledge acquired in the European zinc sector, and taking advantage of the difficulties, and at the same time, the opportunities brought about by the concentration of its producers, and the presence of the biggest raw material manufacturer in Asturias, Spain (Asturiana de Zinc, S.A.), it was the perfect setting to embark on a highly ambitious project that is Asturiana de Laminados, S.A., a company founded in 2006.

Asturiana de Laminados, S.A. is constantly innovating, permanently researching in its laboratories to improve processes and searching for new products. The Company also benefits from the collaboration of various universities and qualified metal institutes in Spain, France and Germany for the purpose of product certification, such as Ceit-IK4-Universidad de Navarra, Itma-Centro Tecnológico del Principado de Asturias, Universidad de Oviedo-Escuela de Ingenieros de Minas, ZID Zinkberatung Ingenieurdienste GmbH, Institut Bauen und Umwelt and Q-Lab.

BUSINESS PERFORMANCE IN THE FIRST SIX MONTHS OF 2024

Since 2010, Asturiana de Laminados, S.A. has been consistently increasing its range of products and finishes, enabling the Company to become the world's third biggest player in terms of laminated zinc products. With the launch of the special-width line, the Company has become the sole manufacturer in the world offering rolled products with a width of 1,400 mm.

The Company has designed an ambitious plan focused on special-width production that will enable it to supply products with a width of over 1,100 mm and up to 1,400 mm, which is unique in the sector, which it expects to commercialise on the US market.

The strategy of Asturiana de Laminados, S.A. is aimed at the markets in central Europe and emerging markets (China, Korea, Japan, the US, the UK, North Africa and the Middle East) that require new products, finishes and formats which allow an architectural design capable of combining the old and the new, and ensuring quality and durability over time. The new pre-weathered products developed by the Company have led the way to the rapid penetration into these emerging markets.

The Company's aim has always been to consolidate the elZinc brand as a reference brand worldwide for traditional sector products (natural and pre-weathered zinc), its products with added value (elZinc Rainbow and elZinc Advance product range), new developments (Cossmo, composite and honeycomb panels), and products already on the market such as zinc for ornamentation. The following products are also expected to consolidate their position in the market in the coming years: elZinc Rainbow, elZinc Lava, elZinc Oliva, elZinc Crystal, elZinc Advance finishes and also the special-width line of products.

The elZinc brand is present and recognised worldwide, and the reputation of elZinc is becoming consolidated together with its values: Quality, Range, Flexibility and Innovation. The efforts as regards made-to-order work are reflected in the numerous projects that have either already been performed or are in the execution stage using elZinc material.

Asturiana de Laminados, S.A. began 2024 off the back of two consecutive years, 2022 and 2023, of significant drops in sales in terms of tonnes, in a market context in which the LME zinc price was on a downward trend.

This drop in sales is due primarily to a significant downturn in demand in Europe, with countries such as France and Germany, elZinc's main markets, seeing the construction sector suffer greatly from the interest rate situation and their weak economies.

At the start of 2024, both institutional and private organisations published studies and market analyses that forecast a recovery in Europe in 2024 of the construction market in general and of the rolled zinc market in particular, which would put an end to the negative cycle that started in 2022.

However, the forecast recovery has been delayed, causing the Company to face further reductions in activity that have brought on a financial restructuring process to address weak demand and the Company's inability to meet its financial obligations. As a result, in the first half of 2024 the following measures were adopted:

- A financial restructuring of the Company was announced with the aim of making it viable.
- A request was made for the appointment of a restructuring expert in accordance with the provisions of article 672 et seq. of the Revised Spanish Companies Act, and an order was issued by Commercial Court no. 2 of Oviedo, under case number 427/2024 dated 30 July 2024, appointing the corresponding expert, who is already working on the report.
- A waiver of the coupon payment on the bond maturing in June 2023 was requested and obtained, pushing payment back to August 2027, in line with the maturity of the principal. The decision was submitted to the assembly of bondholders held on 27 June and was approved by a simple majority of the votes cast, with 93.78% of the bondholders present voting in favour, 0.50% of the bondholders present voting against and 5.72% of the bondholders present abstaining.
- At the same time, a viability plan has been prepared by an external consultant and is being reviewed by an independent firm that has been commissioned to prepare an IBR (Independent Business Review).
- In addition, negotiations are underway with the Company's various creditors and mainly with the bondholders and the banking pool, directly and with the intervention of the advisors appointed by each of them.

In this context, during the first half of 2024 the Company decreased the tonnes brought to the market by 9% compared to the first half of the previous year, despite the 7% drop in zinc prices on international markets (LME) with respect to 2023.

EBITDA at 30 June 2024 stood at Euros 2.6 million versus Euros 3.4 million in the same period of the prior year, which is a reduction of 21%.

OUTLOOK FOR THE SECOND HALF OF 2024

The Company's outlook for the second half of 2024 depends on two distinct areas:

- The progress made on the restructuring plan and the agreements reached with finance providers, which could favour or condition the Company's brand.
- Trends in the market for rolled zinc used in construction.

The behaviour of the market in which the Company is present will be conditioned by factors external to the Company, such as:

- Developments in international conflicts and their consequences.
- Performance of the main European economies.
- Interest rates and their impact on the construction market.

The Company is constantly looking for ways to mitigate the adversities that affect the economy in general and our industry in particular.

elZinc is working on the development of sales and marketing tools with Salesforce and a digital marketing strategy adapted to each of the markets with a view to beginning testing them in the French, Spanish, North American and Portuguese markets in 2024 and primarily in 2025. The medium-term objectives are to:

1. Optimise market penetration costs and have much more flexible and reactive structures.
2. Generate, warm up and reach the sales negotiation stage with an increasing number of leads that would otherwise require larger and more costly structures with a slower penetration.
3. Gain market share over other market options.
4. Work more quickly in markets that currently display very low demand but very high potential, mainly North America, where the classic model would require very long lead times and very high costs.

The Company's objective is to grow and we are aware that the ever-present price pressure that exists in all markets is greatly alleviated when the proposed industrial solutions are exclusive and, in addition, the consistency of the message for these years of activity, of flexibility and guaranteed quality, project an image of unwavering commitment to our customers.

We will continue to expand our commercial initiatives worldwide to cement growth and elZinc's hallmarks (Quality – Flexibility – Innovation) and to take another step towards excellence.

PAYMENTS TO SUPPLIERS

Pursuant to Law 15/2010 of 5 July 2010, amending Law 3/2004 of 20 December 2004, which introduces measures to combat late payments in commercial transactions, the information on late payments to suppliers is indicated in explanatory note 21. At present, given the Company's delicate situation, it is unable to meet the deadlines set by the Law. The Company is taking measures to enable payments to be made within the periods stipulated in the Law.

SIGNIFICANT EVENTS IN THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

No significant events have occurred besides those mentioned in the notes to the annual accounts.

R&D ACTIVITIES

The Company's intense research and development work has continued on new products and on production improvements, which will enable the Company to cater to the demands of a market that is increasingly global, albeit highly disparate based on the geographical region in which the market is located. In addition, new finishes are being sought to provide greater product stability and a lengthening of life, and to offer even better qualities.

OWN SHARES

Asturiana de Laminados, S.A. shares are listed on BME Growth (formerly called "Mercado Alternativo Bursátil"), forming part of the Ibex Growth Market® 15 index.

At 30 June 2024 the Company holds 839,940 own shares valued at Euros 148,487, which represent 0.65% of the Company's share capital. In the six-month period ended 30 June 2024 the Company carried out the following transactions with own shares:

	Number of shares
Balance at 01.01.2024	724,262
Acquisitions	926,921
Disposals	(811,243)
Balance at 30.06.2024	839,940

All the sales of own shares made by the Company during the six-month period ended 30 June 2024 relate to transactions performed exclusively by the liquidity supplier pursuant to the operational guidelines established by the market regulator.

Capitalisation totalled Euros 15.8 million at 30 June 2024.

RISK MANAGEMENT POLICY

Financial risk is centrally managed at the Company by the directors. The main financial risks affecting the Company are as follows:

(i) Credit risk:

The Company takes out insurance policies to mitigate the credit risk derived from sales to third parties.

In 2024, the Company intensified its activity in the collections and risks department in order to meet the collection targets set before the crisis caused by the COVID-19 pandemic and the war in Ukraine. However, it has not been necessary to change the policies developed in previous years, since they have been considered sufficient to address the new socio-economic reality.

The average collection period has not changed with respect to the average period prior to the events described and, likewise, the percentage of debt covered by insurance has not changed.

(ii) Liquidity risk:

At 30 June 2024, working capital, calculated as current assets less current liabilities, is negative in the amount of Euros 19,295 thousand (negative in the amount of Euros 13,537 thousand at 31 December 2023). In addition, the Company recorded losses of Euros 30,281 thousand in the six-month period ended 30 June 2024 (loss of Euros 2,707 thousand at 31 December 2023), as a result of the decrease in the consumption of rolled products by the Company's main European customers and, to a greater extent, due to the impairment losses recorded in the first half of the year on the loans granted to the majority shareholder and other related companies, and impairment of the ownership interest in Latem Global Trading, S.A.

As the 2024 market recovery forecast by the directors has ultimately not taken place, and even though results from operating activities continue to be positive, the Company has faced liquidity problems as a result of the high level of debt assumed to carry out the investments in the Company's production facilities and those related to the development, construction and entry into service of the aluminium rolling mill through the subsidiary Latem Global Trading, S.A. in the province of Zamora. Pursuant to Law 9/2012 of 14 November 2012, the Company therefore initiated a financial restructuring process to stabilise and strengthen the Company's structure in order to meet the challenges of the future.

In view of the foregoing, although equity at 30 June 2024 is not less than 50% of share capital, the Company will assess its performance in the second half of the year and the progress of the restructuring plan so that the directors can adopt any necessary rebalancing measures within the established deadlines.

The directors consider it necessary to restructure the debt as the generation of operating cash flows in the context indicated above does not enable the debt to be repaid under the current terms and conditions.

The Company has drawn up scenarios with business projections for the 2024-2032 period based on the current situation and market expectations, giving rise to a conservative scenario that has been used to support the Company's Viability Plan, which proposes moderate growth for 2026 and subsequent years that would enable the repayment of debt once it has been restructured, which is expected to be approved by the creditors.

At the date of authorisation for issue of these interim financial statements, the Company is in the process of restructuring, which it expects to complete before the end of 2025.

In view of the above, although the situation described casts material uncertainty on the Company's ability to continue as a going concern, the directors of the Company reasonably expect that, in the short term, an agreement will be reached with creditors that will enable it, on the basis of the Viability Plan, to service the restructured debt. The directors have therefore prepared these interim financial statements on a going concern basis.

(iii) Market risk:

Both the cash balances and the financial debt of the Company are exposed to interest rate risk, which could have an adverse impact on its finance costs/income and its cash flows.

As regards currency risk, the Company did not perform any significant transactions in foreign currency in 2024 or 2023.

(iv) Hedges

Given the unique possibility of fixing metal purchases in advance, it has not been and is not expected to be necessary to arrange derivatives to hedge exposure to zinc price fluctuations.

SIGNIFICANT EVENTS AFTER THE SIX-MONTH REPORTING PERIOD ENDED 30 JUNE 2024

No significant events have occurred since the reporting date besides those already mentioned in the notes to the accompanying interim financial statements.

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

On 28 November 2024, the directors of Asturiana de Laminados, S.A. approved the interim financial statements and directors' report for the six-month period ended 30 June 2024.

Signed:

Macario Fernández Fernández
Chairman and CEO

Macario Fernández García
Board member

Agustín Azparren Lucas
Board member

Maria Elvira Fernández Hevia
Board member

Carlos J. Álvarez Fernández
Board member

I hereby declare: that the interim financial statements and director's report for the six-month period ended 30 June 2024 approved by the directors at their board meeting held on 28 November 2024, are the accompanying documents, signed by the Secretary to the board.

Pablo Álvarez de Linera Granda
Non-executive secretary